

HOUSE 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,
415, 421, 422, 423, 441, 442, 444, 446, 451, 455, 461, 485, 487,
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,
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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

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

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

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

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

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

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

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

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

1 for which a corporation for profit may be organized under that
2 ~~act~~-STATUTE.

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

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

7 (a) Is RECOGNIZED BY THE UNITED STATES INTERNAL REVENUE
8 SERVICE AS exempt or qualifies for exemption under section
9 501(c)(3) of the internal revenue code OF 1986, 26 USC 501.

10 (b) Is a corporation whose purposes, structure, ~~or~~ AND
11 activities are exclusively those that are described in section
12 501(c)(3) of the internal revenue code OF 1986, 26 USC 501.

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

15 (2) "Corporation" or "domestic corporation" means a nonprofit
16 corporation FORMED UNDER THIS ACT, OR FORMED UNDER ANY OTHER
17 STATUTE OF THIS STATE AND SUBJECT TO THIS ACT UNDER SECTION 121 OR
18 123 OR UNDER ANY OTHER SECTION OF THIS ACT.

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

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

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

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

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

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

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

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

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

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

27 ~~—— (3) "Insolvent" means being unable to pay debts as they become~~

1 ~~due in the usual course of a debtor's business.~~

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

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

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

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

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

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

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

1 CORPORATION, OR FOREIGN BUSINESS CORPORATION.

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

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

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

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

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

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

27 (b) Every foreign corporation ~~which~~ **THAT** is authorized to **OR**

1 DOES conduct affairs in this state **EXCEPT AS OTHERWISE PROVIDED**
 2 **UNDER THIS ACT OR ANOTHER STATUTE.**

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

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

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

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

19 (a) ~~Chapter 55 of the Revised Statutes of 1846, entitled~~
 20 ~~"general provisions relating to corporations", as amended, being~~
 21 ~~sections 450.504 to 450.525 of the Michigan Compiled Laws.1846 RS~~
 22 **55, MCL 450.504 TO 450.525.**

23 (b) ~~Act No. 156 of the Public Acts of 1955, being sections~~
 24 ~~450.701 to 450.704 of the Michigan Compiled Laws.1955 PA 156, MCL~~
 25 **450.701 TO 450.704.**

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

1 **THIS ACT.**

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

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

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

11 (b) A secret society or lodge.

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

15 (d) A church trustee corporation.

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

18 (f) An ecclesiastical corporation.

19 (g) A public building corporation.

20 (h) A street railway under the nonprofit street railway act,
21 1867 PA 35, MCL 472.1 to ~~472.31~~ **472.27**.

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

27 Sec. 131. (1) A document required or permitted to be filed

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

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

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

1 the document for filing in another manner determined by the
2 administrator.

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

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

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

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

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

27 (b) For any filing that a person requests the administrator to

1 complete within 2 hours on the same day as the day of the request,
2 \$500.00. The department may establish a deadline by which a person
3 must submit a request for filing under this subdivision.

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

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

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

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

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

1 ~~corporation need not be in the English language.~~

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

17 (a) The corporate seal.

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

20 (c) An acknowledgment or proof.

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

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

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

26 Sec. 143. (1) ~~When~~ **IF** a notice or communication is required or
27 permitted by this act to be given by mail, it shall be mailed,

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

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

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

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

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

1 MEMBERS THAT SHARE A COMMON ADDRESS.

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

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

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

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

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

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

17 (2) If the administrator refuses **TO AUTHORIZE** or revokes the
 18 authorization of a foreign corporation to conduct affairs in this
 19 state ~~pursuant to~~-**UNDER** this act, the foreign corporation may seek
 20 judicial review ~~pursuant to~~-**UNDER** sections 103, 104, and 106 of the
 21 administrative procedures act of 1969, 1969 PA 306, MCL 24.303,
 22 24.304, and 24.306.

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

25 (a) The name of the corporation.

26 (b) The purposes for which the corporation is ~~organized.~~

27 **FORMED.** It ~~shall not be~~-**IS NOT** sufficient to state substantially

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

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

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

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

1 personal property and the terms of the general scheme of financing
2 the corporation.

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

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

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

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

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

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

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

27 (c) A provision that eliminates ~~the personal~~ **OR LIMITS A**

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

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

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

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

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

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

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

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

1 corporation, its shareholders, or its members for all acts or
2 omissions of a volunteer director occurring on or after January 1,
3 1988 incurred in the good faith performance of the volunteer
4 director's duties.

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~corporation, a foreign corporation authorized to conduct affairs in~~
2 ~~this state, or a foreign business corporation authorized to~~
3 ~~transact business in this state; a corporate name currently~~
4 ~~reserved under this act, a predecessor act, or Act No. 284 of the~~
5 ~~Public Acts of 1972, as amended; or a name assumed under section~~
6 ~~217 or under section 217 of Act No. 284 of the Public Acts of 1972,~~
7 ~~as amended, being section 450.1217 of the Michigan Compiled Laws,~~
8 ~~unless the written consent of the other domestic corporation,~~
9 ~~domestic business corporation, foreign corporation, or foreign~~
10 ~~business corporation or holder of a reserved name, to the adoption~~
11 ~~of a confusingly similar name, but not the same name, is filed in~~
12 ~~the office of the administrator, or, in lieu of the consent, there~~
13 ~~is filed a certified copy of a final judgment of a court of~~
14 ~~competent jurisdiction establishing the prior right of the~~
15 ~~corporation to the use of the name in this state.~~ **SHALL DISTINGUISH**
16 **THE CORPORATE NAME IN THE RECORDS IN THE OFFICE OF THE**
17 **ADMINISTRATOR FROM ALL OF THE FOLLOWING:**

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

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

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

25 (iv) THE NAME OF ANY DOMESTIC LIMITED PARTNERSHIP OR FOREIGN
26 LIMITED PARTNERSHIP AS FILED OR REGISTERED UNDER THE MICHIGAN
27 REVISED UNIFORM LIMITED PARTNERSHIP ACT, 1982 PA 213, MCL 449.1101

1 TO 449.2108, OR ANY NAME CURRENTLY RESERVED OR ASSUMED UNDER THAT
2 ACT.

3 (v) THE NAME OF ANY DOMESTIC LIMITED LIABILITY COMPANY OR
4 FOREIGN LIMITED LIABILITY COMPANY AS FILED OR REGISTERED UNDER THE
5 MICHIGAN LIMITED LIABILITY COMPANY ACT, 1993 PA 23, MCL 450.4101 TO
6 450.5200, OR ANY NAME CURRENTLY RESERVED OR ASSUMED UNDER THAT ACT.

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

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

1 affairs in this state.

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

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

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

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

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

1 by the applicant for ~~whom~~ **WHICH** the name was reserved, ~~and stating~~
2 **THAT STATES** the name and address of the transferee.

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

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

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

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

1 SUBSECTION IS CONSIDERED A NEW CERTIFICATE OF ASSUMED NAME.

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

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

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

1 action or special proceeding by the attorney general.

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

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

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

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

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

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

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

27 (b) The street address of ~~its then~~**THE CORPORATION'S**

1 registered office **AT THE TIME OF FILING**, and its mailing address if
2 different from its street address.

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

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

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

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

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

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

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

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

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

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

1 HIS OR HER last known address.

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

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

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

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

26 (a) Have perpetual duration.

27 (b) Sue and be sued in all courts and participate in actions

1 and proceedings judicial, administrative, arbitrate, or
2 otherwise, in the same manner as a ~~natural person~~. **AN INDIVIDUAL.**

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

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

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

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

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

25 (h) Purchase, take, receive, subscribe for, or otherwise
26 acquire, own, hold, vote, employ, sell, lend, lease, exchange,
27 transfer, or otherwise dispose of, mortgage, pledge, use, and

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

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

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

25 (A) THE CONTRACTING CORPORATION.

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

1 CORPORATION.

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

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

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

26 (j) Lend money, invest and reinvest its funds, and take and
27 hold real and personal property as security for the payment of

1 funds loaned, ~~or~~ invested, **OR REINVESTED.**

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

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

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

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

25 (o) Cease its corporate activities and dissolve.

26 (p) Conduct its affairs, carry on its operations, and have
27 offices and exercise the powers granted ~~by~~ **UNDER** this act in any

1 jurisdiction ~~within or without~~ **IN OR OUTSIDE** the United States,
2 and, in the case of a corporation the purpose or purposes of which
3 require the transaction of business, the receipt and payment of
4 money, the care and custody of property, and other incidental
5 business matters, transact ~~such~~ **THAT** business, receive, collect,
6 and disburse ~~such~~ **THAT** money, and engage in ~~such~~ **THOSE** other
7 incidental business matters as are naturally or properly within the
8 scope of its articles.

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

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

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

25 (4) Any nonprofit power corporation that is authorized to
26 furnish electric service may construct, maintain, and operate its
27 lines along, over, across, or under any public places, streets, and

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

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

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

26 (7) EXCEPT AS PROVIDED IN SECTION 209(1)(D) OR SECTION
27 209(1)(E), ANY DULY LICENSED OR AUTHORIZED INDIVIDUAL WHO IS

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

11 [

13]

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

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

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

26 (3) A CORPORATION SHALL NOT MAKE A DIRECT OR INDIRECT TRANSFER
 27 OF MONEY OR OTHER PROPERTY OR INCUR INDEBTEDNESS TO OR FOR THE

1 BENEFIT OF ITS DIRECTORS OR OFFICERS WITHOUT ADEQUATE
2 CONSIDERATION. THIS SUBSECTION DOES NOT PREVENT A CORPORATION FROM
3 PAYING COMPENSATION TO ITS DIRECTORS AND OFFICERS IN REASONABLE
4 AMOUNTS FOR SERVICES RENDERED TO THE CORPORATION OR FROM ENTERING
5 INTO TRANSACTIONS WITH OFFICERS AND DIRECTORS UNDER SECTIONS 545A
6 AND 548.

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

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

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

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

1 shareholder corporation.

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

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

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

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

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

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

1 BEING DISTRIBUTED THAN THE SHAREHOLDERS OR MEMBERS HAVE WITH
 2 RESPECT TO THE CORPORATION MAKING THE DISTRIBUTION.

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

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

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

1 SHARES ISSUED BY THE CORPORATION:

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

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

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

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

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

1 ~~be stated in the articles of incorporation or the bylaws. Each~~
2 ~~share shall be equal to every other share of the same class.~~

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

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

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

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

1 stock of a shareholder ~~who~~ THAT fails to comply with adopted rules
2 without liability for an accounting.

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

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

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

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

1 CONVERSION PRIVILEGES OF ANY BONDS OR SHARES CONVERTIBLE INTO
2 SHARES OF THE CLASS.

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

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

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

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

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

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

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

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

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

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

26 (5) The articles of incorporation or the bylaws may provide
27 that members of a homeowners or property owners association are

1 entitled to voting rights ~~predicated~~ **BASED** on the number of lots
2 owned by each member.

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

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

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

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

1 **LIMITING, OR OTHERWISE PRESCRIBING THEIR RIGHTS AS MEMBERS OR**
2 **EXCLUDING THEM FROM MEMBERSHIP.**

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

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

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

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

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

1 (a) A subscription for shares or for membership made before or
 2 after ~~organization~~ **FORMATION** of a corporation ~~shall~~ be paid in
 3 full at ~~such~~ **THE** time, or in ~~such~~ installments and at ~~such~~ **THE**
 4 times, as ~~shall be determined by~~ the board **DETERMINES**.

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

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

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

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

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

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

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

1 whether fixed by agreement or judgment.

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

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

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

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

27 **(A) THE BOARD MAY AUTHORIZE SHARES THAT ARE ISSUED FOR NO**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (2) A certificate ~~representing~~ **THAT REPRESENTS** shares issued

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

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

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

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

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

1 ~~liquidating distributions.~~

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

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

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

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

27 (2) **A CORPORATION MAY NOT ISSUE SHARES OF 1 CLASS AS A SHARE**

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

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

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

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

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

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

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

1 FOLLOWING:

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

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

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

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

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

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

1 RIGHTS BY AN AMENDMENT TO ITS ARTICLES OF INCORPORATION.

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

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

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

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

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

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

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

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

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

1 DISSOLVED AT THE TIME OF THE DISTRIBUTION, TO SATISFY THE
2 PREFERENTIAL RIGHTS ON DISSOLUTION OF SHAREHOLDERS OR MEMBERS WHOSE
3 PREFERENTIAL RIGHTS ARE SUPERIOR TO THOSE THAT RECEIVE THE
4 DISTRIBUTION.

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

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

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

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

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

27 (6) A CORPORATION'S INDEBTEDNESS TO A SHAREHOLDER OR MEMBER

1 THAT IS INCURRED BY REASON OF A DISTRIBUTION MADE UNDER THIS
2 SECTION IS AT PARITY WITH THE CORPORATION'S INDEBTEDNESS TO ITS
3 GENERAL, UNSECURED CREDITORS, EXCEPT AS OTHERWISE AGREED.

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

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

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

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

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

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

1 OF SHARES ACQUIRED IN EXCHANGE FOR THE OBLIGATION.

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

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

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

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

1 ~~has been~~ **IS** designated for 15 months after ~~organization~~ **FORMATION**
 2 of the corporation or after its last annual meeting, the circuit
 3 court for the county in which the **PRINCIPAL PLACE OF BUSINESS OR**
 4 registered office of the corporation is located, ~~upon~~ **ON**
 5 application of a shareholder or member, may summarily order **THAT**
 6 the **CORPORATION HOLD THE** meeting or the election, or both, ~~to be~~
 7 **AND THAT IT IS** held at ~~such~~ **THE** time and place, ~~upon such~~ **AFTER THE**
 8 notice, and for the transaction of ~~such~~ **THE** business ~~as may be~~ **THAT**
 9 **IS** designated in the order. At any ~~such~~ meeting ordered ~~to be~~
 10 called by the court **UNDER THIS SECTION**, the shareholders or members
 11 ~~that are~~ **THAT ARE** present in person or by proxy and ~~having~~ **THAT HAVE**
 12 voting powers ~~that~~ constitute a quorum for transaction of the business
 13 designated in the order.

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

1 by the court **UNDER THIS SECTION**, the shareholders or members **THAT**
2 **ARE** present in person or by proxy and ~~having~~**THAT HAVE** voting
3 powers constitute a quorum for transaction of the business
4 designated in the order.

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

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

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

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

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

1 THE SHAREHOLDER'S OR MEMBER'S INTENTION TO PRESENT THE PROPOSAL AT
2 THE MEETING. THE BYLAWS MAY ESTABLISH REASONABLE PROCEDURES FOR THE
3 SUBMISSION OF PROPOSALS TO THE CORPORATION IN ADVANCE OF A MEETING.

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

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

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

27 (A) **WAIVER** of objection to lack of notice or defective notice

1 of the meeting, unless the shareholder or member at the beginning
2 of the meeting objects to holding the meeting or transacting
3 business at the meeting.

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

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

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

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

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

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

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

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

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

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

1 concurrently with the proceedings.

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

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

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

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

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

27 **Sec. 407. (1) The articles of incorporation may provide that**

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

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

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

1 without prior notice, and without a vote, if **BEFORE OR AFTER THE**
2 **ACTION** all the shareholders or members entitled to vote on the
3 action **OR THEIR PROXIES** consent to the action in writing. **IF THE**
4 **SHAREHOLDERS OR MEMBERS TAKE AN ACTION BY WRITTEN CONSENT UNDER**
5 **THIS SUBSECTION THAT REQUIRES FILING OF A CERTIFICATE UNDER ANY**
6 **OTHER SECTION OF THIS ACT IF THE ACTION HAD BEEN TAKEN AT A**
7 **MEETING, THE CERTIFICATION FILED UNDER THE OTHER SECTION SHALL**
8 **STATE, IN LIEU OF ANY STATEMENT REQUIRED BY THAT SECTION CONCERNING**
9 **A VOTE OF THE SHAREHOLDERS OR MEMBERS, THAT WRITTEN CONSENT HAS**
10 **BEEN GIVEN AS PROVIDED IN THIS SUBSECTION.**

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

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

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

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

24 (A) SET FORTH EACH PROPOSED ACTION.

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

27 (C) SPECIFY A TIME BY WHICH THE CORPORATION MUST RECEIVE A

1 BALLOT IN ORDER TO BE COUNTED AS A VOTE OF THE SHAREHOLDER OR
2 MEMBER. THE TIME SPECIFIED SHALL BE NOT LESS THAN 20 OR MORE THAN
3 90 DAYS AFTER THE DATE THE CORPORATION PROVIDES THE BALLOT TO THE
4 SHAREHOLDERS OR MEMBERS.

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

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

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

26 (6) IF HOLDERS OF AT LEAST 10% OF ALL THE VOTING SHARES OR OF
27 AT LEAST 10% OF THE MEMBER VOTES SUBMIT A PROPOSAL FOR ACTION BY

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

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

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

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

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

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

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

27 (5) SUBJECT TO SUBSECTION (6), A CORPORATION THAT PROVIDES IN

1 ITS ARTICLES OF INCORPORATION OR BYLAWS FOR SHAREHOLDER OR MEMBER
2 ACTION BY BALLOT CAST AT A POLLING PLACE OR AT POLLING PLACES MAY
3 ESTABLISH PROCEDURES THAT ENABLE SHAREHOLDERS OR MEMBERS OR A
4 SPECIFIED NUMBER OR PERCENTAGE OF SHAREHOLDERS OR MEMBERS TO
5 INCLUDE PROPOSED ACTIONS IN A BALLOT.

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

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

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

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

1 DETERMINATION APPLIES TO ANY ADJOURNMENT OF THE MEETING, UNLESS THE
2 BOARD ESTABLISHES A NEW RECORD DATE UNDER THIS SECTION FOR THE
3 ADJOURNED MEETING.

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

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

1 THE BOARD. THE DATE SHALL NOT BE MORE THAN 60 DAYS BEFORE THE
2 PAYMENT OF THE SHARE DIVIDEND, DISTRIBUTION, OR ALLOTMENT OF A
3 RIGHT OR OTHER ACTION. IF A RECORD DATE IS NOT ESTABLISHED, THE
4 RECORD DATE IS THE CLOSE OF BUSINESS ON THE DAY ON WHICH THE
5 RESOLUTION OF THE BOARD RELATING TO THE CORPORATE ACTION IS
6 ADOPTED.

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

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

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

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

1 (d) ~~Be~~ **THE LIST IS** prima facie evidence ~~as to who are the~~ **OF**
2 **WHICH** shareholders or members **ARE** entitled to examine the list or
3 to vote at the meeting.

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

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

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

1 class for transaction of the item of business.

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

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

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

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

1 ARE ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A DIRECTORSHIP
2 CORPORATION.

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

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

23 (b) Transmitting or authorizing the transmission of a
24 telegram, cablegram, or other means of electronic transmission to
25 the person ~~who~~ THAT will hold the proxy; or to a proxy solicitation
26 firm, proxy support service organization, or similar agent ~~fully~~
27 ~~authorized by the~~ THAT THE person who will hold the proxy

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

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

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

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

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

1 the shares or ~~members~~. **MEMBERSHIP.**

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

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

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

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

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

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

1 its irrevocability are noted conspicuously on the face or back of
2 the certificate representing the shares.

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

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

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

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

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

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

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

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

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

27 (2) ~~When~~ **IF** an action, other than the election of directors,

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

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

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

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

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

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

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

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

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

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

1 AND THE FIRST CORPORATION OWNS, DIRECTLY OR INDIRECTLY, A MAJORITY
2 OF THE SHARES OR MEMBERSHIPS ENTITLED TO VOTE FOR DIRECTORS OF THE
3 SECOND CORPORATION.

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

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

26 Sec. 455. ~~When, with~~ **WITH** respect to an action to be taken by
27 the shareholders or members, **IF** the articles of incorporation

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

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

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

1 CONDITIONS OF THE VOTING TRUST, BY FILING AN EXECUTED COUNTERPART
2 OF THE AGREEMENT AT THE REGISTERED OFFICE OF THE CORPORATION, AND
3 BY TRANSFERRING THOSE SHARES OR MEMBERSHIP TO THE TRUSTEE FOR
4 PURPOSES OF THE AGREEMENT.

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

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

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

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

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

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

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

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

1 AGREEMENT OR EXTENSION AGREEMENT IS VALID FOR A PERIOD OF 10 YEARS
2 FROM THE DATE OF ITS COMMENCEMENT AND BECOMES INOPERATIVE AT THE
3 END OF THAT 10-YEAR PERIOD UNLESS EXTENDED UNDER SUBSECTION (1).

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

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

1 SEC. 473. WITHOUT LIMITING THE GENERAL AUTHORITY UNDER SECTION
2 472(1) TO IMPOSE RESTRICTIONS ON THE TRANSFER OR REGISTRATION OF
3 BONDS, SHARES, OR MEMBERSHIPS OF A CORPORATION THAT ARE OTHERWISE
4 TRANSFERABLE, A RESTRICTION ON THE TRANSFER OR REGISTRATION OF
5 TRANSFER OF BONDS, SHARES, OR MEMBERSHIPS OF A CORPORATION THAT IS
6 CONSISTENT WITH SECTION 301 IS PERMITTED IF IT DOES ANY OF THE
7 FOLLOWING:

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

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

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

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

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

1 Sec. 485. A corporation shall keep books and records of
2 account and minutes of the proceedings of its shareholders or
3 members, board, and executive committee, if any. Unless otherwise
4 provided in the bylaws, the **CORPORATION MAY KEEP THE** books,
5 records, and minutes ~~may be kept~~ outside this state. The
6 corporation shall keep at its registered office, or at the office
7 of its transfer agent ~~within or without~~ **IN OR OUTSIDE** this state,
8 records ~~containing~~ **THAT CONTAIN** the names and addresses of all
9 shareholders or members, the number and class of shares held by
10 each shareholder or the class or classes of membership held by each
11 member, and the dates when they respectively became ~~holders~~
12 **SHAREHOLDERS** of record ~~thereof or members~~. Any of ~~such~~ **THE** books,
13 records, or minutes may be in written form or in any other form
14 ~~capable of being converted~~ **THAT IS CONVERTIBLE** into written form
15 within a reasonable time. A corporation shall convert into written
16 form without charge any ~~such~~ record **THAT IS** not in ~~such~~ **WRITTEN**
17 form, ~~upon written request of~~ **IF REQUESTED BY** a person **THAT IS**
18 entitled to inspect ~~them~~. **THE RECORD.**

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

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

1 ~~business hours, its minutes of shareholders' or members' meetings~~
2 ~~and record of shareholders or members and make extracts therefrom,~~
3 ~~at the places where they are kept pursuant to section 485.~~

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

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

27 (3) IF A CORPORATION DOES NOT PERMIT AN INSPECTION REQUIRED

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

1 STATE AND PRESCRIBE TERMS AND CONDITIONS ON THOSE OBLIGATIONS.

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

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

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

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

1 DIRECTORS THAT APPROVE A LIMITATION UNDER THIS SUBSECTION MAKE A
2 GOOD FAITH DETERMINATION THAT 1 OR MORE OF THE FOLLOWING APPLY:

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

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

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

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

22 (9) AS USED IN THIS SECTION:

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

26 (B) "RIGHT TO INSPECT RECORDS" INCLUDES THE RIGHT TO COPY AND
27 MAKE EXTRACTS FROM THE RECORDS OF A CORPORATION AND, IF REASONABLE,

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

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

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

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

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

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

1 (E) IT ESTABLISHES THE TERMS AND CONDITIONS OF ANY AGREEMENT
2 FOR THE TRANSFER OR USE OF PROPERTY OR THE PROVISION OF SERVICES
3 BETWEEN THE CORPORATION AND ANY MEMBER, SHAREHOLDER, DIRECTOR,
4 OFFICER, OR EMPLOYEE OF THE CORPORATION OR AMONG THE MEMBERS,
5 SHAREHOLDERS, DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION.

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

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

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

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

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

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

27 (i) A PROVISION OF THE ARTICLES OF INCORPORATION OR BYLAWS

1 THAT IS APPROVED BY ALL MEMBERS OR SHAREHOLDERS OR ALL DIRECTORS OF
2 A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS AT THE TIME
3 OF THE AGREEMENT.

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

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

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

24 (4) ANY PERSON THAT BECOMES A MEMBER OF A CORPORATION
25 ORGANIZED ON A MEMBERSHIP BASIS, A SHAREHOLDER OF A CORPORATION
26 ORGANIZED ON A STOCK BASIS, OR A DIRECTOR OF A CORPORATION
27 ORGANIZED ON A DIRECTORSHIP BASIS AND DID NOT HAVE KNOWLEDGE OF THE

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

26 (5) IF AN AGREEMENT AUTHORIZED IN THIS SECTION CEASES TO BE
27 EFFECTIVE FOR ANY REASON AND IS CONTAINED OR REFERRED TO IN THE

1 CORPORATION'S ARTICLES OF INCORPORATION OR BYLAWS, THE BOARD MAY
2 WITHOUT SHAREHOLDER OR MEMBER ACTION ADOPT AN AMENDMENT TO THE
3 ARTICLES OF INCORPORATION OR BYLAWS TO DELETE THE AGREEMENT AND ANY
4 REFERENCES TO IT.

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

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

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

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

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

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

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

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

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

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

1 LIMITED TO, AN ORDER THAT PROVIDES FOR ANY OF THE FOLLOWING:

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

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

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

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

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

21 (F) AN AWARD OF DAMAGES TO THE CORPORATION OR A SHAREHOLDER OR
22 MEMBER. A PERSON MUST COMMENCE AN ACTION SEEKING AN AWARD OF
23 DAMAGES WITHIN 3 YEARS AFTER THE CAUSE OF ACTION UNDER THIS SECTION
24 HAS ACCRUED, OR WITHIN 2 YEARS AFTER THE SHAREHOLDER OR MEMBER
25 DISCOVERS OR REASONABLY SHOULD HAVE DISCOVERED THE CAUSE OF ACTION
26 UNDER THIS SECTION, WHICHEVER OCCURS FIRST. IN AWARING DAMAGES
27 UNDER THIS SUBSECTION TO A SHAREHOLDER OR MEMBER, THE SHAREHOLDER

1 OR MEMBER IS NOT CONSIDERED TO HAVE ANY INTEREST IN CHARITABLE OR
2 OTHER ASSETS OF THE CORPORATION THAT WOULD NOT BE DISTRIBUTABLE TO
3 SHAREHOLDERS OR MEMBERS OF THE CORPORATION IN A DISSOLUTION UNDER
4 SECTION 855.

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

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

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

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

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

1 (D) "MEMBER" MEANS A RECORD OR BENEFICIAL OWNER OF A
2 MEMBERSHIP IN A CORPORATION THAT IS ORGANIZED ON A MEMBERSHIP BASIS
3 AND INCLUDES A BENEFICIAL OWNER WHOSE MEMBERSHIP IS HELD IN A
4 VOTING TRUST OR HELD BY A NOMINEE ON THE OWNER'S BEHALF.

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

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

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

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

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

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

1 (A) A WRITTEN DEMAND IS MADE ON THE CORPORATION TO TAKE
2 SUITABLE ACTION.

3 (B) NINETY DAYS HAVE EXPIRED FROM THE DATE THE DEMAND WAS MADE
4 UNLESS THE SHAREHOLDER, MEMBER, OR DIRECTOR IS NOTIFIED THAT THE
5 CORPORATION HAS REJECTED THE DEMAND OR UNLESS IRREPARABLE INJURY TO
6 THE CORPORATION WOULD RESULT BY WAITING FOR THE EXPIRATION OF THE
7 90-DAY PERIOD.

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

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

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

27 (A) BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS, IF THE

1 DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT A MEETING OF THE
2 BOARD.

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

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

10 (D) BY ALL DISINTERESTED DIRECTORS.

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

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

25 (A) THE PLAINTIFF TO PAY ANY OF THE DEFENDANT'S REASONABLE
26 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN DEFENDING
27 THE PROCEEDING IF IT FINDS THAT THE PROCEEDING WAS COMMENCED OR

1 MAINTAINED IN BAD FAITH OR WITHOUT REASONABLE CAUSE.

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

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

18 (2) The board of a corporation that is subject to the uniform
19 prudent management of institutional funds act, **2009 PA 87, MCL**
20 **451.921 TO 451.931**, has the powers granted under both that act and
21 this act. ~~However, in~~ **IN** the event of an inconsistency between the
22 2 acts, the uniform prudent management of institutional funds act,
23 **2009 PA 87, MCL 451.921 TO 451.931**, controls.

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

1 THE FOLLOWING:

2 (A) THE BOARD OF A PRIVATE FOUNDATION AND BOARD OF A
3 CORPORATION FORMED TO PROVIDE CARE TO A DENTALLY UNDERSERVED
4 POPULATION UNDER SECTION 16625 OF THE PUBLIC HEALTH CODE, 1978 PA
5 368, MCL 333.16625, SHALL CONSIST OF 1 OR MORE DIRECTORS.

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

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

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

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

1 received by the corporation or **AT** a later time if ~~set forth~~ **A LATER**
 2 **TIME IS STATED** in the notice of resignation.

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

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

27 (2) A corporation ~~having~~ **THAT HAS** more than 1 class of shares

1 or membership may provide in its articles of incorporation or a
 2 bylaw adopted by each class of shareholders or members for the
 3 election of 1 or more directors by shareholders or members of a
 4 class, to the exclusion of other shareholders or members.

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

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

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

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

1 ~~directorship basis.~~

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

11 (3) ~~(2) In the case of~~ IF a corporation having ~~HAS~~ cumulative
12 voting, ~~if~~ AND less than the entire board is to be removed, no 1 of
13 the directors may be removed if the votes cast against ~~the~~
14 ~~director's~~ HIS OR HER removal would be ARE sufficient to elect ~~the~~
15 ~~director~~ HIM OR HER if ~~then~~ cumulatively voted at an election of
16 the entire board of directors, or, if there are classes of
17 directors, at an election of the class of directors of which ~~the~~
18 ~~director~~ HE OR SHE is a part.

19 (4) ~~(3) When shareholders~~ IF HOLDERS OF A CLASS OF STOCK OR OF
20 BONDS or members of a class are entitled by UNDER the articles OF
21 INCORPORATION or a bylaw adopted pursuant to UNDER section 506(2)
22 to elect 1 or more directors, this section applies, with respect to
23 removal of a director so elected, to the vote of the holders of the
24 outstanding shares ~~or~~ OF THAT CLASS OF STOCK, THE HOLDERS OF THOSE
25 BONDS, OR THE members of that class. ~~and not to the vote of the~~
26 ~~outstanding shares or membership as a whole.~~

27 SEC. 514. (1) THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE

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

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

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

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

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

22 (B) THE BOARD MAY FILL THE VACANCY.

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

26 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF INCORPORATION
27 OR BYLAWS, IF THE HOLDERS OF ANY CLASS OR CLASSES OF STOCK OR THE

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

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

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

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

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

24 (5) A CORPORATION MAY FILL A VACANCY THAT WILL OCCUR AT A
25 SPECIFIC DATE, BY REASON OF A RESIGNATION THAT IS EFFECTIVE AT A
26 LATER DATE UNDER SECTION 505 OR OTHERWISE, BEFORE THE VACANCY
27 OCCURS, BUT A DIRECTOR WHO IS ELECTED OR APPOINTED UNDER THIS

1 **SUBSECTION MAY NOT TAKE OFFICE UNTIL THE VACANCY OCCURS.**

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

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

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

1 Participation in a meeting ~~pursuant to~~ **UNDER** this subsection
2 constitutes ~~presence~~ **ATTENDANCE** in person at the meeting.

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

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

27 Sec. 527. (1) Unless otherwise provided in the articles of

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

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

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

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

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

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

1 affairs of the corporation. ~~However, such a~~ **AN EXECUTIVE** committee
2 does not have power or authority to **DO ANY OF THE FOLLOWING:**

3 (a) Amend the articles of incorporation.

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

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

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

10 (e) Amend the bylaws of the corporation.

11 (f) Fill vacancies in the board.

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

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

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

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

26 **SEC. 529. A CORPORATION MAY AGREE TO SUBMIT A MATTER TO A VOTE**
27 **OF ITS SHAREHOLDERS OR MEMBERS EVEN IF, AFTER APPROVING THE MATTER,**

1 THE BOARD OF DIRECTORS LATER DETERMINES THAT IT NO LONGER
2 RECOMMENDS THE MATTER OR RECOMMENDS AGAINST APPROVAL OF THE MATTER
3 BY THE SHAREHOLDERS OR MEMBERS.

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

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

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

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

27 Sec. 541. (1) ~~A director or an officer shall discharge the~~

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

16 (A) IN GOOD FAITH.

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

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

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

25 (A) ONE OR MORE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE
26 CORPORATION, OR OF A DOMESTIC OR FOREIGN CORPORATION OR A BUSINESS
27 ORGANIZATION UNDER JOINT CONTROL OR COMMON CONTROL, WHOM THE

1 DIRECTOR OR OFFICER REASONABLY BELIEVES TO BE RELIABLE AND
2 COMPETENT IN THE MATTERS PRESENTED.

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

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

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

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

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

26 (6) ~~(4)~~If the corporation's articles of incorporation contain
27 a provision authorized under section ~~209(d),~~ **209(1)(D)**, a claim for

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

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

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

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

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

26 (C) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S
27 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE SHAREHOLDERS

1 OR MEMBERS WHO ARE ENTITLED TO VOTE AND THEY AUTHORIZED, APPROVED,
2 OR RATIFIED THE TRANSACTION.

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

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

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

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

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

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

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

1 (3) This section does not deny, limit, or restrict the powers
2 of guaranty or warranty of a corporation at common law or under any
3 statute.

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

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

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

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

1 (B) ~~(c) Distribution of assets~~ **MAKING A DISTRIBUTION** to
 2 shareholders or members during or after dissolution of the
 3 corporation without paying ~~, or adequately providing for, all~~
 4 ~~known~~ debts, obligations, and liabilities of the corporation **AS**
 5 **REQUIRED UNDER SECTION 855.**

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

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

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

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

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

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

1 subrogated to the rights of the corporation against shareholders or
 2 members ~~who~~**THAT** received the **SHARE DIVIDEND OR** distribution in
 3 proportion to the amounts received by them. ~~respectively.~~

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

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

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

25 Sec. 553. (1) ~~A~~**IF A** director ~~who~~ is present at a meeting of
 26 the board, or ~~a~~**AN EXECUTIVE** committee thereof of which ~~the~~
 27 ~~director~~**HE OR SHE** is a member, at ~~which~~**AND** action on a corporate

1 matter ~~referred to~~ **DESCRIBED** in section 551 is taken ~~—~~ **AT THAT**
 2 **MEETING, THE DIRECTOR** is presumed to ~~have concurred~~ **CONCUR** in that
 3 action unless a ~~HIS OR HER~~ dissent is entered in the minutes of the
 4 meeting or unless ~~the director~~ **HE OR SHE** files a ~~HIS OR HER~~ written
 5 dissent to the action with the ~~person~~ **INDIVIDUAL WHO IS** acting as
 6 secretary of the meeting before or promptly after the adjournment
 7 thereof. ~~OF THE MEETING.~~ The right to dissent does not apply to a
 8 director who voted in favor of the action. A

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

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

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

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

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

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

1 **REQUIRED TO ASSUME THE PERSON'S LIABILITIES UNDER SECTION 209(1)(D)**
2 **OR (E), THE CORPORATION SHALL INDEMNIFY THE PERSON FOR ACTUAL AND**
3 **REASONABLE** expenses, including actual and reasonable attorneys'
4 fees, incurred in connection with the action, suit, or proceeding
5 and ~~in any~~ **AN** action, suit, or proceeding brought to enforce the
6 mandatory indemnification provided in this subsection. **SECTION.**

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

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

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

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

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

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

1 ~~fines, or amounts paid in settlement for which the person is~~
2 ~~entitled to be indemnified.~~

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

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

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

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

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

27 (ii) IF THE BOARD IS UNABLE TO OBTAIN A QUORUM UNDER

1 SUBDIVISION (A) AND THE BOARD IS UNABLE TO DESIGNATE A COMMITTEE
2 UNDER SUBDIVISION (B), BY THE BOARD.

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

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

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

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

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

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

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

1 (iii) IF THERE ARE FEWER THAN 2 DIRECTORS WHO ARE NOT PARTIES
2 OR THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR
3 PROCEEDING, BY THE VOTE NECESSARY FOR ACTION BY THE BOARD UNDER
4 SECTION 523. ALL DIRECTORS MAY PARTICIPATE IN AUTHORIZATION UNDER
5 THIS SUBPARAGRAPH.

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

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

1 INCLUDING ATTORNEYS' FEES, ACTUALLY AND REASONABLY INCURRED, AND
2 FOR JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN SETTLEMENT
3 THAT ARE ACTUALLY AND REASONABLY INCURRED.

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

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

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

1 AUTHORIZATION IN THE MANNER DESCRIBED IN SECTION 564A(4) UNLESS AN
2 ADVANCE IS MANDATORY. A CORPORATION MAY AUTHORIZE ADVANCES WITH
3 RESPECT TO A PROCEEDING AND DETERMINE THE REASONABLENESS OF
4 ADVANCES OR APPROVE A METHOD FOR DETERMINING THE REASONABLENESS OF
5 ADVANCES IN A SINGLE RESOLUTION COVERING THE ENTIRE PROCEEDING.
6 HOWEVER, UNLESS THE ACTION OR RESOLUTION PROVIDES OTHERWISE, AN
7 AUTHORIZING OR DETERMINING AUTHORITY OF THE CORPORATION MAY
8 SUBSEQUENTLY TERMINATE OR AMEND THE AUTHORIZATION OR DETERMINATION
9 WITH RESPECT TO ADVANCES THAT ARE NOT YET MADE.

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

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

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

26 (B) THE PERSON IS FAIRLY AND REASONABLY ENTITLED TO
27 INDEMNIFICATION IN VIEW OF ALL THE RELEVANT CIRCUMSTANCES, WHETHER

1 OR NOT THE PERSON MET THE APPLICABLE STANDARD OF CONDUCT SET FORTH
2 IN SECTION 561 OR 562 OR WAS ADJUDGED LIABLE AS DESCRIBED IN
3 SECTION 562. HOWEVER, IF THE PERSON IS FOUND LIABLE,
4 INDEMNIFICATION IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE
5 PERSON.

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

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

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

1 OMISSION EXPLICITLY AUTHORIZES THAT ELIMINATION OR IMPAIRMENT AFTER
2 THE ACTION OR OMISSION HAS OCCURRED.

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

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

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

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

15 SEC. 571. AS USED IN SECTIONS 561 TO 567:

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

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

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

25 (D) A PERSON THAT ACTED IN GOOD FAITH AND IN A MANNER THE
 26 PERSON REASONABLY BELIEVED TO BE IN THE INTEREST OF THE
 27 PARTICIPANTS AND BENEFICIARIES OF AN EMPLOYEE BENEFIT PLAN IS

1 CONSIDERED TO HAVE ACTED IN A MANNER "NOT OPPOSED TO THE BEST
2 INTERESTS OF THE CORPORATION OR ITS SHAREHOLDERS OR MEMBERS" AS
3 REFERRED TO IN SECTIONS 561 AND 562.

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

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

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

1 ADOPTION AND FILING OF RESTATED ARTICLES OF INCORPORATION UNDER
2 THIS SUBSECTION DOES NOT CONSTITUTE A DISSOLUTION OF THE
3 CORPORATION.

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

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

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

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

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

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

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

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

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

27 (I) **CANCEL OR OTHERWISE AFFECT THE RIGHT OF THE HOLDERS OF THE**

1 SHARES OR MEMBERSHIPS OF ANY CLASS TO RECEIVE DISTRIBUTIONS WHICH
2 HAVE ACCRUED BUT HAVE NOT BEEN DECLARED.

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

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

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

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

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

22 (A) Before the first meeting of the board, the incorporators
23 ~~may amend the articles of incorporation by~~ complying with section
24 631(1).

25 (B) **IF THE CORPORATION IS ORGANIZED ON A STOCK OR MEMBERSHIP**
26 **BASIS AND HAS NOT YET ISSUED SHARES OR MEMBERSHIPS OR ACCEPTED ANY**
27 **WRITTEN SUBSCRIPTION FOR SHARES OR MEMBERSHIPS, THE BOARD OF**

1 DIRECTORS BY COMPLYING WITH SECTION 631(2).

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

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

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

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

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

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

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

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

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

1 ~~section:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 incorporation by adopting restated articles of incorporation.

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

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

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

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

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

27 (4) ~~(3)~~ An amendment effected ~~THAT IS ADOPTED~~ in connection

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

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

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

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

27 **(B) THAT** there is no material discrepancy between those

1 provisions and the provisions of the restated articles OF
2 **INCORPORATION.**

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

9 Sec. 643. (1) ~~Restated~~**A MAJORITY OF INCORPORATORS SHALL SIGN**
10 **AND FILE RESTATED ARTICLES OF INCORPORATION ADOPTED UNDER SECTION**
11 **641(3) AS PROVIDED IN SECTION 131.**

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

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

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

26 (2) The board of each corporation ~~proposing~~**THAT PROPOSES** to
27 participate in a merger ~~or consolidation~~ shall adopt a plan of

1 merger ~~or consolidation, setting forth:~~ **THAT CONTAINS ALL OF THE**
 2 **FOLLOWING:**

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

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

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

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

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

1 securities of **OR MEMBERSHIP OR OTHER INTERESTS IN** a corporation
2 whether or not a party to the merger, or into a combination
3 thereof. **OF THOSE SECURITIES, INTERESTS, AND PROPERTY.**

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

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

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

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

26 (2) **FOR APPROVAL OF A PLAN OF MERGER UNDER SUBSECTION (1), ALL**
27 **OF THE FOLLOWING APPLY:**

1 (A) THE BOARD MUST RECOMMEND THE PLAN OF MERGER TO THE
2 SHAREHOLDERS OR MEMBERS, UNLESS SECTION 529 APPLIES OR THE BOARD
3 DETERMINES THAT BECAUSE OF CONFLICT OF INTEREST, EVENTS THAT OCCUR
4 AFTER THE BOARD ADOPTS THE PLAN, CONTRACTUAL OBLIGATIONS, OR OTHER
5 SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO RECOMMENDATION. IF 1 OR
6 MORE OF THE EXCEPTIONS DESCRIBED IN THIS SUBDIVISION APPLY, THE
7 BOARD MUST COMMUNICATE THE BASIS FOR NOT MAKING A RECOMMENDATION TO
8 THE SHAREHOLDERS OR MEMBERS.

9 (B) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED
10 MERGER ON ANY BASIS.

11 (C) EXCEPT AS PROVIDED IN SUBDIVISION (H), THE CORPORATION
12 SHALL GIVE NOTICE OF THE SHAREHOLDER OR MEMBERSHIP MEETING TO EACH
13 SHAREHOLDER OR MEMBER OF RECORD, WHETHER OR NOT ENTITLED TO VOTE AT
14 THE MEETING, WITHIN THE TIME AND IN THE MANNER PROVIDED IN THIS ACT
15 FOR GIVING NOTICE OF MEETINGS OF SHAREHOLDERS OR MEMBERS. THE
16 NOTICE SHALL INCLUDE OR BE ACCOMPANIED BY A COPY OR SUMMARY OF THE
17 PLAN OF MERGER. IF A SUMMARY OF THE PLAN IS GIVEN, THE NOTICE SHALL
18 STATE THAT A COPY OF THE PLAN IS AVAILABLE ON REQUEST.

19 (D) AT THE MEETING OF THE SHAREHOLDERS OR MEMBERS, THE
20 SHAREHOLDERS OR MEMBERS SHALL VOTE ON THE PROPOSED PLAN OF MERGER.
21 SUBJECT TO SUBDIVISION (E), THE PLAN IS APPROVED IF ALL OF THE
22 FOLLOWING ARE MET:

23 (i) A MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF
24 THE CORPORATION THAT ARE ENTITLED TO VOTE ON THE PLAN ARE CAST IN
25 FAVOR OF THE PLAN.

26 (ii) IF A CLASS OF MEMBERS OR SHAREHOLDERS IS ENTITLED TO VOTE
27 ON THE PLAN AS A CLASS, A MAJORITY OF THE VOTES HELD BY

1 SHAREHOLDERS OR MEMBERS OF THE CLASS ARE CAST IN FAVOR OF THE PLAN.
2 A CLASS OF SHARES OR OF MEMBERS IS ENTITLED TO VOTE AS A CLASS IN
3 THE CASE OF A MERGER IF THE PLAN OF MERGER CONTAINS A PROVISION
4 THAT, IF CONTAINED IN A PROPOSED AMENDMENT TO THE ARTICLES OF
5 INCORPORATION, WOULD ENTITLE THE CLASS OF SHARES OR MEMBERS TO VOTE
6 AS A CLASS.

7 (E) NOTWITHSTANDING SUBDIVISION (D), UNLESS A GREATER VOTE IS
8 REQUIRED IN THE ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY
9 THE SHAREHOLDERS OR MEMBERS, IF THERE ARE MORE THAN 20 SHAREHOLDERS
10 OR MEMBERS THAT ARE ENTITLED TO VOTE AT THE MEETING, THE PLAN OF
11 MERGER IS ADOPTED IF A MAJORITY OF THE VOTES HELD BY SHAREHOLDERS
12 OR THE MEMBERS PRESENT IN PERSON OR BY PROXY AT THE MEETING ARE
13 CAST IN FAVOR OF THE PLAN AND, IF A CLASS OF SHAREHOLDERS OR
14 MEMBERS IS ENTITLED TO VOTE ON THE PROPOSED MERGER AS A CLASS, A
15 MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF THAT CLASS
16 PRESENT IN PERSON OR BY PROXY AT THE MEETING ARE CAST IN FAVOR OF
17 THE PLAN.

18 (F) EXCEPT AS PROVIDED IN SECTION 754 OR UNLESS REQUIRED IN
19 THE ARTICLES OF INCORPORATION OR BYLAWS, ACTION ON A PLAN OF MERGER
20 BY THE SHAREHOLDERS OR MEMBERS OF A SURVIVING CORPORATION THAT IS
21 ORGANIZED ON A STOCK OR MEMBERSHIP BASIS IS NOT REQUIRED IF ALL OF
22 THE FOLLOWING APPLY:

23 (i) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORATION
24 WILL NOT DIFFER FROM ITS ARTICLES OF INCORPORATION BEFORE THE
25 MERGER.

26 (ii) EACH SHAREHOLDER OF THE SURVIVING CORPORATION WHOSE
27 SHARES WERE OUTSTANDING IMMEDIATELY BEFORE THE EFFECTIVE DATE OF

1 THE MERGER WILL HOLD THE SAME NUMBER OF SHARES, WITH IDENTICAL
2 DESIGNATIONS, VOTING RIGHTS, PREFERENCES, LIMITATIONS, AND RELATIVE
3 RIGHTS, IMMEDIATELY AFTER THE MERGER OR EACH MEMBER OF THE
4 SURVIVING CORPORATION WHOSE MEMBERSHIP WAS OUTSTANDING IMMEDIATELY
5 BEFORE THE EFFECTIVE DATE OF THE MERGER WILL BE A MEMBER WITH
6 IDENTICAL DESIGNATIONS, VOTING RIGHTS, PREFERENCES, LIMITATIONS,
7 AND RELATIVE RIGHTS, IMMEDIATELY AFTER THE MERGER.

8 (G) A PLAN OF MERGER MAY PROVIDE FOR DIFFERING FORMS OF
9 CONSIDERATION FOR HOLDERS OF SHARES OR MEMBERSHIPS WITHIN THE SAME
10 CLASS BASED ON THE ELECTION OF THE HOLDERS OR MEMBERS, THE AMOUNT
11 OF SHARES OR MEMBERSHIPS HELD, OR ANOTHER REASONABLE BASIS.

12 (H) A CORPORATION THAT HAS MORE THAN 20 SHAREHOLDERS OR
13 MEMBERS IS NOT REQUIRED TO GIVE NOTICE UNDER SUBDIVISION (C) TO ANY
14 SHAREHOLDER OR MEMBER, AND IS NOT REQUIRED TO ALLOW THE SHAREHOLDER
15 OR MEMBER TO VOTE ON A PROPOSED PLAN OF MERGER OR CONVERSION, IF
16 BOTH OF THE FOLLOWING APPLY:

17 (i) THE SHAREHOLDER OR MEMBER IS NOT ENTITLED TO VOTE ON THE
18 PROPOSED PLAN OF MERGER OR CONVERSION UNDER THE ARTICLES OF
19 INCORPORATION OR BYLAWS OF THE CORPORATION.

20 (ii) THE SHAREHOLDER OR MEMBER IS NOT ENTITLED TO RECEIVE ANY
21 DISTRIBUTIONS FROM THE CORPORATION ON DISSOLUTION UNDER THE
22 ARTICLES OF INCORPORATION OR BYLAWS OF THE CORPORATION, UNDER THIS
23 ACT, OR UNDER OTHER APPLICABLE LAW.

24 (3) IF ANY MERGING CORPORATION IS ORGANIZED ON A DIRECTORSHIP
25 BASIS, THE BOARD SHALL APPROVE A PLAN OF MERGER BY AN AFFIRMATIVE
26 VOTE OF A MAJORITY OF THE DIRECTORS WHO ARE THEN IN OFFICE OR A
27 HIGHER NUMBER OF DIRECTORS IF SPECIFIED IN THE ARTICLES OF

1 INCORPORATION OR BYLAWS. THE CORPORATION SHALL GIVE NOTICE OF THE
2 MEETING TO AUTHORIZE THE MERGER TO EACH DIRECTOR WHO IS THEN IN
3 OFFICE AT LEAST 20 DAYS BEFORE THE MEETING. THE NOTICE SHALL
4 INCLUDE OR BE ACCOMPANIED BY A COPY OR A SUMMARY OF THE PLAN OF
5 MERGER.

6 (4) IF A PERSON SOLICITS PROXIES IN CONNECTION WITH THE
7 APPROVAL OF A PLAN OF MERGER UNDER THIS SECTION FROM MORE THAN 25
8 SHAREHOLDERS OR MEMBERS, THE PERSON SOLICITING THE PROXIES MUST
9 PROVIDE A FORM OF PROXY TO EACH VOTING SHAREHOLDER OR MEMBER
10 SOLICITED THAT CONTAINS ALL OF THE FOLLOWING:

11 (A) A BLANK SPACE FOR THE DATE AND THE SIGNATURE OF A
12 SHAREHOLDER OR MEMBER THAT IS VOTING BY PROXY.

13 (B) CLEAR IDENTIFICATION OF EACH MATTER OR GROUP OF RELATED
14 MATTERS ON WHICH THE SHAREHOLDERS OR MEMBERS ARE VOTING.

15 (C) THE PHRASE "REVOCABLE PROXY".

16 (D) AN ACKNOWLEDGMENT THAT THE SHAREHOLDER OR MEMBER RECEIVED
17 THE NOTICE OF MEETING AND THE PLAN OR A SUMMARY OF THE PLAN OF
18 MERGER.

19 (E) THE DATE, TIME, AND PLACE OF THE MEETING OF THE
20 SHAREHOLDERS OR MEMBERS.

21 (F) A PLACE FOR THE SHAREHOLDER OR MEMBER TO INDICATE ON THE
22 PROXY WHETHER THE SHAREHOLDER OR MEMBER VOTES FOR, VOTES AGAINST,
23 OR ABSTAINS FROM VOTING ON THE MERGER.

24 (G) A STATEMENT THAT THE PERSON DESIGNATED AS THE PROXY HOLDER
25 WILL VOTE THE PROXY IN ACCORDANCE WITH THE INSTRUCTIONS OF THE
26 SHAREHOLDER OR MEMBER.

27 (H) A STATEMENT INDICATING HOW THE PROXY HOLDER WILL VOTE THE

1 PROXY IF THE SHAREHOLDER OR MEMBER DOES NOT SPECIFY A CHOICE FOR A
2 MATTER.

3 (I) A STATEMENT THAT IF THE PROXY IS NOT RETURNED BY THE
4 SHAREHOLDER OR MEMBER, THE PROXY HOLDER MAY VOTE ANY VALID PROXY
5 PREVIOUSLY EXECUTED BY THE SHAREHOLDER OR MEMBER.

6 SEC. 706. (1) IF A DOMESTIC CORPORATION HAS NOT COMMENCED
7 BUSINESS, HAS NOT ISSUED ANY SHARES OR MEMBERSHIPS, AND HAS NOT
8 ELECTED A BOARD, THE CORPORATION MAY MERGE WITH ANY DOMESTIC OR
9 FOREIGN CORPORATION BY UNANIMOUS CONSENT OF ITS INCORPORATORS.

10 (2) IF INCORPORATORS UNANIMOUSLY CONSENT TO A MERGER UNDER
11 SUBSECTION (1), A MAJORITY OF INCORPORATORS SHALL EXECUTE A
12 CERTIFICATE OF MERGER UNDER SECTION 707.

13 (3) THE OTHER DOMESTIC OR FOREIGN CORPORATIONS THAT
14 PARTICIPATE IN THE MERGER WITH A DOMESTIC CORPORATION UNDER
15 SUBSECTION (1) SHALL COMPLY WITH THE PROVISIONS OF THIS ACT DEALING
16 WITH MERGERS THAT ARE APPLICABLE TO THEM.

17 Sec. 707. (1) After ~~approval of a plan of merger or~~
18 ~~consolidation,~~ IS APPROVED UNDER THIS ACT, EACH CONSTITUENT
19 CORPORATION SHALL SIGN AND FILE a certificate of merger ~~or a~~
20 ~~certificate of consolidation shall be executed and filed on behalf~~
21 ~~of each THAT~~ corporation. The certificate shall set forth ~~the plan~~
22 ~~of merger or the plan of consolidation and either ALL~~ of the
23 following:

24 (a) ~~A statement that the plan of merger or consolidation has~~
25 ~~been adopted by the board and approved by the shareholders or~~
26 ~~members in accordance with sections 701 to 703(1) and (2).~~ THE
27 STATEMENTS REQUIRED UNDER SECTION 701(2) (A), (B), AND (D), AND THE

1 MANNER AND BASIS OF CONVERTING THE SHARES OR MEMBERSHIPS OF EACH
2 CONSTITUENT CORPORATION THAT IS ORGANIZED ON A STOCK OR MEMBERSHIP
3 BASIS AS SET FORTH IN THE PLAN OF MERGER.

4 ~~(b) A statement that the plan of merger or consolidation has~~
5 ~~been adopted by the board in accordance with section 703(3).A~~
6 STATEMENT THAT THE BOARDS HAVE ADOPTED THE PLAN OF MERGER UNDER
7 SECTION 701.

8 (C) A STATEMENT THAT THE SURVIVING CORPORATION WILL FURNISH
9 THE PLAN OF MERGER, ON REQUEST AND WITHOUT COST, TO ANY SHAREHOLDER
10 OR MEMBER OF ANY CONSTITUENT CORPORATION.

11 (D) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF 1 OR MORE
12 CORPORATIONS THAT ARE PARTIES TO THE MERGER WAS REQUIRED, A
13 STATEMENT THAT THE PLAN WAS APPROVED BY THE SHAREHOLDERS OR MEMBERS
14 UNDER SECTION 703A.

15 (E) IF SECTION 706 APPLIES TO THE MERGER, A STATEMENT THAT THE
16 MERGING CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
17 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD AND THAT THE
18 PLAN OF MERGER WAS APPROVED BY THE UNANIMOUS CONSENT OF THE
19 INCORPORATORS.

20 (F) A STATEMENT OF ANY ASSUMED NAMES OF MERGING CORPORATIONS
21 THAT ARE TRANSFERRED TO THE SURVIVING CORPORATION UNDER SECTION
22 217(3), SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF
23 THE CORPORATION FROM WHICH IT IS TRANSFERRED. THE CERTIFICATE MAY
24 INCLUDE A STATEMENT OF CORPORATE NAMES OR ASSUMED NAMES OF MERGING
25 CORPORATIONS THAT ARE TO BE TREATED AS NEWLY FILED ASSUMED NAMES OF
26 THE SURVIVING CORPORATION UNDER SECTION 217(4).

27 (2) ~~The~~SECTION 131 APPLIES IN DETERMINING WHEN A certificate

1 of merger ~~or consolidation shall become~~ UNDER THIS SECTION BECOMES
2 effective. ~~in accordance with section 131.~~

3 SEC. 711. (1) A DOMESTIC CORPORATION MAY MERGE 1 OR MORE
4 SUBSIDIARY CORPORATIONS INTO ITSELF, OR MAY MERGE ITSELF, OR ITSELF
5 AND ANY 1 OR MORE SUBSIDIARY CORPORATIONS, INTO ANY OTHER
6 SUBSIDIARY CORPORATION, WITHOUT APPROVAL OF THE SHAREHOLDERS OR
7 MEMBERS OF ANY OF THE CORPORATIONS, EXCEPT AS PROVIDED IN SECTION
8 713. THE BOARD OF THE PARENT CORPORATION SHALL APPROVE A PLAN OF
9 MERGER THAT SETS FORTH THOSE MATTERS REQUIRED TO BE SET FORTH IN A
10 PLAN OF MERGER UNDER SECTION 701. APPROVAL BY THE BOARD OF A
11 SUBSIDIARY CORPORATION DESCRIBED IN THIS SUBSECTION IS NOT
12 REQUIRED.

13 (2) IF THE PARENT CORPORATION OWNS LESS THAN 100% OF THE
14 OUTSTANDING SHARES OR MEMBERSHIPS OF ANY SUBSIDIARY CORPORATION
15 THAT IS A CONSTITUENT CORPORATION, THE PARENT CORPORATION SHALL
16 PROMPTLY AFTER THE FILING OF THE CERTIFICATE OF MERGER MAIL A COPY
17 OR SUMMARY OF THE PLAN OF MERGER TO EACH MINORITY SHAREHOLDER OR
18 MEMBER OF RECORD OF EACH SUBSIDIARY CORPORATION, UNLESS THE
19 SHAREHOLDER OR MEMBER WAIVES THE REQUIREMENT IN WRITING OR UNLESS
20 THE SUBSIDIARY CORPORATION IS REQUIRED TO OBTAIN THE APPROVAL OF
21 ITS SHAREHOLDERS OR MEMBERS UNDER SECTION 713.

22 (3) THE AUTHORITY OF A CORPORATION TO MERGE UNDER THIS SECTION
23 DOES NOT PREVENT THE CORPORATION FROM USING OTHER PROVISIONS OF
24 THIS ACT TO COMPLETE A MERGER.

25 (4) AS USED IN THIS SECTION AND IN SECTIONS 712 AND 713:

26 (A) "CONSTITUENT CORPORATION" MEANS A CORPORATION THAT IS A
27 PARTY TO THE MERGER DESCRIBED IN SUBSECTION (1).

1 (B) A DOMESTIC CORPORATION IS A "SUBSIDIARY CORPORATION" IF
2 ANOTHER DOMESTIC CORPORATION HOLDS AT LEAST 90% OF ITS SHAREHOLDER
3 OR MEMBER VOTES.

4 SEC. 712. (1) AFTER A PLAN OF MERGER IS ADOPTED UNDER SECTION
5 711, THE PARENT CORPORATION SHALL EXECUTE AND FILE A CERTIFICATE OF
6 MERGER THAT SETS FORTH ALL OF THE FOLLOWING:

7 (A) THE STATEMENTS REQUIRED UNDER SECTION 701(2)(A) AND (D),
8 AND THE MANNER AND BASIS OF CONVERTING SHARES OR MEMBERSHIPS OF
9 EACH CONSTITUENT CORPORATION AS SET FORTH IN THE PLAN OF MERGER.

10 (B) THE NUMBER OF OUTSTANDING SHARES OR MEMBERSHIPS OF EACH
11 CLASS OF EACH SUBSIDIARY CORPORATION THAT IS A PARTY TO THE MERGER
12 AND THE NUMBER OF SHARES OR MEMBERSHIPS OF EACH CLASS OWNED BY THE
13 PARENT CORPORATION.

14 (C) A STATEMENT OF ANY ASSUMED NAMES OF MERGING CORPORATIONS
15 TRANSFERRED TO THE SURVIVING CORPORATION AS UNDER SECTION 217(3),
16 SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF THE
17 CORPORATION FROM WHICH IT IS TRANSFERRED. THE CERTIFICATE MAY
18 INCLUDE A STATEMENT OF CORPORATE NAMES OR ASSUMED NAMES OF MERGING
19 CORPORATIONS THAT ARE TO BE TREATED AS NEWLY FILED ASSUMED NAMES OF
20 THE SURVIVING CORPORATION UNDER SECTION 217(4).

21 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
22 MERGER BECOMES EFFECTIVE UNDER THIS SECTION.

23 SEC. 713. (1) A SUBSIDIARY CORPORATION THAT IS A CONSTITUENT
24 CORPORATION IN A MERGER UNDER SECTION 711 SHALL OBTAIN THE APPROVAL
25 OF ITS SHAREHOLDERS OR MEMBERS IN ACCORDANCE WITH THE APPLICABLE
26 PROVISIONS OF SECTION 703A.

27 (2) A PARENT CORPORATION SHALL OBTAIN APPROVAL OF ITS

1 SHAREHOLDERS OR MEMBERS FOR A MERGER UNDER SECTION 711 IF EITHER OF
2 THE FOLLOWING APPLIES:

3 (A) ITS ARTICLES OF INCORPORATION REQUIRE SHAREHOLDER OR
4 MEMBER APPROVAL OF THE MERGER.

5 (B) PURSUANT TO SECTION 703A, THE PLAN OF MERGER CONTAINS A
6 PROVISION THAT WOULD AMEND ANY PART OF THE ARTICLES OF
7 INCORPORATION OF THE PARENT CORPORATION INTO WHICH A SUBSIDIARY
8 CORPORATION IS BEING MERGED, OR A SUBSIDIARY CORPORATION IS TO BE
9 THE SURVIVING CORPORATION OF THE MERGER.

10 SEC. 724. ALL OF THE FOLLOWING APPLY WHEN A MERGER, OTHER THAN
11 A MERGER UNDER SECTION 736A, TAKES EFFECT:

12 (A) EVERY OTHER CORPORATION THAT IS A PARTY TO THE MERGER
13 MERGES INTO THE SURVIVING CORPORATION AND THE SEPARATE EXISTENCE OF
14 EVERY CORPORATION THAT IS A PARTY TO THE MERGER EXCEPT THE
15 SURVIVING CORPORATION CEASES. A MERGER IN WHICH A DOMESTIC
16 CORPORATION IS THE SURVIVING CORPORATION IS NOT CONSIDERED A
17 DISSOLUTION OF ANY CONSTITUENT DOMESTIC CORPORATION OR DOMESTIC
18 BUSINESS CORPORATION.

19 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
20 OWNED BY EACH CORPORATION THAT IS A PARTY TO THE MERGER IS VESTED
21 IN THE SURVIVING CORPORATION WITHOUT REVERSION OR IMPAIRMENT.

22 (C) THE SURVIVING CORPORATION MAY USE THE CORPORATE NAME AND
23 THE ASSUMED NAMES OF ANY MERGING CORPORATION, IF THE FILINGS
24 REQUIRED UNDER SECTION 217(3) AND (4) ARE MADE.

25 (D) THE SURVIVING CORPORATION HAS ALL OF THE LIABILITIES OF
26 EACH CORPORATION THAT IS A PARTY TO THE MERGER.

27 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING

1 AGAINST ANY CORPORATION THAT IS A PARTY TO THE MERGER AS IF THE
2 MERGER DID NOT OCCUR OR THE SURVIVING CORPORATION MAY BE
3 SUBSTITUTED IN THE PROCEEDING FOR THE CORPORATION WHOSE EXISTENCE
4 CEASED.

5 (F) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORATION
6 ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF MERGER.

7 (G) THE SHARES OR MEMBERSHIPS OF EACH CORPORATION PARTY TO THE
8 MERGER THAT ARE TO BE CONVERTED INTO SHARES, OBLIGATIONS, OR OTHER
9 SECURITIES OF OR MEMBERSHIP OR OTHER INTERESTS IN THE SURVIVING OR
10 ANY OTHER CORPORATION OR INTO CASH OR OTHER PROPERTY ARE CONVERTED.

11 SEC. 735. (1) ONE OR MORE DOMESTIC BUSINESS CORPORATIONS,
12 FOREIGN CORPORATIONS, OR FOREIGN BUSINESS CORPORATIONS MAY MERGE
13 WITH 1 OR MORE DOMESTIC CORPORATIONS IF ALL OF THE FOLLOWING ARE
14 MET:

15 (A) IN A MERGER INVOLVING A FOREIGN CORPORATION OR A FOREIGN
16 BUSINESS CORPORATION, THE MERGER IS PERMITTED UNDER THE LAW OF THE
17 STATE OR COUNTRY UNDER WHOSE LAW EACH FOREIGN CORPORATION AND EACH
18 FOREIGN BUSINESS CORPORATION IS INCORPORATED AND EACH FOREIGN
19 CORPORATION OR FOREIGN BUSINESS CORPORATION COMPLIES WITH THAT LAW
20 IN EFFECTING THE MERGER. IF THE PARENT CORPORATION IN A MERGER
21 CONDUCTED UNDER SECTION 711 IS A FOREIGN CORPORATION OR A FOREIGN
22 BUSINESS CORPORATION, IT SHALL COMPLY WITH ALL OF THE FOLLOWING,
23 NOTWITHSTANDING THE PROVISIONS OF THE LAWS OF ITS JURISDICTION OF
24 INCORPORATION:

25 (i) SECTION 711(2) WITH RESPECT TO NOTICE TO SHAREHOLDERS OR
26 MEMBERS OF A DOMESTIC SUBSIDIARY CORPORATION THAT IS A PARTY TO THE
27 MERGER.

1 (ii) SECTION 712 WITH RESPECT TO THE CERTIFICATE OF MERGER.

2 (B) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO CONDUCT
3 AFFAIRS OR TRANSACT BUSINESS IN THIS STATE IS A PARTY TO THE
4 MERGER, IT SHALL COMPLY WITH THE APPLICABLE PROVISION OF SECTIONS
5 1021 AND 1035.

6 (C) IN A MERGER INVOLVING 1 OR MORE DOMESTIC BUSINESS
7 CORPORATIONS, THE MERGER IS PERMITTED UNDER THE BUSINESS
8 CORPORATION ACT, AND EACH DOMESTIC BUSINESS CORPORATION COMPLIES
9 WITH THAT LAW IN EFFECTING THE MERGER. HOWEVER, IF THE PARENT
10 CORPORATION IN A MERGER THAT IS CONDUCTED UNDER SECTION 711 IS A
11 DOMESTIC BUSINESS CORPORATION, IT SHALL ALSO COMPLY WITH ALL OF THE
12 FOLLOWING:

13 (i) SECTION 711(2) WITH RESPECT TO NOTICE TO SHAREHOLDERS OR
14 MEMBERS OF A DOMESTIC SUBSIDIARY CORPORATION THAT IS A PARTY TO THE
15 MERGER.

16 (ii) SECTION 712 WITH RESPECT TO THE CERTIFICATE OF MERGER.

17 (D) EACH DOMESTIC CORPORATION COMPLIES WITH THE APPLICABLE
18 PROVISIONS OF SECTIONS 701 TO 713.

19 (2) IF THE SURVIVING CORPORATION OF A MERGER IS A FOREIGN
20 CORPORATION TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN
21 THIS STATE, IT SHALL COMPLY WITH THE PROVISIONS OF THIS ACT WITH
22 RESPECT TO FOREIGN CORPORATIONS IF IT IS TO CONDUCT AFFAIRS IN THIS
23 STATE. IF THE SURVIVING CORPORATION IN A MERGER IS A FOREIGN
24 BUSINESS CORPORATION TO BE GOVERNED BY THE LAWS OF A JURISDICTION
25 OTHER THAN THIS STATE, IT SHALL COMPLY WITH THE PROVISIONS OF THE
26 BUSINESS CORPORATION ACT WITH RESPECT TO FOREIGN BUSINESS
27 CORPORATIONS IF IT IS TO TRANSACT BUSINESS IN THIS STATE.

1 (3) THE SURVIVING CORPORATION IN A MERGER IS LIABLE, AND IS
2 SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN THIS STATE, FOR
3 THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC CORPORATION THAT IS
4 PARTY TO THE MERGER.

5 (4) THIS SECTION DOES NOT LIMIT THE POWER OF A DOMESTIC
6 BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS
7 CORPORATION TO ACQUIRE ALL OR PART OF THE SHARES OR MEMBERSHIPS OF
8 1 OR MORE CLASSES OF A DOMESTIC CORPORATION THROUGH A VOLUNTARY
9 EXCHANGE OR OTHERWISE.

10 (5) NOTWITHSTANDING THIS SECTION OR ANY OTHER PROVISIONS OF
11 THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO ITS
12 SHAREHOLDERS OR MEMBERS OR TO ANY OTHER PERSON IN CONNECTION WITH A
13 MERGER WITH A DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION,
14 OR FOREIGN BUSINESS CORPORATION UNDER THIS SECTION ONLY IN
15 CONFORMITY WITH SECTION 301 AND WITH ANY LIMITATIONS ON
16 DISTRIBUTIONS IN THE ARTICLES OF THE CORPORATION.

17 SEC. 736A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) AND
18 SUBJECT TO SUBSECTION (8), 1 OR MORE DOMESTIC CORPORATIONS MAY
19 MERGE WITH 1 OR MORE BUSINESS ORGANIZATIONS IF ALL OF THE FOLLOWING
20 REQUIREMENTS ARE MET:

21 (A) THE MERGER IS PERMITTED UNDER THE LAW OF THE JURISDICTION
22 IN WHICH EACH CONSTITUENT BUSINESS ORGANIZATION IS ORGANIZED AND
23 EACH CONSTITUENT BUSINESS ORGANIZATION COMPLIES WITH THAT LAW IN
24 EFFECTING THE MERGER, AND EACH FOREIGN CONSTITUENT BUSINESS
25 ORGANIZATION TRANSACTING BUSINESS IN THIS STATE COMPLIES WITH THE
26 APPLICABLE LAWS OF THIS STATE.

27 (B) THE BOARD OF EACH DOMESTIC CORPORATION THAT IS

1 PARTICIPATING IN THE MERGER ADOPTS A PLAN OF MERGER THAT SETS FORTH
2 ALL OF THE FOLLOWING:

3 (i) THE NAME OF EACH CONSTITUENT ENTITY, THE NAME OF THE
4 CONSTITUENT ENTITY THAT WILL BE THE SURVIVING ENTITY, THE STREET
5 ADDRESS OF THE SURVIVING ENTITY'S PRINCIPAL PLACE OF BUSINESS, AND
6 THE TYPE OF ORGANIZATION OF THE SURVIVING ENTITY.

7 (ii) IF A DOMESTIC CORPORATION THAT IS A PARTY TO THE MERGER
8 IS A STOCK CORPORATION, THE DESIGNATION AND NUMBER OF OUTSTANDING
9 SHARES OF EACH CLASS, SPECIFYING THE CLASSES ENTITLED TO VOTE, EACH
10 CLASS ENTITLED TO VOTE AS A CLASS, AND, IF THE NUMBER OF SHARES IS
11 SUBJECT TO CHANGE BEFORE THE EFFECTIVE DATE OF THE MERGER, THE
12 MANNER IN WHICH THE CHANGE MAY OCCUR.

13 (iii) IF A DOMESTIC CORPORATION THAT IS A PARTY TO THE MERGER
14 IS A MEMBERSHIP CORPORATION, A DESCRIPTION OF THE MEMBERS,
15 INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF MEMBERS.

16 (iv) IF A DOMESTIC CORPORATION THAT IS A PARTY TO A MERGER IS
17 A DIRECTORSHIP CORPORATION, A DESCRIPTION OF THE ORGANIZATION OF
18 THE BOARD, INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS
19 OF DIRECTORS.

20 (v) THE TERMS AND CONDITIONS OF THE PROPOSED MERGER, INCLUDING
21 THE MANNER AND BASIS OF CONVERTING THE SHARES, PARTNERSHIP
22 INTERESTS, MEMBERSHIP INTERESTS, OR OTHER OWNERSHIP INTERESTS OF
23 EACH CONSTITUENT ENTITY INTO OWNERSHIP INTERESTS, OBLIGATIONS, OR
24 OTHER SECURITIES OF OR MEMBERSHIP OR OTHER INTERESTS IN THE
25 SURVIVING ENTITY, OR INTO CASH OR OTHER CONSIDERATION, IF ANY, THAT
26 MAY INCLUDE OWNERSHIP INTERESTS, OBLIGATIONS, OR OTHER SECURITIES
27 OF OR MEMBERSHIP OR OTHER INTERESTS IN AN ENTITY THAT IS NOT A

1 PARTY TO THE MERGER, OR INTO A COMBINATION OF THOSE SECURITIES,
2 INTERESTS, OR PROPERTY.

3 (vi) IF THE SURVIVING ENTITY IS TO BE A DOMESTIC CORPORATION,
4 A STATEMENT OF ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OF
5 THE SURVIVING CORPORATION THAT WILL RESULT FROM THE MERGER OR ANY
6 RESTATEMENT OF THE ARTICLES UNDER SECTION 641(1), IN THE FORM FOR
7 RESTATED ARTICLES REQUIRED UNDER SECTION 642.

8 (vii) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED MERGER
9 THAT THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

10 (C) A PLAN OF MERGER ADOPTED BY THE BOARD OF EACH CONSTITUENT
11 DOMESTIC CORPORATION SHALL BE SUBMITTED FOR APPROVAL AT A MEETING
12 OF THE SHAREHOLDERS OR MEMBERS UNDER SECTION 703A(1) OR, IF THE
13 CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, FOR APPROVAL BY
14 THE BOARD OF DIRECTORS UNDER SECTION 703A(3).

15 (2) IF A DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS, HAS
16 NOT ISSUED ANY SHARES, AND HAS NOT ELECTED A BOARD, THE CORPORATION
17 MAY MERGE WITH ANY DOMESTIC OR FOREIGN ENTITY BY UNANIMOUS CONSENT
18 OF ITS INCORPORATORS. IF THE INCORPORATORS UNANIMOUSLY CONSENT TO A
19 MERGER UNDER THIS SUBSECTION, A MAJORITY OF THE INCORPORATORS MUST
20 EXECUTE AND FILE A CERTIFICATE OF MERGER UNDER SUBSECTION (3).

21 (3) AFTER A PLAN OF MERGER IS APPROVED UNDER SUBSECTION (1) OR
22 THE MERGER IS APPROVED UNDER SUBSECTION (2), EACH DOMESTIC
23 CORPORATION THAT IS A PARTY TO THE MERGER SHALL EXECUTE AND FILE A
24 CERTIFICATE OF MERGER. THE CERTIFICATE SHALL SET FORTH ALL OF THE
25 FOLLOWING:

26 (A) A STATEMENT OF THE APPLICABLE REQUIREMENTS SET FORTH IN
27 SUBSECTION (1) (B) (i), (ii), (iii), (iv), (v), (vi), AND (vii), AND

1 THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP, MEMBERSHIP, OR
2 OTHER INTERESTS OF EACH CONSTITUENT ENTITY INCLUDED IN THE PLAN OF
3 MERGER.

4 (B) A STATEMENT THAT THE PLAN OF MERGER HAS BEEN ADOPTED BY
5 THE BOARD UNDER SUBSECTION (1) (B) .

6 (C) A STATEMENT THAT THE SURVIVING ENTITY WILL FURNISH THE
7 PLAN OF MERGER, ON REQUEST AND WITHOUT COST, TO ANY SHAREHOLDER OR
8 MEMBER OF THE DOMESTIC CORPORATION.

9 (D) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF THE DOMESTIC
10 CORPORATION IS REQUIRED, A STATEMENT THAT THE PLAN WAS APPROVED BY
11 THE SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (1) (C) OR, IF THE
12 CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, A STATEMENT THAT
13 THE PLAN WAS APPROVED BY THE BOARD OF DIRECTORS UNDER SUBSECTION
14 (1) (C) .

15 (E) IF SUBSECTION (2) APPLIES TO THE MERGER, A STATEMENT THAT
16 THE CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
17 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD, AND THAT THE
18 MERGER WAS APPROVED BY THE UNANIMOUS CONSENT OF THE INCORPORATORS.

19 (F) A STATEMENT OF ANY ASSUMED NAMES OF MERGING ENTITIES THAT
20 ARE TRANSFERRED TO THE SURVIVING ENTITY UNDER SECTION 217(3) ,
21 SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF THE ENTITY
22 FROM WHICH IT IS TRANSFERRED. IF THE SURVIVING ENTITY IS A DOMESTIC
23 CORPORATION OR A FOREIGN CORPORATION AUTHORIZED TO CONDUCT AFFAIRS
24 IN THIS STATE, THE CERTIFICATE MAY INCLUDE A STATEMENT OF THE NAMES
25 OR ASSUMED NAMES OF MERGING ENTITIES THAT ARE TO BE TREATED AS
26 NEWLY FILED ASSUMED NAMES OF THE SURVIVING CORPORATION UNDER
27 SECTION 217(4) .

1 (4) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
2 MERGER UNDER SUBSECTION (3) BECOMES EFFECTIVE.

3 (5) WHEN A MERGER UNDER THIS SECTION TAKES EFFECT, ALL OF THE
4 FOLLOWING APPLY:

5 (A) EVERY OTHER ENTITY THAT IS A PARTY TO THE MERGER MERGES
6 INTO THE SURVIVING ENTITY AND THE SEPARATE EXISTENCE OF EVERY
7 ENTITY THAT IS A PARTY TO THE MERGER EXCEPT THE SURVIVING ENTITY
8 CEASES.

9 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
10 OWNED BY EACH ENTITY THAT IS A PARTY TO THE MERGER IS VESTED IN THE
11 SURVIVING ENTITY WITHOUT REVERSION OR IMPAIRMENT.

12 (C) THE SURVIVING ENTITY MAY USE THE NAME AND THE ASSUMED
13 NAMES OF ANY ENTITY THAT IS A PARTY TO THE MERGER, IF THE FILINGS
14 REQUIRED UNDER SECTION 217(3) OR (4) OR ANY OTHER APPLICABLE
15 STATUTE ARE MADE.

16 (D) THE SURVIVING ENTITY HAS ALL OF THE LIABILITIES OF EACH
17 ENTITY THAT IS A PARTY TO THE MERGER. THIS SUBDIVISION DOES NOT
18 AFFECT THE LIABILITY, IF ANY, OF A PERSON THAT WAS AN OBLIGATED
19 PERSON WITH RESPECT TO AN ENTITY THAT IS A PARTY TO THE MERGER FOR
20 ACTS OR OMISSIONS THAT OCCURRED BEFORE THE MERGER.

21 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
22 AGAINST ANY ENTITY THAT WAS A PARTY TO THE MERGER AS IF THE MERGER
23 DID NOT OCCUR, OR THE SURVIVING ENTITY MAY BE SUBSTITUTED IN THE
24 PROCEEDING FOR THE ENTITY WHOSE EXISTENCE CEASED.

25 (F) THE ARTICLES OF INCORPORATION OF A SURVIVING DOMESTIC
26 CORPORATION ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF
27 MERGER.

1 (G) THE OWNERSHIP INTERESTS, SHARES, OR MEMBERSHIPS OF EACH
2 ENTITY THAT IS A PARTY TO THE MERGER THAT ARE TO BE CONVERTED INTO
3 OWNERSHIP INTERESTS OR OBLIGATIONS OF OR MEMBERSHIP OR OTHER
4 INTERESTS IN THE SURVIVING ENTITY OR INTO CASH OR OTHER PROPERTY
5 ARE CONVERTED.

6 (6) IF THE SURVIVING ENTITY IN A MERGER UNDER THIS SECTION IS
7 A FOREIGN BUSINESS ORGANIZATION, IT IS SUBJECT TO THE LAWS OF THIS
8 STATE PERTAINING TO THE TRANSACTION OF BUSINESS IN THIS STATE IF IT
9 TRANSACTS BUSINESS IN THIS STATE. THE SURVIVING ENTITY IS LIABLE,
10 AND IS SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN THIS STATE,
11 FOR THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC CORPORATION THAT
12 IS A PARTY TO THE MERGER.

13 (7) NOTWITHSTANDING THIS SECTION OR ANY OTHER PROVISIONS OF
14 THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO ITS
15 SHAREHOLDERS OR MEMBERS OR TO ANY OTHER PERSON IN CONNECTION WITH A
16 MERGER WITH A BUSINESS ORGANIZATION UNDER THIS SECTION ONLY IN
17 CONFORMITY WITH SECTION 301 AND WITH ANY LIMITATIONS ON
18 DISTRIBUTIONS IN ITS ARTICLES OF INCORPORATION.

19 (8) SECTION 735, AND NOT THIS SECTION, APPLIES TO A MERGER IF
20 ALL OF THE BUSINESS ORGANIZATIONS MERGING WITH 1 OR MORE DOMESTIC
21 CORPORATIONS ARE FOREIGN CORPORATIONS, DOMESTIC BUSINESS
22 CORPORATIONS, OR FOREIGN BUSINESS CORPORATIONS.

23 (9) AS USED IN THIS SECTION:

24 (A) "BUSINESS ORGANIZATION" MEANS A DOMESTIC OR FOREIGN
25 LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP, GENERAL
26 PARTNERSHIP, OR ANY OTHER TYPE OF DOMESTIC OR FOREIGN BUSINESS
27 ENTERPRISE, INCORPORATED OR UNINCORPORATED, EXCEPT A DOMESTIC

1 BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS
2 CORPORATION.

3 (B) "ENTITY" MEANS A BUSINESS ORGANIZATION, DOMESTIC
4 CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS CORPORATION.

5 (C) "OBLIGATED PERSON" MEANS A GENERAL PARTNER OF A LIMITED
6 PARTNERSHIP, A PARTNER OF A GENERAL PARTNERSHIP, OR A PARTICIPANT
7 IN OR AN OWNER OF AN INTEREST IN ANY OTHER TYPE OF BUSINESS
8 ENTERPRISE THAT, UNDER APPLICABLE LAW, IS GENERALLY LIABLE FOR THE
9 OBLIGATIONS OF THE BUSINESS ENTERPRISE.

10 Sec. 741. At any time before the effective date of a ~~THE~~
11 certificate of merger, ~~or consolidation, the merger or~~
12 ~~consolidation may be abandoned pursuant to provisions therefor, if~~
13 ~~any,~~ SUBJECT TO ANY CONTRACTUAL RIGHTS, A CORPORATION MAY ABANDON A
14 MERGER WITHOUT FURTHER SHAREHOLDER OR MEMBER ACTION, UNDER A
15 PROCEDURE set forth in the plan of merger ~~or consolidation.~~ OR, IF
16 THE PLAN OF MERGER DOES NOT INCLUDE AN ABANDONMENT PROCEDURE, IN
17 THE MANNER DETERMINED BY THE BOARD. If a certificate of merger ~~or~~
18 ~~consolidation has been~~ WAS filed by a corporation THAT ABANDONS A
19 MERGER, it shall file a certificate of abandonment within 10 days
20 after the abandonment, but not later than the proposed effective
21 ~~day.~~ DATE.

22 SEC. 745. (1) A DOMESTIC CORPORATION MAY CONVERT INTO A
23 BUSINESS ORGANIZATION IF ALL OF THE FOLLOWING REQUIREMENTS ARE
24 SATISFIED:

25 (A) THE CONVERSION IS PERMITTED UNDER THE LAW THAT WILL GOVERN
26 THE INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION AFTER CONVERSION
27 AND THE SURVIVING BUSINESS ORGANIZATION COMPLIES WITH THAT LAW IN

1 CONVERTING.

2 (B) UNLESS SUBDIVISION (D) APPLIES, THE BOARD OF THE DOMESTIC
3 CORPORATION THAT IS PROPOSING TO CONVERT ADOPTS A PLAN OF
4 CONVERSION THAT INCLUDES ALL OF THE FOLLOWING:

5 (i) THE NAME OF THE DOMESTIC CORPORATION, THE NAME OF THE
6 BUSINESS ORGANIZATION INTO WHICH THE DOMESTIC CORPORATION IS
7 CONVERTING, THE TYPE OF BUSINESS ORGANIZATION INTO WHICH THE
8 DOMESTIC CORPORATION IS CONVERTING, IDENTIFICATION OF THE STATUTE
9 THAT WILL GOVERN THE INTERNAL AFFAIRS OF THE SURVIVING BUSINESS
10 ORGANIZATION, THE STREET ADDRESS OF THE SURVIVING BUSINESS
11 ORGANIZATION, THE STREET ADDRESS OF THE DOMESTIC CORPORATION IF IT
12 IS DIFFERENT FROM THE STREET ADDRESS OF THE SURVIVING BUSINESS
13 ORGANIZATION, AND THE PRINCIPAL PLACE OF BUSINESS OF THE SURVIVING
14 BUSINESS ORGANIZATION.

15 (ii) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A STOCK
16 BASIS, THE DESIGNATION AND NUMBER OF OUTSTANDING SHARES OF EACH
17 CLASS, SPECIFYING THE CLASSES THAT ARE ENTITLED TO VOTE, EACH CLASS
18 THAT IS ENTITLED TO VOTE AS A CLASS, AND, IF THE NUMBER OF SHARES
19 IS SUBJECT TO CHANGE BEFORE THE EFFECTIVE DATE OF THE CONVERSION,
20 THE MANNER IN WHICH THE CHANGE MAY OCCUR.

21 (iii) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A
22 MEMBERSHIP BASIS, A DESCRIPTION OF THE MEMBERS, INCLUDING THE
23 NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF MEMBERS.

24 (iv) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A
25 DIRECTORSHIP BASIS, A DESCRIPTION OF THE ORGANIZATION OF THE BOARD,
26 INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF
27 DIRECTORS.

1 (v) THE TERMS AND CONDITIONS OF THE PROPOSED CONVERSION,
2 INCLUDING THE MANNER AND BASIS OF CONVERTING THE SHARES OR
3 MEMBERSHIPS INTO OWNERSHIP INTERESTS, OR OBLIGATIONS OF THE
4 SURVIVING BUSINESS ORGANIZATION, INTO CASH, INTO OTHER
5 CONSIDERATION THAT MAY INCLUDE OWNERSHIP INTERESTS OR OBLIGATIONS
6 OF AN ENTITY THAT IS NOT A PARTY TO THE CONVERSION, OR INTO A
7 COMBINATION OF CASH AND OTHER CONSIDERATION.

8 (vi) THE TERMS AND CONDITIONS OF THE ORGANIZATIONAL DOCUMENTS
9 THAT ARE TO GOVERN THE SURVIVING BUSINESS ORGANIZATION.

10 (vii) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED
11 CONVERSION THAT THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

12 (C) IF THE BOARD ADOPTS THE PLAN OF CONVERSION UNDER
13 SUBDIVISION (B), THE PLAN OF CONVERSION IS SUBMITTED FOR APPROVAL
14 IN THE MANNER REQUIRED FOR A MERGER UNDER SECTION 703A(2).

15 (D) IF THE DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS,
16 HAS NOT ISSUED ANY SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A
17 BOARD, SUBDIVISIONS (B) AND (C) DO NOT APPLY AND THE INCORPORATORS
18 MAY APPROVE THE CONVERSION OF THE CORPORATION INTO A BUSINESS
19 ORGANIZATION BY UNANIMOUS CONSENT. TO EFFECT THE CONVERSION, A
20 MAJORITY OF THE INCORPORATORS MUST EXECUTE AND FILE A CERTIFICATE
21 OF CONVERSION UNDER SUBDIVISION (E).

22 (E) AFTER THE PLAN OF CONVERSION IS APPROVED UNDER
23 SUBDIVISIONS (B) AND (C) OR THE CONVERSION IS APPROVED UNDER
24 SUBDIVISION (D), THE DOMESTIC CORPORATION FILES ANY FORMATION
25 DOCUMENTS REQUIRED TO BE FILED UNDER THE LAWS THAT GOVERN THE
26 INTERNAL AFFAIRS OF THE SURVIVING BUSINESS ORGANIZATION, IN THE
27 MANNER REQUIRED BY THOSE LAWS, AND FILES A CERTIFICATE OF

1 CONVERSION WITH THE ADMINISTRATOR. THE CERTIFICATE OF CONVERSION
2 SHALL INCLUDE ALL OF THE FOLLOWING:

3 (i) UNLESS SUBDIVISION (D) APPLIES, ALL OF THE INFORMATION
4 DESCRIBED IN SUBDIVISION (B) (i), (ii), (iii), AND (iv) AND THE
5 MANNER AND BASIS FOR CONVERTING THE SHARES OR MEMBERSHIPS, IF ANY,
6 OF THE DOMESTIC CORPORATION INCLUDED IN THE PLAN OF CONVERSION.

7 (ii) UNLESS SUBDIVISION (D) APPLIES, A STATEMENT THAT THE
8 BOARD HAS ADOPTED THE PLAN OF CONVERSION UNDER SUBDIVISION (C), OR
9 IF SUBDIVISION (D) APPLIES TO THE CONVERSION, A STATEMENT THAT THE
10 DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
11 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD AND THAT THE
12 CONVERSION WAS APPROVED BY THE UNANIMOUS CONSENT OF THE
13 INCORPORATORS.

14 (iii) A STATEMENT THAT THE SURVIVING BUSINESS ORGANIZATION
15 WILL FURNISH A COPY OF THE PLAN OF CONVERSION, ON REQUEST AND
16 WITHOUT COST, TO ANY SHAREHOLDER OR MEMBER OF THE DOMESTIC
17 CORPORATION.

18 (iv) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF THE
19 DOMESTIC CORPORATION IS REQUIRED, A STATEMENT THAT THE PLAN WAS
20 APPROVED BY THE SHAREHOLDERS OR MEMBERS UNDER SUBDIVISION (C).

21 (v) A STATEMENT SPECIFYING EACH ASSUMED NAME OF THE DOMESTIC
22 CORPORATION TO BE USED BY THE SURVIVING BUSINESS ORGANIZATION AND
23 AUTHORIZED UNDER SECTION 217(5).

24 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
25 CONVERSION UNDER THIS SECTION BECOMES EFFECTIVE.

26 (3) WHEN A CONVERSION UNDER THIS SECTION TAKES EFFECT, ALL OF
27 THE FOLLOWING APPLY:

1 (A) THE DOMESTIC CORPORATION CONVERTS INTO THE SURVIVING
2 BUSINESS ORGANIZATION, AND THE ARTICLES OF INCORPORATION OF THE
3 DOMESTIC CORPORATION ARE CANCELED. EXCEPT AS OTHERWISE PROVIDED IN
4 THIS SECTION, THE SURVIVING BUSINESS ORGANIZATION IS ORGANIZED
5 UNDER AND SUBJECT TO THE ORGANIZATIONAL LAWS OF THE JURISDICTION OF
6 THE SURVIVING BUSINESS ORGANIZATION AS STATED IN THE CERTIFICATE OF
7 CONVERSION.

8 (B) THE SURVIVING BUSINESS ORGANIZATION HAS ALL OF THE
9 LIABILITIES OF THE DOMESTIC CORPORATION. THE CONVERSION OF THE
10 DOMESTIC CORPORATION INTO A BUSINESS ORGANIZATION UNDER THIS
11 SECTION DOES NOT AFFECT ANY OBLIGATIONS OR LIABILITIES OF THE
12 DOMESTIC CORPORATION BEFORE CONVERSION OR THE PERSONAL LIABILITY OF
13 ANY PERSON THAT IS INCURRED BEFORE THE CONVERSION, AND THE
14 CONVERSION SHALL NOT BE CONSIDERED TO AFFECT THE CHOICE OF LAW
15 APPLICABLE TO THE DOMESTIC CORPORATION WITH RESPECT TO MATTERS THAT
16 ARISE BEFORE THE CONVERSION.

17 (C) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
18 OWNED BY THE DOMESTIC CORPORATION IS VESTED IN THE SURVIVING
19 BUSINESS ORGANIZATION WITHOUT REVERSION OR IMPAIRMENT. THE RIGHTS,
20 PRIVILEGES, POWERS, AND INTERESTS IN PROPERTY OF THE DOMESTIC
21 CORPORATION, AND THE DEBTS, LIABILITIES, AND DUTIES OF THE DOMESTIC
22 CORPORATION, SHALL NOT BE CONSIDERED, AS A CONSEQUENCE OF THE
23 CONVERSION, AS TRANSFERRED TO THE SURVIVING BUSINESS CORPORATION TO
24 WHICH THE DOMESTIC CORPORATION HAS CONVERTED FOR ANY PURPOSES OF
25 THE LAWS OF THIS STATE.

26 (D) THE SURVIVING BUSINESS ORGANIZATION MAY USE THE NAME AND
27 ASSUMED NAMES OF THE DOMESTIC CORPORATION IF THE FILINGS REQUIRED

1 UNDER SECTION 217(5) OR ANY OTHER APPLICABLE STATUTE ARE MADE AND
2 THE LAWS REGARDING USE AND FORM OF NAMES ARE FOLLOWED.

3 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
4 AGAINST THE DOMESTIC CORPORATION AS IF THE CONVERSION HAD NOT
5 OCCURRED, OR THE SURVIVING BUSINESS ORGANIZATION MAY BE SUBSTITUTED
6 IN THE PROCEEDING FOR THE DOMESTIC CORPORATION.

7 (F) THE SURVIVING BUSINESS ORGANIZATION IS CONSIDERED TO BE
8 THE SAME ENTITY THAT EXISTED BEFORE THE CONVERSION AND IS
9 CONSIDERED TO BE ORGANIZED ON THE DATE THAT THE DOMESTIC
10 CORPORATION WAS ORIGINALLY INCORPORATED.

11 (G) THE SHARES OR MEMBERSHIPS OF THE DOMESTIC CORPORATION THAT
12 ARE TO BE CONVERTED INTO OWNERSHIP INTERESTS OR OBLIGATIONS OF THE
13 SURVIVING BUSINESS ORGANIZATION OR INTO CASH OR OTHER PROPERTY ARE
14 CONVERTED.

15 (H) UNLESS OTHERWISE PROVIDED IN THE PLAN OF CONVERSION, THE
16 DOMESTIC CORPORATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY
17 ITS LIABILITIES AND DISTRIBUTE ITS ASSETS ON ACCOUNT OF THE
18 CONVERSION, AND THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OF
19 THE DOMESTIC CORPORATION.

20 (4) IF THE SURVIVING BUSINESS ORGANIZATION OF A CONVERSION
21 UNDER THIS SECTION IS A FOREIGN BUSINESS ORGANIZATION, IT IS
22 SUBJECT TO THE LAWS OF THIS STATE PERTAINING TO THE TRANSACTION OF
23 BUSINESS AND THE CONDUCT OF AFFAIRS IN THIS STATE IF IT TRANSACTS
24 BUSINESS OR CONDUCTS AFFAIRS IN THIS STATE. THE SURVIVING BUSINESS
25 ORGANIZATION IS LIABLE, AND IS SUBJECT TO SERVICE OF PROCESS IN A
26 PROCEEDING IN THIS STATE, FOR THE ENFORCEMENT OF AN OBLIGATION OF
27 THE DOMESTIC CORPORATION.

1 (5) NOTWITHSTANDING THIS SECTION AND OTHER PROVISIONS OF THIS
2 ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO SHAREHOLDERS OR
3 MEMBERS OF ANY CORPORATION OR TO ANY OTHER PERSON IN CONNECTION
4 WITH A CONVERSION UNDER THIS SECTION ONLY IN CONFORMITY WITH
5 SECTION 301 AND WITH LIMITATIONS ON DISTRIBUTIONS IN ITS ARTICLES
6 OF INCORPORATION.

7 (6) AS USED IN THIS SECTION AND SECTION 746, "BUSINESS
8 ORGANIZATION" AND "ENTITY" MEAN THOSE TERMS AS DEFINED IN SECTION
9 736A(9).

10 SEC. 746. (1) A BUSINESS ORGANIZATION MAY CONVERT INTO A
11 DOMESTIC CORPORATION IF ALL OF THE FOLLOWING REQUIREMENTS ARE
12 SATISFIED:

13 (A) THE CONVERSION IS PERMITTED UNDER THE LAW THAT GOVERNS THE
14 INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION AND THE BUSINESS
15 ORGANIZATION COMPLIES WITH THAT LAW IN CONVERTING.

16 (B) THE BUSINESS ORGANIZATION THAT IS PROPOSING TO CONVERT
17 INTO A DOMESTIC CORPORATION ADOPTS A PLAN OF CONVERSION THAT
18 INCLUDES ALL OF THE FOLLOWING:

19 (i) THE NAME OF THE BUSINESS ORGANIZATION, THE TYPE OF
20 BUSINESS ORGANIZATION THAT IS CONVERTING, IDENTIFICATION OF THE
21 STATUTE THAT GOVERNS THE INTERNAL AFFAIRS OF THE BUSINESS
22 ORGANIZATION, THE NAME OF THE SURVIVING DOMESTIC CORPORATION INTO
23 WHICH THE BUSINESS ORGANIZATION IS CONVERTING, THE STREET ADDRESS
24 OF THE SURVIVING DOMESTIC CORPORATION, AND THE PRINCIPAL PLACE OF
25 BUSINESS OF THE SURVIVING DOMESTIC CORPORATION.

26 (ii) A DESCRIPTION OF ALL OF THE OWNERSHIP INTERESTS IN THE
27 BUSINESS ORGANIZATION, SPECIFYING THE INTERESTS THAT ARE ENTITLED

1 TO VOTE, ANY RIGHT THOSE INTERESTS HAVE TO VOTE COLLECTIVELY OR AS
2 A CLASS, AND, IF THE OWNERSHIP INTERESTS ARE SUBJECT TO CHANGE
3 BEFORE THE EFFECTIVE DATE OF THE CONVERSION, THE MANNER IN WHICH
4 THE CHANGE MAY OCCUR.

5 (iii) THE TERMS AND CONDITIONS OF THE PROPOSED CONVERSION,
6 INCLUDING THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP
7 INTERESTS OF THE BUSINESS ORGANIZATION INTO SHARES, MEMBERSHIPS, OR
8 OBLIGATIONS OF THE SURVIVING DOMESTIC CORPORATION, INTO CASH, INTO
9 OTHER CONSIDERATION THAT MAY INCLUDE OWNERSHIP INTERESTS OR
10 OBLIGATIONS OF AN ENTITY THAT IS NOT A PARTY TO THE CONVERSION, OR
11 INTO A COMBINATION OF CASH AND OTHER CONSIDERATION.

12 (iv) THE TERMS AND CONDITIONS OF THE ARTICLES AND BYLAWS THAT
13 ARE TO GOVERN THE SURVIVING DOMESTIC CORPORATION.

14 (v) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED
15 CONVERSION THAT THE BUSINESS ORGANIZATION CONSIDERS NECESSARY OR
16 DESIRABLE.

17 (C) IF THE PLAN OF CONVERSION IS ADOPTED BY THE BUSINESS
18 ORGANIZATION UNDER SUBDIVISION (B), THE PLAN OF CONVERSION IS
19 SUBMITTED FOR APPROVAL IN THE MANNER REQUIRED UNDER THE LAW
20 GOVERNING THE INTERNAL AFFAIRS OF THAT BUSINESS ORGANIZATION.

21 (D) AFTER THE PLAN OF CONVERSION IS APPROVED UNDER
22 SUBDIVISIONS (B) AND (C), THE BUSINESS ORGANIZATION FILES A
23 CERTIFICATE OF CONVERSION WITH THE ADMINISTRATOR. THE CERTIFICATE
24 OF CONVERSION SHALL INCLUDE ALL OF THE FOLLOWING:

25 (i) ALL OF THE INFORMATION DESCRIBED IN SUBDIVISION (B) (i) AND
26 (ii) AND THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP INTERESTS
27 OF THE BUSINESS ORGANIZATION INCLUDED IN THE PLAN OF CONVERSION.

1 (ii) A STATEMENT THAT THE BUSINESS ORGANIZATION HAS ADOPTED
2 THE PLAN OF CONVERSION UNDER SUBDIVISION (C).

3 (iii) A STATEMENT THAT THE SURVIVING CORPORATION WILL FURNISH
4 A COPY OF THE PLAN OF CONVERSION, ON REQUEST AND WITHOUT COST, TO
5 ANY OWNER OF THE BUSINESS ORGANIZATION.

6 (iv) A STATEMENT SPECIFYING EACH ASSUMED NAME OF THE BUSINESS
7 ORGANIZATION TO BE USED BY THE SURVIVING DOMESTIC CORPORATION AND
8 AUTHORIZED UNDER SECTION 217(6).

9 (v) ARTICLES OF INCORPORATION OF THE SURVIVING DOMESTIC
10 CORPORATION THAT MEET ALL OF THE REQUIREMENTS OF THIS ACT
11 APPLICABLE TO ARTICLES OF INCORPORATION.

12 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
13 CONVERSION UNDER THIS SECTION BECOMES EFFECTIVE.

14 (3) WHEN A BUSINESS ORGANIZATION CONVERTS INTO A SURVIVING
15 DOMESTIC CORPORATION UNDER THIS SECTION, ALL OF THE FOLLOWING
16 APPLY:

17 (A) THE BUSINESS ORGANIZATION CONVERTS TO THE SURVIVING
18 DOMESTIC CORPORATION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
19 THE SURVIVING DOMESTIC CORPORATION IS ORGANIZED UNDER AND SUBJECT
20 TO THIS ACT.

21 (B) THE SURVIVING DOMESTIC CORPORATION HAS ALL OF THE
22 LIABILITIES OF THE BUSINESS ORGANIZATION. THE CONVERSION OF THE
23 BUSINESS ORGANIZATION INTO A DOMESTIC CORPORATION UNDER THIS
24 SECTION DOES NOT AFFECT ANY OBLIGATIONS OR LIABILITIES OF THE
25 BUSINESS ORGANIZATION THAT ARE INCURRED BEFORE THE CONVERSION OR
26 THE PERSONAL LIABILITY OF ANY PERSON THAT IS INCURRED BEFORE THE
27 CONVERSION AND THE CONVERSION SHALL NOT BE CONSIDERED TO AFFECT THE

1 CHOICE OF LAW APPLICABLE TO THE BUSINESS ORGANIZATION WITH RESPECT
2 TO MATTERS THAT ARISE BEFORE CONVERSION.

3 (C) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
4 OWNED BY THE BUSINESS ORGANIZATION IS VESTED IN THE SURVIVING
5 DOMESTIC CORPORATION WITHOUT REVERSION OR IMPAIRMENT. THE RIGHTS,
6 PRIVILEGES, POWERS, AND INTERESTS IN PROPERTY OF THE BUSINESS
7 ORGANIZATION, AND THE DEBTS, LIABILITIES, AND DUTIES OF THE
8 BUSINESS ORGANIZATION, SHALL NOT BE CONSIDERED, AS A CONSEQUENCE OF
9 THE CONVERSION, AS TRANSFERRED TO THE SURVIVING DOMESTIC
10 CORPORATION TO WHICH THE BUSINESS ORGANIZATION HAS CONVERTED FOR
11 ANY PURPOSE UNDER THE LAWS OF THIS STATE.

12 (D) THE SURVIVING DOMESTIC CORPORATION MAY USE THE NAME AND
13 THE ASSUMED NAMES OF THE BUSINESS ORGANIZATION IF THE FILINGS
14 REQUIRED UNDER SECTION 217(6) OR ANY OTHER APPLICABLE STATUTE ARE
15 MADE AND THE LAWS REGARDING THE USE AND FORM OF NAMES ARE FOLLOWED.

16 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
17 AGAINST THE BUSINESS ORGANIZATION AS IF THE CONVERSION HAD NOT
18 OCCURRED, OR THE SURVIVING DOMESTIC CORPORATION MAY BE SUBSTITUTED
19 IN THE PROCEEDING FOR THE BUSINESS ORGANIZATION.

20 (F) THE SURVIVING DOMESTIC CORPORATION IS CONSIDERED TO BE THE
21 SAME ENTITY THAT EXISTED BEFORE THE CONVERSION AND IS CONSIDERED TO
22 BE ORGANIZED ON THE DATE THAT THE BUSINESS ORGANIZATION WAS
23 ORIGINALLY ORGANIZED.

24 (G) THE OWNERSHIP INTERESTS OF THE BUSINESS ORGANIZATION THAT
25 WERE CONVERTED INTO SHARES, MEMBERSHIPS, OR OBLIGATIONS OF THE
26 SURVIVING DOMESTIC CORPORATION OR INTO CASH OR OTHER PROPERTY ARE
27 CONVERTED.

1 (H) UNLESS OTHERWISE PROVIDED IN THE PLAN OF CONVERSION, THE
2 BUSINESS ORGANIZATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY
3 ITS LIABILITIES AND DISTRIBUTE ITS ASSETS ON ACCOUNT OF THE
4 CONVERSION, AND THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OF
5 THE BUSINESS ORGANIZATION.

6 SEC. 751. (1) A CORPORATION MAY TAKE ANY OF THE FOLLOWING
7 ACTIONS ON THE TERMS AND CONDITIONS AND FOR A CONSIDERATION
8 AUTHORIZED BY ITS BOARD OF DIRECTORS:

9 (A) SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR
10 SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS IN THE USUAL AND
11 REGULAR COURSE OF ITS BUSINESS.

12 (B) SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR
13 SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS FOLLOWING APPROVAL OF
14 A DISSOLUTION UNDER SECTION 804.

15 (C) TRANSFER ANY OR ALL OF ITS PROPERTY AND ASSETS TO ANOTHER
16 CORPORATION OF WHICH IT OWNS ALL OF THE SHARES, OR TO ANOTHER
17 ENTITY THAT IT CONTROLS OR WHOLLY OWNS, WHETHER OR NOT IN THE USUAL
18 AND REGULAR COURSE OF BUSINESS.

19 (D) MORTGAGE OR PLEDGE ANY OR ALL OF ITS PROPERTY AND ASSETS,
20 WHETHER OR NOT IN THE USUAL AND REGULAR COURSE OF BUSINESS.

21 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF
22 INCORPORATION, APPROVAL BY THE SHAREHOLDERS OR MEMBERS OF A
23 TRANSACTION DESCRIBED IN SUBSECTION (1) IS NOT REQUIRED.

24 (3) AS USED IN SUBSECTION (1), "CONSIDERATION" MAY CONSIST IN
25 WHOLE OR IN PART OF CASH OR OTHER PROPERTY, INCLUDING SHARES,
26 BONDS, OR OTHER SECURITIES OF ANY OTHER DOMESTIC CORPORATION,
27 DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN

1 BUSINESS CORPORATION.

2 Sec. 753. (1) ~~A sale, lease, exchange, or other disposition of~~
3 ~~all, or substantially all, the property and assets, with or without~~
4 ~~the goodwill, of a corporation, may be made upon such terms and~~
5 ~~conditions and for a consideration, which may consist in whole or~~
6 ~~in part of cash or other property, including shares, bonds, or~~
7 ~~other securities of any other corporation or business corporation,~~
8 ~~domestic or foreign, as authorized as provided in this~~
9 ~~section.~~ EXCEPT AS PROVIDED IN SECTION 751, A CORPORATION MAY SELL,
10 LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR SUBSTANTIALLY ALL,
11 OF ITS PROPERTY AND ASSETS, WITH OR WITHOUT THE GOODWILL, IN A
12 TRANSACTION THAT IS NOT IN THE USUAL AND REGULAR COURSE OF ITS
13 BUSINESS, ON ANY TERMS AND CONDITIONS AND FOR ANY CONSIDERATION
14 THAT IS AUTHORIZED UNDER THIS SECTION. A CORPORATION HAS NOT
15 DISPOSED OF ALL OR SUBSTANTIALLY ALL OF ITS PROPERTY AND ASSETS
16 UNDER THIS SUBSECTION IF IT RETAINS A SIGNIFICANT CONTINUING
17 BUSINESS ACTIVITY. FOR PURPOSES OF THIS SUBSECTION, IT IS
18 CONCLUSIVELY PRESUMED THAT A CORPORATION HAS RETAINED A SIGNIFICANT
19 CONTINUING BUSINESS ACTIVITY IF THE CORPORATION AND ITS
20 SUBSIDIARIES REPORTED ON A CONSOLIDATED BASIS CONTINUE TO CONDUCT
21 AN ACTIVITY THAT REPRESENTED AT LEAST 25% OF TOTAL REVENUES OR 25%
22 OF TOTAL ASSETS AT THE END OF THE MOST RECENTLY COMPLETED FISCAL
23 YEAR OR AT LEAST 25% OF TOTAL PROGRAM EXPENDITURES FOR THAT FISCAL
24 YEAR. AS USED IN THIS SUBSECTION, "CONSIDERATION" MAY CONSIST IN
25 WHOLE OR IN PART OF CASH OR OTHER PROPERTY, INCLUDING SHARES,
26 BONDS, OR OTHER SECURITIES OF ANY OTHER DOMESTIC CORPORATION,
27 DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN

1 BUSINESS CORPORATION.

2 (2) ~~The board shall approve a proposal for the sale, lease,~~
3 ~~exchange, or other disposition.~~ THE BOARD OF A STOCK OR MEMBERSHIP
4 CORPORATION MUST RECOMMEND A PROPOSED TRANSACTION DESCRIBED IN
5 SUBSECTION (1) TO THE SHAREHOLDERS OR MEMBERS, UNLESS ANY OF THE
6 FOLLOWING APPLY:

7 (A) THE BOARD DETERMINES THAT BECAUSE OF A CONFLICT OF
8 INTEREST, EVENTS THAT OCCUR AFTER THE BOARD ADOPTS THE PLAN,
9 CONTRACTUAL OBLIGATIONS, OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD
10 MAKE NO RECOMMENDATION.

11 (B) THE POWER TO INITIATE THE TRANSACTION IS RESERVED TO THE
12 SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES
13 OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488.

14 (C) SECTION 529 APPLIES.

15 (3) IF 1 OR MORE OF THE EXCEPTIONS IN SUBSECTION (2) APPLY,
16 THE BOARD MUST COMMUNICATE THE BASIS FOR NOT MAKING A
17 RECOMMENDATION TO THE SHAREHOLDERS OR MEMBERS.

18 (4) THE BOARD MAY CONDITION ITS SUBMISSION TO SHAREHOLDERS OR
19 MEMBERS UNDER SUBSECTION (2) ON ANY BASIS.

20 (5) ~~(3) In the case of~~ IF A CORPORATION IS ORGANIZED ON a
21 stock or membership ~~corporation,~~ BASIS, the CORPORATION MUST SUBMIT
22 A proposed transaction ~~shall be submitted~~ DESCRIBED IN SUBSECTION
23 (1) for approval at a meeting of shareholders or members. ~~Notice~~
24 THE CORPORATION SHALL GIVE NOTICE of the meeting ~~shall be given to~~
25 each shareholder or member of record, whether or not THAT PERSON IS
26 entitled to vote at the meeting, ~~not less than 20 days before the~~
27 meeting, ~~WITHIN THE TIME AND~~ in the manner provided in ~~UNDER~~ this

1 act for the giving of notice of meetings of shareholders or
2 members. The notice shall include or be accompanied by a statement
3 summarizing ~~THAT SUMMARIZES~~ the principal terms of the proposed
4 transaction or a copy of any documents ~~containing THAT CONTAIN~~ the
5 principal terms.

6 (6) ~~(4) At the~~ **A** meeting **DESCRIBED IN SUBSECTION (5)**, the
7 shareholders or members may authorize the sale, lease, exchange, or
8 other disposition and may fix, or may authorize the board to fix,
9 any term or condition ~~thereof~~ and the consideration to be received
10 by the corporation ~~therefor~~. ~~The authorization requires the~~
11 ~~affirmative vote of the holders of~~ **FOR THAT TRANSACTION. SUBJECT TO**
12 **SUBSECTIONS (8) AND (9), THE TRANSACTION IS APPROVED IF** a majority
13 of the ~~outstanding shares~~ **VOTES HELD BY SHAREHOLDERS** or members of
14 the corporation entitled to vote ~~thereon~~, ~~and if a class is~~
15 ~~entitled to vote thereon as a class, the affirmative vote of a~~
16 ~~majority of the outstanding shares or members of each such~~
17 ~~class~~ **ARE CAST IN FAVOR OF THE SALE, LEASE, EXCHANGE, OR OTHER**
18 **DISPOSITION.**

19 (7) **NOTWITHSTANDING SUBSECTION (6), UNLESS A GREATER VOTE IS**
20 **REQUIRED IN THE ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY**
21 **THE SHAREHOLDERS OR MEMBERS, IF THERE ARE MORE THAN 20 SHAREHOLDERS**
22 **OR MEMBERS THAT ARE ENTITLED TO VOTE AT THE MEETING, THE SALE,**
23 **LEASE, EXCHANGE, OR OTHER DISPOSITION IS APPROVED IF A MAJORITY OF**
24 **THE VOTES HELD BY SHAREHOLDERS OR MEMBERS THAT ARE PRESENT IN**
25 **PERSON OR BY PROXY AT THE MEETING ARE CAST IN FAVOR OF THE SALE,**
26 **LEASE, EXCHANGE, OR OTHER DISPOSITION.**

27 (8) ~~(5)~~ Notwithstanding authorization by the shareholders or

1 members UNDER SUBSECTION (5) OR (6), UNLESS THE POWER TO INITIATE
 2 THE TRANSACTION IS RESERVED TO THE SHAREHOLDERS OR MEMBERS WITHOUT
 3 ACTION OF THE BOARD IN THE ARTICLES OF INCORPORATION OR IN AN
 4 AGREEMENT UNDER SECTION 488, the board may abandon ~~the~~ A sale,
 5 lease, exchange, or other disposition UNDER SUBSECTION (1), subject
 6 to the rights of third parties under any contracts ~~relating thereto~~
 7 THAT RELATE TO THE SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION,
 8 without further action or approval by shareholders or members.

9 (9) ~~(6) In the case of~~ IF a corporation IS organized ~~upon~~ ON a
 10 directorship basis, a sale, lease, exchange, or other disposition
 11 of all, or substantially all, OF the property and assets, with or
 12 without goodwill, of a corporation, ~~shall be~~ IN A TRANSACTION THAT
 13 IS NOT IN THE USUAL AND REGULAR COURSE OF ITS BUSINESS, IS
 14 authorized ~~upon receiving~~ IF IT RECEIVES the affirmative vote of a
 15 majority of the directors WHO ARE then in office. ~~Notice~~ A
 16 CORPORATION SHALL GIVE NOTICE of the meeting to authorize ~~the~~ A
 17 sale, lease, exchange, or other disposition ~~shall be given~~ UNDER
 18 THIS SUBSECTION to each director WHO IS then in office ~~not less~~
 19 ~~than~~ AT LEAST 20 days before the meeting, and THE NOTICE shall
 20 include a statement ~~summarizing~~ THAT SUMMARIZES the principal terms
 21 of the proposed transaction or a copy of any documents ~~containing~~
 22 THAT CONTAIN the principal terms.

23 (10) A SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ALL, OR
 24 SUBSTANTIALLY ALL, OF THE PROPERTY AND ASSETS OF A CORPORATION OR
 25 OTHER ENTITY OF WHICH A SECOND CORPORATION OWNS A MAJORITY OF THE
 26 SHARES OR BENEFICIAL INTERESTS, INCLUDING A CHANGE IN SHARES OF THE
 27 CORPORATION OR BENEFICIAL INTEREST IN ANOTHER ENTITY HELD BY THE

1 SECOND CORPORATION BECAUSE OF A MERGER, IS A DISPOSITION BY THE
2 SECOND CORPORATION OF ITS PRO RATA SHARE OF THE PROPERTY AND ASSETS
3 OF THE CORPORATION OR OTHER ENTITY ON A CONSOLIDATED BASIS FOR
4 PURPOSES OF THIS SECTION.

5 (11) A TRANSACTION THAT IS A DISTRIBUTION PERMITTED UNDER
6 SECTION 301 IS GOVERNED BY SECTION 545, AND THIS SECTION AND
7 SECTION 751 DO NOT APPLY TO THAT TRANSACTION.

8 SEC. 754. SHAREHOLDERS OR MEMBERS OF A CORPORATION THAT
9 PROPOSES TO ISSUE, DIRECTLY OR THROUGH A SUBSIDIARY, ITS SHARES,
10 MEMBERSHIPS, OBLIGATIONS, OR SECURITIES IN THE COURSE OF A MERGER,
11 ACQUISITION OF SOME OR ALL OF THE OUTSTANDING SHARES OF ANOTHER
12 CORPORATION OR INTERESTS IN OR MEMBERSHIPS OF ANOTHER ENTITY, OR
13 ACQUISITION OF SOME OR ALL OF THE ASSETS OTHER THAN CASH OF A
14 CORPORATION OR OTHER ENTITY HAVE THE RIGHTS TO RECEIVE NOTICE AND
15 TO VOTE ON THE PROPOSED MERGER OR ACQUISITION PROVIDED UNDER
16 SECTION 703A(2) IF BOTH OF THE FOLLOWING APPLY:

17 (A) THE SECURITIES OR OTHER INTERESTS TO BE ISSUED OR
18 DELIVERED IN THE ACQUISITION ARE OR MAY BE CONVERTED INTO SHARES OR
19 MEMBERSHIPS OF THE ACQUIRING CORPORATION.

20 (B) THE NUMBER OF THE ACQUIRING CORPORATION'S VOTING SHARES OR
21 MEMBER VOTES TO BE ISSUED OR DELIVERED, PLUS THOSE INITIALLY
22 ISSUABLE ON THE CONVERSION OR EXCHANGE OF ANY OTHER SECURITIES TO
23 BE ISSUED OR DELIVERED, WILL EXCEED 100% OF THE NUMBER OF ITS
24 VOTING SHARES OR MEMBER VOTES OUTSTANDING IMMEDIATELY BEFORE THE
25 ACQUISITION PLUS THE NUMBER OF ITS COMMON SHARES OR MEMBERSHIPS, IF
26 ANY, INITIALLY ISSUABLE ON THE CONVERSION OR EXCHANGE OF ANY OTHER
27 SECURITIES THAT ARE THEN OUTSTANDING.

1 Sec. 801. (1) A corporation may be dissolved in any of the
2 following ways:

3 (a) Automatically by expiration of a period of duration to
4 which the corporation is limited ~~by~~**IN** its articles of
5 incorporation.

6 (b) By action of the incorporators or directors ~~pursuant to~~
7 **UNDER** section 803.

8 (c) By action of the shareholders, members, or the board
9 ~~pursuant to~~**UNDER** section 804.

10 ~~(d) By action of a shareholder or member pursuant to section~~
11 **805. PURSUANT TO AN AGREEMENT UNDER SECTION 488. A DISSOLUTION UNDER**
12 **THIS SUBDIVISION BECOMES EFFECTIVE BY FILING A CERTIFICATE UNDER**
13 **SECTION 805.**

14 (e) By a judgment of the circuit court in an action **THAT IS**
15 brought ~~pursuant to~~**UNDER** this act or otherwise.

16 (f) Automatically, ~~pursuant to~~**UNDER** section 922, for failure
17 to file an annual report or pay ~~the~~**AN** annual filing fee. ~~or a~~
18 ~~penalty added to the fee.~~

19 (2) A corporation whose assets have been wholly disposed of
20 under court order in receivership or bankruptcy proceedings may be
21 summarily dissolved by order of the court ~~having~~**THAT HAS**
22 jurisdiction of the proceedings. ~~A~~**THE CLERK OF THE COURT SHALL**
23 **FILE A** copy of the order ~~shall be filed with the administrator. by~~
24 ~~the clerk of the court.~~

25 Sec. 804. (1) A corporation may be dissolved by action of its
26 **BOARD AND ITS** shareholders ~~,~~**OR** members, ~~or board~~**IF ANY**, as
27 provided in this section.

1 ~~(2) The board shall adopt a resolution that the corporation be~~
2 ~~dissolved and that a plan of distribution of assets complying with~~
3 ~~section 855 be implemented.~~ **THE BOARD OF A CORPORATION THAT IS**
4 **ORGANIZED ON A STOCK OR MEMBERSHIP BASIS MAY PROPOSE DISSOLUTION**
5 **FOR ACTION BY THE SHAREHOLDERS OR MEMBERS.**

6 **(3) THE BOARD OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR**
7 **MEMBERSHIP BASIS MUST RECOMMEND A DISSOLUTION UNDER THIS SECTION TO**
8 **THE SHAREHOLDERS OR MEMBERS UNLESS ANY OF THE FOLLOWING APPLY:**

9 **(A) THE BOARD DETERMINES THAT BECAUSE OF A CONFLICT OF**
10 **INTEREST OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO**
11 **RECOMMENDATION.**

12 **(B) THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO THE**
13 **SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES**
14 **OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488.**

15 **(C) SECTION 529 APPLIES.**

16 **(4) IF 1 OR MORE OF THE EXCEPTIONS DESCRIBED IN SUBSECTION (3)**
17 **APPLY, THE BOARD MUST COMMUNICATE TO THE SHAREHOLDERS OR MEMBERS**
18 **THE BASIS FOR NOT MAKING A RECOMMENDATION.**

19 **(5) THE BOARD MAY CONDITION ITS SUBMISSION OF A PROPOSAL FOR**
20 **DISSOLUTION TO SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (3) ON ANY**
21 **BASIS.**

22 **(6) ~~(3)~~ If the ~~A~~ corporation is organized ~~upon~~ **ON** a stock or**
23 **membership basis, the BOARD SHALL SUBMIT A proposed dissolution**
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, WHETHER OR NOT THAT PERSON IS**
27 **entitled to vote at the meeting, ~~as~~ WITHIN THE TIME AND IN THE**

1 ~~MANNER~~ provided ~~in~~ ~~UNDER~~ this act for the giving of notice of
 2 meetings of shareholders or members. ~~, and~~ ~~THE NOTICE~~ shall state
 3 that a purpose of the meeting is to vote on dissolution of the
 4 corporation. ~~The notice shall include a copy or summary of the plan~~
 5 ~~of distribution of assets.~~

6 (7) ~~(4) At the meeting a vote of~~ **AT A MEETING DESCRIBED IN**
 7 **SUBSECTION (6), THE** shareholders or members shall ~~be taken~~ **VOTE** on
 8 the proposed dissolution. ~~and plan of distribution of assets.~~ ~~The~~
 9 **EXCEPT AS PROVIDED IN THIS SUBSECTION, A** dissolution shall ~~be~~ **IS**
 10 approved ~~upon receiving the affirmative vote of the holders of~~ **IF** a
 11 majority of the ~~outstanding shares or a majority of the~~ **VOTES HELD**
 12 **BY SHAREHOLDERS OR** members of the corporation **THAT ARE** entitled to
 13 vote thereon, ~~and if a class is entitled to vote thereon as a~~
 14 ~~class, the affirmative vote of a majority of the outstanding shares~~
 15 ~~or members of each such class.~~ **ON THE PROPOSED DISSOLUTION ARE CAST**
 16 **IN FAVOR OF DISSOLUTION. UNLESS A GREATER VOTE IS REQUIRED IN THE**
 17 **ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY THE SHAREHOLDERS**
 18 **OR MEMBERS, IF THERE ARE MORE THAN 20 MEMBERS OR SHAREHOLDERS THAT**
 19 **ARE ENTITLED TO VOTE AT THE MEETING, DISSOLUTION IS APPROVED IF A**
 20 **MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS THAT ARE**
 21 **ENTITLED TO VOTE ON THE PROPOSED DISSOLUTION PRESENT IN PERSON OR**
 22 **BY PROXY AT THE MEETING ARE CAST IN FAVOR OF DISSOLUTION.**

23 (8) ~~(5) If the~~ **A** corporation is organized ~~upon~~ **ON** a
 24 directorship basis, ~~the~~ **A** dissolution shall ~~be authorized by~~ **IS**
 25 **APPROVED IF IT RECEIVES** the affirmative vote of a majority of
 26 directors **WHO ARE** then in office. ~~Notice~~ **THE CORPORATION SHALL GIVE**
 27 **NOTICE** of the meeting to authorize the dissolution ~~shall be given~~

1 to each director **WHO IS** then in office ~~not less than~~ **AT LEAST** 10
2 days before the meeting, and **THE NOTICE** shall state that a purpose
3 of the meeting is to vote on dissolution of the corporation. ~~The~~
4 ~~notice shall include a copy or summary of the plan of distribution~~
5 ~~of assets.~~

6 (9) ~~(6)~~—If the dissolution is approved, a certificate of
7 dissolution shall be executed and ~~filed~~ **SUBMITTED** on behalf of the
8 corporation, setting forth:

9 (a) The name of the corporation.

10 (b) The date and place of the meeting of shareholders,
11 members, or directors ~~approving~~ **AT WHICH** the dissolution **WAS**
12 **APPROVED**.

13 (c) A statement that dissolution was **PROPOSED AND** approved by
14 the requisite vote of directors and **THE** shareholders ~~, directors~~
15 ~~and~~ **OR** members **UNDER SUBSECTION (7)**, or **THE** directors **UNDER**
16 **SUBSECTION (8)**.

17 Sec. 805. ~~(1) The articles of incorporation may contain a~~
18 ~~provision that a shareholder, a member, or a director, or the~~
19 ~~holders of any specified number or proportion of shares or any~~
20 ~~specified number or proportion of members or directors, or of any~~
21 ~~specified number or proportion of shares or members of a class, may~~
22 ~~require dissolution of the corporation at will or upon the~~
23 ~~occurrence of a specified event, if all the incorporators have~~
24 ~~authorized the provision in the articles or the holders of record~~
25 ~~of all outstanding shares or all the members or all the directors~~
26 ~~authorize the provision in an amendment to the articles. Said~~
27 ~~provision shall also specify a plan of distribution of assets of~~

1 ~~the corporation which complies with section 855.~~DISSOLUTION UNDER
2 AN AGREEMENT UNDER SECTION 488 BECOMES EFFECTIVE BY EXECUTING AND
3 FILING A CERTIFICATE OF DISSOLUTION ON BEHALF OF THE CORPORATION
4 THAT STATES THE NAME OF THE CORPORATION AND THAT THE CORPORATION IS
5 DISSOLVED UNDER AN AGREEMENT UNDER SECTION 488.

6 ~~—— (2) If the articles contain this provision, dissolution may be~~
7 ~~effected by the execution and filing of a certificate of~~
8 ~~dissolution on behalf of the corporation when authorized by a~~
9 ~~holder or holders of the number or proportion of shares or by the~~
10 ~~number or proportion of members or directors specified in the~~
11 ~~provision, obtained in such manner as may be specified therein, or~~
12 ~~if no manner is specified therein, when authorized on written~~
13 ~~consent signed by such holder or holders, member or members, or~~
14 ~~director or directors. The certificate of dissolution shall state~~
15 ~~the name of the corporation and that the corporation is dissolved~~
16 ~~pursuant to a designated provision in the articles.~~

17 ~~—— (3) If the articles contain a provision authorized by~~
18 ~~subsection (1), the existence of the provision shall be noted~~
19 ~~conspicuously on the face of every certificate for shares issued by~~
20 ~~the corporation or on the face of a membership certificate~~
21 ~~delivered to every member of the corporation, and a holder or~~
22 ~~recipient of such certificate is conclusively deemed to have taken~~
23 ~~delivery or assumed membership with notice of the provision.~~

24 Sec. 811. (1) ~~Dissolution~~**A CORPORATION MAY REVOKE DISSOLUTION**
25 ~~proceedings commenced pursuant to~~**UNDER** section 804 or 805 may be
26 ~~revoked~~**488 OR 804** before complete distribution of assets, if a
27 ~~proceeding pursuant to~~**UNDER** section 851 is not pending, by filing

1 a certificate of revocation **THAT IS** executed, in person or by
 2 proxy, by all the shareholders, members, or directors **THAT ARE**
 3 entitled to vote on dissolution, ~~stating~~ **AND STATES** that **THE**
 4 revocation is effective ~~pursuant to~~ **UNDER** this section and that all
 5 the shareholders, members, or directors of the corporation **THAT ARE**
 6 entitled to vote on dissolution have executed the certificate in
 7 person or by proxy.

8 (2) ~~Dissolution~~ **IN ADDITION TO REVOKING A DISSOLUTION UNDER**
 9 **SUBSECTION (1), A CORPORATION MAY ALSO REVOKE DISSOLUTION**
 10 proceedings commenced ~~pursuant to~~ **UNDER** section 804 ~~may also be~~
 11 ~~revoked~~ before complete distribution of assets, if a proceeding
 12 ~~pursuant to~~ **UNDER** section 851 is not pending, in the following
 13 manner:

14 (a) ~~The~~ **UNLESS THE POWER TO DISSOLVE THE CORPORATION IS**
 15 **RESERVED TO THE SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD**
 16 **IN THE ARTICLES OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION**
 17 **488, THE** board of directors shall adopt a resolution ~~that the~~
 18 **REVOKING** dissolution. ~~be revoked.~~ **THE CORPORATION SHALL SUBMIT THE**
 19 proposed revocation ~~shall be submitted~~ for approval at a meeting of
 20 shareholders ~~, OR~~ members. ~~, or directors, and~~ **THE CORPORATION**
 21 **SHALL GIVE** the shareholders ~~, OR~~ members ~~, or directors~~ ~~shall be~~
 22 ~~given~~ the same notice of the meeting and the revocation ~~shall~~ **MUST**
 23 be approved by the same vote ~~as that~~ **IS** required ~~by~~ **UNDER** section
 24 804 for the approval of dissolution.

25 (B) **IF THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO**
 26 **THE SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE**
 27 **ARTICLES OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488, THE**

1 SHAREHOLDERS OR MEMBERS MAY APPROVE REVOCATION OF DISSOLUTION IN
 2 THE MANNER PROVIDED IN THE ARTICLES OF INCORPORATION OR IN THE
 3 AGREEMENT UNDER SECTION 488 FOR APPROVAL OF DISSOLUTION. THE
 4 CORPORATION SHALL GIVE THE SHAREHOLDERS OR MEMBERS THE SAME NOTICE
 5 OF THE MEETING THAT IS REQUIRED UNDER SECTION 804 FOR THE APPROVAL
 6 OF DISSOLUTION AND THE REVOCATION OF DISSOLUTION MUST BE APPROVED
 7 BY THE SAME VOTE THAT IS REQUIRED UNDER SECTION 804 OR IN THE
 8 APPLICABLE PROVISIONS OF THE ARTICLES OF INCORPORATION OR IN THE
 9 AGREEMENT UNDER SECTION 488 FOR THE APPROVAL OF DISSOLUTION.

10 (C) IF THE CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, A
 11 DISSOLUTION MAY BE REVOKED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF
 12 THE DIRECTORS WHO ARE THEN IN OFFICE. THE CORPORATION SHALL GIVE
 13 THE DIRECTORS THE SAME NOTICE OF THE MEETING THAT IS REQUIRED IN
 14 SECTION 804 FOR DISSOLUTION.

15 (D) ~~(b)~~ A certificate of revocation, ~~stating THAT STATES~~ that
 16 dissolution is revoked ~~pursuant to UNDER~~ this section, and ~~giving~~
 17 **INCLUDES** the information required ~~by UNDER~~ section ~~804(6), 804(8),~~
 18 shall be executed and filed on behalf of the corporation.

19 Sec. 815. A corporation whose term has expired may renew its
 20 corporate existence, if a proceeding ~~pursuant to UNDER~~ section 851
 21 is not pending, in the following manner:

22 (a) The board ~~shall adopt~~ **ADOPTS** a resolution ~~that TO RENEW~~
 23 the **CORPORATION'S** corporate existence. ~~be renewed.~~

24 (b) If the corporation is organized ~~upon ON~~ a stock or
 25 membership basis, the **CORPORATION SUBMITS THE** proposed renewal
 26 ~~shall be submitted~~ for approval at a meeting of shareholders or
 27 members. ~~Notice shall be given~~ **THE CORPORATION SHALL GIVE NOTICE** to

1 each shareholder or member of record **THAT IS** entitled to vote at
 2 the meeting within the time and in the manner provided ~~in~~**UNDER**
 3 this act for the giving of notice of meetings of shareholders or
 4 members. ~~and~~**THE NOTICE** shall state that a purpose of the meeting
 5 is to vote on the renewal of corporate existence. At the meeting, a
 6 ~~vote of~~ shareholders or members **THAT ARE** entitled to vote thereat
 7 ~~shall be taken~~**ON THE RENEWAL SHALL VOTE** on the proposed renewal
 8 ~~which shall be~~**AND THE RENEWAL IS** adopted ~~upon receiving the~~
 9 ~~affirmative vote of holders of~~**IF** a majority of the outstanding
 10 ~~shares or a majority of the~~**VOTES HELD BY SHAREHOLDERS OR** members
 11 of the corporation **THAT ARE** entitled to vote thereon, ~~and if a~~
 12 ~~class of shareholders or members is entitled to vote thereon as a~~
 13 ~~class, the affirmative vote of a majority of the outstanding shares~~
 14 ~~or the members of each such class.~~**ON THE RENEWAL ARE CAST IN FAVOR**
 15 **OF THE RENEWAL.** Unless a greater vote is required in the articles
 16 of incorporation or in a bylaw adopted by the shareholders or
 17 members, ~~the~~**A** proposed renewal shall ~~be~~**IS** also ~~be~~ adopted ~~upon~~
 18 ~~receiving an affirmative vote of~~**IF** a majority of **VOTES THAT ARE**
 19 **HELD BY SHAREHOLDERS OR** members ~~or shares of shareholders present~~
 20 in person or by proxy at ~~such~~**THE** meeting ~~if~~**ARE CAST IN FAVOR OF**
 21 **THE RENEWAL AND** due notice of the time, place, and object of the
 22 meeting ~~was~~**IS** given by mail, at **THE** last known address, to each
 23 shareholder or member **THAT IS** entitled to vote thereon**ON THE**
 24 **RENEWAL** at least 20 days ~~prior to~~**BEFORE** the date of the meeting or
 25 by publication in a publication distributed to its shareholders or
 26 members at least 20 days ~~prior to~~**BEFORE** the date of the meeting.

27 (c) If the corporation is organized ~~upon~~**ON** a directorship

1 basis, renewal ~~shall be~~ **IS** authorized by ~~the~~ **IF IT RECEIVES THE**
 2 affirmative vote of a majority of directors **WHO ARE** then in office.

3 (d) If renewal of the corporate existence **OF A CORPORATION** is
 4 approved, a certificate of renewal shall be executed and filed on
 5 behalf of the corporation ~~, setting forth~~ **THAT INCLUDES ALL OF THE**
 6 **FOLLOWING:**

7 (i) The name of the corporation.

8 (ii) The date and place of the meeting of shareholders or
 9 members ~~approving~~ **AT WHICH** the renewal of existence **WAS APPROVED,**
 10 if any.

11 (iii) A statement that renewal was approved by the requisite
 12 vote of **THE** directors and **THE** shareholders ~~, directors and~~ **OR**
 13 members **UNDER SUBDIVISION (B),** or **OF THE** directors **UNDER**
 14 **SUBDIVISION (C).**

15 (iv) The duration of the corporation, if other than perpetual.
 16 Sec. 817. (1) ~~Upon filing of the~~ **WHEN A** certificate of
 17 revocation of dissolution ~~or~~ **IS FILED UNDER SECTION 811 OR A**
 18 **CERTIFICATE** of renewal of existence **IS FILED UNDER SECTION 815,** the
 19 revocation of the dissolution proceedings or the renewal of the
 20 corporate existence becomes effective, and the corporation may
 21 again conduct affairs.

22 (2) Revocation of dissolution **UNDER SECTION 811** or renewal of
 23 corporate existence **UNDER SECTION 815** does not relieve ~~the~~ **A**
 24 corporation of any penalty or liability accrued against it under
 25 any law of this state.

26 (3) ~~If during the period of dissolution or expiration of term~~
 27 ~~the corporate name or a confusingly similar name has been assigned~~

1 ~~to another corporation, the administrator may require that the~~
 2 ~~corporation adopt a different name upon filing of a certificate of~~
 3 ~~revocation of dissolution or of renewal of existence.~~**THE**
 4 **ADMINISTRATOR MAY REQUIRE A CORPORATION THAT FILES A CERTIFICATE OF**
 5 **REVOCATION OF DISSOLUTION UNDER SECTION 811 OR A CERTIFICATE OF**
 6 **RENEWAL OF CORPORATE EXISTENCE UNDER SECTION 815 TO ADOPT A**
 7 **CORPORATE NAME THAT CONFORMS TO THE REQUIREMENTS OF SECTION 212.**

8 (4) **THE RIGHTS OF A CORPORATION THAT COMPLIES WITH THIS**
 9 **SECTION ARE THE SAME AS THOUGH A DISSOLUTION OR EXPIRATION OF TERM**
 10 **HAS NOT OCCURRED, AND ALL CONTRACTS ENTERED INTO AND OTHER RIGHTS**
 11 **ACQUIRED DURING THE INTERVAL ARE VALID AND ENFORCEABLE.**

12 Sec. 821. (1) The attorney general may bring an action in the
 13 circuit court for the county in which the **PRINCIPAL PLACE OF**
 14 **BUSINESS OR** registered office of ~~the~~**A** corporation is located **OR**
 15 **FOR INGHAM COUNTY** for dissolution of a corporation ~~upon~~**ON** the
 16 ground that the corporation has committed any of the following
 17 acts:

18 (a) Procured its organization through fraud.

19 (b) Repeatedly, ~~and wilfully~~**WILLFULLY, AND MATERIALLY**
 20 exceeded the authority conferred ~~upon~~**ON** it by law.

21 (c) Repeatedly, ~~and wilfully~~**WILLFULLY, AND MATERIALLY**
 22 conducted its affairs in an unlawful manner.

23 (2) The enumeration in this section of grounds for dissolution
 24 does not exclude any other statutory or common law action by the
 25 attorney general for dissolution of a corporation or revocation or
 26 forfeiture of its corporate franchises.

27 Sec. 823. (1) A corporation **THAT IS ORGANIZED ON A STOCK OR**

1 **MEMBERSHIP BASIS** may be dissolved by a judgment entered in an
2 action brought in the circuit court for the county in which the
3 **PRINCIPAL PLACE OF BUSINESS OR** registered office of the corporation
4 is located by 1 or more directors or by 1 or more shareholders or
5 members **THAT ARE** entitled to vote in an election of directors of
6 the corporation, ~~upon proof of~~ **IF** both of the following **ARE PROVED**:

7 (a) The directors of the corporation, **OR ITS SHAREHOLDERS OR**
8 **MEMBERS IF A PROVISION IN THE ARTICLES OF INCORPORATION AUTHORIZED**
9 **UNDER SECTION 488(1) IS IN EFFECT**, are unable to agree by the
10 requisite vote on material matters respecting management of the
11 corporation's affairs, or the shareholders or members of the
12 corporation are so divided in voting power that they have failed to
13 elect ~~successors to~~ **A SUCCESSOR FOR** any director whose term has
14 expired or would have expired ~~upon~~ **ON** the election and
15 qualification of ~~the director's~~ **HIS OR HER** successor.

16 (b) As a result of a condition stated in subdivision (a), the
17 corporation is unable to carry out its corporate purposes or
18 function effectively in the best interests of its creditors and
19 shareholders or members, if any, **OR THE PERSONS THAT THE**
20 **CORPORATION IS ORGANIZED TO BENEFIT.**

21 (2) **A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS**
22 **MAY BE DISSOLVED BY A JUDGMENT ENTERED IN AN ACTION BROUGHT IN THE**
23 **CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF**
24 **BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED BY 1 OR**
25 **MORE DIRECTORS OR BY 1 OR MORE OTHER PERSONS THAT ARE ENTITLED TO**
26 **VOTE IN AN ELECTION OF 1 OR MORE OF THE DIRECTORS OF THE**
27 **CORPORATION, IF BOTH OF THE FOLLOWING ARE PROVED:**

1 (A) THE DIRECTORS OF THE CORPORATION ARE UNABLE TO AGREE BY
2 THE REQUISITE VOTE ON MATERIAL MATTERS RESPECTING MANAGEMENT OF THE
3 CORPORATION'S AFFAIRS, OR THE DIRECTORS OR OTHER PERSONS THAT ARE
4 ENTITLED TO VOTE IN THE ELECTION OF 1 OR MORE OF THE DIRECTORS OF
5 THE CORPORATION ARE SO DIVIDED IN VOTING POWER THAT THEY HAVE
6 FAILED TO ELECT A SUCCESSOR FOR TO ANY DIRECTOR WHOSE TERM HAS
7 EXPIRED OR WOULD HAVE EXPIRED ON THE ELECTION AND QUALIFICATION OF
8 HIS OR HER SUCCESSOR.

9 (B) AS A RESULT OF A CONDITION STATED IN SUBDIVISION (A), THE
10 CORPORATION IS UNABLE TO CARRY OUT ITS CORPORATE PURPOSES OR
11 FUNCTION EFFECTIVELY IN THE BEST INTERESTS OF ITS CREDITORS AND
12 SHAREHOLDERS OR MEMBERS, IF ANY, OR THE PERSONS THAT THE
13 CORPORATION IS ORGANIZED TO BENEFIT.

14 (3) A PERSON OR PERSONS THAT FILES AN ACTION FOR DISSOLUTION
15 OF A CHARITABLE PURPOSE CORPORATION UNDER THIS SECTION SHALL GIVE
16 THE ATTORNEY GENERAL WRITTEN NOTICE OF THE COMMENCEMENT OF THE
17 ACTION BY MAIL WITHIN 30 DAYS AFTER FILING.

18 SEC. 841A. (1) A DISSOLVED CORPORATION MAY NOTIFY ITS EXISTING
19 CLAIMANTS IN WRITING OF THE DISSOLUTION OF THE CORPORATION AT ANY
20 TIME AFTER THE EFFECTIVE DATE OF THE DISSOLUTION. THE WRITTEN
21 NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

22 (A) A DESCRIPTION OF THE INFORMATION THAT MUST BE INCLUDED IN
23 A CLAIM. THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO
24 PERMIT IT TO MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE
25 ACCEPTED OR REJECTED.

26 (B) A MAILING ADDRESS WHERE A CLAIM MAY BE SENT.

27 (C) THE DEADLINE BY WHICH THE DISSOLVED CORPORATION MUST

1 RECEIVE THE CLAIM. THE DEADLINE MUST BE AT LEAST 6 MONTHS AFTER THE
2 EFFECTIVE DATE OF THE WRITTEN NOTICE.

3 (D) A STATEMENT THAT A CLAIM THAT IS NOT RECEIVED BY THE
4 DEADLINE IS BARRED.

5 (2) PROVIDING A NOTICE UNDER SUBSECTION (1) DOES NOT
6 CONSTITUTE RECOGNITION THAT A PERSON TO WHICH THE NOTICE IS
7 DIRECTED HAS A VALID CLAIM AGAINST THE CORPORATION.

8 (3) A CLAIM AGAINST A DISSOLVED CORPORATION IS BARRED IF
9 EITHER OF THE FOLLOWING APPLIES:

10 (A) IF A CLAIMANT THAT WAS GIVEN WRITTEN NOTICE UNDER
11 SUBSECTION (1) DOES NOT DELIVER THE CLAIM TO THE DISSOLVED
12 CORPORATION BY THE DEADLINE.

13 (B) IF A CLAIMANT WHOSE CLAIM IS REJECTED BY A WRITTEN NOTICE
14 OF REJECTION BY THE DISSOLVED CORPORATION DOES NOT COMMENCE A
15 PROCEEDING TO ENFORCE THE CLAIM WITHIN 90 DAYS AFTER THE EFFECTIVE
16 DATE OF THE WRITTEN NOTICE OF REJECTION.

17 (4) AS USED IN THIS SECTION AND SECTION 842A:

18 (A) THE "EFFECTIVE DATE" OF A WRITTEN NOTICE IS THE EARLIEST
19 OF THE FOLLOWING:

20 (i) THE DATE IT IS RECEIVED.

21 (ii) FIVE DAYS AFTER ITS DEPOSIT IN THE UNITED STATES MAIL, AS
22 EVIDENCED BY THE POSTMARK, IF IT IS MAILED POSTPAID AND CORRECTLY
23 ADDRESSED.

24 (iii) THE DATE SHOWN ON THE RETURN RECEIPT, IF THE NOTICE IS
25 SENT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND
26 THE RECEIPT IS SIGNED BY OR ON BEHALF OF THE ADDRESSEE.

27 (B) "EXISTING CLAIM" MEANS ANY CLAIM OR RIGHT AGAINST A

1 CORPORATION, LIQUIDATED OR UNLIQUIDATED. THE TERM DOES NOT MEAN A
2 CONTINGENT LIABILITY OR A CLAIM THAT IS BASED ON AN EVENT THAT
3 OCCURS AFTER THE EFFECTIVE DATE OF DISSOLUTION OF THE CORPORATION.

4 SEC. 842A. (1) IN ADDITION TO PROVIDING NOTICE UNDER SECTION
5 841A, A DISSOLVED CORPORATION MAY ALSO PUBLISH NOTICE OF
6 DISSOLUTION AT ANY TIME AFTER THE EFFECTIVE DATE OF DISSOLUTION AND
7 REQUEST THAT PERSONS WITH CLAIMS AGAINST THE CORPORATION PRESENT
8 THEM IN THE MANNER DESCRIBED IN THE NOTICE.

9 (2) A NOTICE DESCRIBED IN SUBSECTION (1) MUST MEET BOTH OF THE
10 FOLLOWING:

11 (A) BE PUBLISHED 1 TIME IN A NEWSPAPER OF GENERAL CIRCULATION
12 IN THE COUNTY WHERE THE DISSOLVED CORPORATION'S PRINCIPAL OFFICE,
13 OR IF THERE IS NO PRINCIPAL OFFICE IN THIS STATE, ITS REGISTERED
14 OFFICE, IS OR WAS LAST LOCATED.

15 (B) STATE THAT A CLAIM AGAINST THE CORPORATION IS BARRED
16 UNLESS A PROCEEDING TO ENFORCE THE CLAIM IS COMMENCED WITHIN 1 YEAR
17 AFTER THE PUBLICATION DATE OF THE NEWSPAPER NOTICE.

18 (3) SUBJECT TO SUBSECTION (4), IF A DISSOLVED CORPORATION
19 PUBLISHES A NEWSPAPER NOTICE UNDER SUBSECTION (2), THE CLAIM OF
20 EACH OF THE FOLLOWING CLAIMANTS IS BARRED UNLESS THE CLAIMANT
21 COMMENCES A PROCEEDING TO ENFORCE THE CLAIM AGAINST THE DISSOLVED
22 CORPORATION WITHIN 1 YEAR AFTER THE PUBLICATION DATE OF THE
23 NEWSPAPER NOTICE:

24 (A) A CLAIMANT THAT DID NOT RECEIVE WRITTEN NOTICE UNDER
25 SECTION 841A.

26 (B) A CLAIMANT THAT SENT A TIMELY CLAIM TO THE DISSOLVED
27 CORPORATION BUT THE CORPORATION DID NOT ACT ON THE CLAIM.

1 (C) A CLAIMANT WHOSE CLAIM IS CONTINGENT OR BASED ON AN EVENT
2 THAT OCCURS AFTER THE EFFECTIVE DATE OF DISSOLUTION.

3 (4) NOTWITHSTANDING SUBSECTION (3), A CLAIMANT THAT HAS AN
4 EXISTING CLAIM THAT IS KNOWN TO THE CORPORATION AT THE TIME OF
5 PUBLICATION UNDER SUBSECTION (2) AND THAT DID NOT RECEIVE WRITTEN
6 NOTICE UNDER SECTION 841A IS NOT BARRED FROM COMMENCING A
7 PROCEEDING UNTIL 6 MONTHS AFTER THE CLAIMANT HAS ACTUAL NOTICE OF
8 THE DISSOLUTION.

9 Sec. 851. (1) After a corporation ~~has been~~ **IS** dissolved in any
10 manner, the corporation, a creditor, a shareholder, member, or a
11 director may apply at any time to the circuit court ~~for~~ **IN** the
12 county in which the **PRINCIPAL PLACE OF BUSINESS OR** registered
13 office of the corporation is located for a judgment that the
14 affairs of the corporation and the liquidation of its assets
15 continue under supervision of the court. The court shall make ~~such~~
16 **ANY** orders and judgments ~~as may be~~ **THAT ARE** required, including,
17 but not limited to, continuance of the liquidation of the
18 corporation's assets by its officers and directors under
19 supervision of the court, or the appointment of a receiver of the
20 corporation ~~to be~~ **THAT IS** vested with powers ~~as~~ **THAT** the court
21 designates to liquidate the affairs of the corporation.

22 (2) For good cause shown, and ~~so long as~~ **IF** a corporation has
23 not made complete distribution of its assets, the court ~~, in an~~
24 ~~action pending under this section or otherwise,~~ may permit a
25 creditor ~~who~~ **THAT HAS A CLAIM AGAINST THE CORPORATION AND** has not
26 ~~filed a~~ **DELIVERED THAT** claim **TO THE CORPORATION OR COMMENCED A**
27 **PROCEEDING TO ENFORCE THE CLAIM** within the time ~~limited by section~~

1 ~~841, LIMITS UNDER SECTIONS 841A AND 842A~~, or who has not commenced
2 an action on a rejected claim within the time ~~limited by section~~
3 ~~842, LIMITS UNDER SECTIONS 841A AND 842A~~, to file ~~such~~ **THE** claim or
4 to commence ~~such action~~ **A PROCEEDING** within ~~such~~ **THE** time as ~~THAT~~
5 the court directs.

6 Sec. 855. (1) ~~Upon dissolution, the assets of~~ **ALL OF THE**
7 **FOLLOWING APPLY IF** a corporation shall be applied and distributed
8 ~~as follows~~ **IS DISSOLVED:**

9 (a) ~~All liabilities and obligations of the corporation shall~~
10 ~~be paid and discharged, or adequate provision shall be made~~
11 ~~therefor~~ **THE CORPORATION SHALL PAY OR MAKE PROVISION FOR ITS DEBTS,**
12 **OBLIGATIONS, AND LIABILITIES. COMPLIANCE WITH THIS SUBDIVISION**
13 **REQUIRES THAT, TO THE EXTENT THAT A REASONABLE ESTIMATE IS**
14 **POSSIBLE, PROVISION IS MADE FOR THOSE DEBTS, OBLIGATIONS, AND**
15 **LIABILITIES THAT ARE ANTICIPATED TO ARISE AFTER THE EFFECTIVE DATE**
16 **OF DISSOLUTION. A CORPORATION IS NOT REQUIRED TO MAKE PROVISION FOR**
17 **ANY DEBT, OBLIGATION, OR LIABILITY THAT IS OR IS REASONABLY**
18 **ANTICIPATED TO BE BARRED UNDER SECTION 841A OR 842A. THE FACT THAT**
19 **CORPORATE ASSETS ARE INSUFFICIENT TO SATISFY CLAIMS THAT ARISE**
20 **AFTER A DISSOLUTION DOES NOT CREATE A PRESUMPTION THAT THE**
21 **CORPORATION HAS FAILED TO COMPLY WITH THIS SUBDIVISION. A**
22 **CORPORATION IS CONSIDERED TO HAVE MADE ADEQUATE PROVISION FOR ANY**
23 **DEBT, OBLIGATION, OR LIABILITY OF THE CORPORATION IF PAYMENT IS**
24 **ASSUMED OR GUARANTEED IN GOOD FAITH BY 1 OR MORE FINANCIALLY**
25 **RESPONSIBLE CORPORATIONS, OTHER PERSONS, OR THE UNITED STATES**
26 **GOVERNMENT OR AN AGENCY OF THE UNITED STATES GOVERNMENT AND THE**
27 **PROVISION, INCLUDING THE FINANCIAL RESPONSIBILITY OF THE**

1 CORPORATIONS OR OTHER PERSONS, WAS DETERMINED IN GOOD FAITH AND
2 WITH REASONABLE CARE BY THE BOARD TO BE ADEQUATE.

3 (b) ~~Assets held by the~~ **IF THE** corporation ~~upon~~ **HOLDS ANY**
4 **ASSETS SUBJECT TO A** condition ~~requiring~~ **THAT REQUIRES** return,
5 transfer, or conveyance, ~~which~~ **AND THE** condition occurs by reason
6 of the dissolution, ~~shall be returned, transferred, or conveyed in~~
7 ~~accordance with such requirements.~~ **THE CORPORATION SHALL RETURN,**
8 **TRANSFER, OR CONVEY THOSE ASSETS IN COMPLIANCE WITH THOSE**
9 **CONDITIONS.**

10 (c) ~~Assets received and held by the corporation~~ **IF THE**
11 **CORPORATION RECEIVED AND HOLDS ANY ASSETS THAT ARE** subject to
12 limitations ~~permitting~~ **THAT PERMIT** their use only for charitable,
13 religious, eleemosynary, benevolent, educational, or similar
14 purposes, but **THAT ARE** not held ~~upon~~ **SUBJECT TO** a condition
15 ~~requiring~~ **THAT REQUIRES** return, transfer, or conveyance by reason
16 of the dissolution **UNDER SUBDIVISION (B)**, ~~shall be transferred or~~
17 ~~conveyed in accordance~~ **THE CORPORATIVE SHALL TRANSFER OR CONVEY**
18 **THOSE ASSETS IN A MANNER THAT COMPLIES** with any provisions in the
19 articles of incorporation or bylaws ~~which~~ **THAT** designate 1 or more
20 recipients or **ESTABLISH** a mechanism for determining 1 or more
21 recipients ~~which~~ **THAT** are domestic or foreign corporations,
22 societies, or organizations, including governmental agencies, **THAT**
23 **ARE** engaged in activities ~~furthering such~~ **THAT FURTHER THOSE**
24 purposes. If the articles of incorporation or bylaws do not contain
25 ~~such provisions, such assets shall be transferred or conveyed~~ **A**
26 **PROVISION DESCRIBED IN THIS SUBDIVISION, THE CORPORATION SHALL**
27 **TRANSFER OR CONVEY THOSE ASSETS** to 1 or more domestic or foreign

1 corporations, societies, or organizations, including governmental
 2 agencies, **THAT ARE** engaged in activities **THAT ARE** substantially
 3 similar to or consistent with those of the dissolving corporation.

4 ~~(d) Other assets, if any, shall be distributed in accordance~~
 5 ~~with~~ **THE CORPORATION SHALL DISTRIBUTE ANY OTHER ASSETS IN A MANNER**
 6 **THAT COMPLIES WITH ANY** provisions of the articles of incorporation
 7 or the bylaws ~~which~~ **THAT** determine the distributive rights of
 8 shareholders or members, or any class or classes of shareholders or
 9 members, or provide for distribution to others. **EXCEPT AS OTHERWISE**
 10 **PROVIDED IN THIS SECTION, THE CORPORATION MAY DISTRIBUTE ASSETS**
 11 **THAT ARE SUBJECT TO THIS SUBDIVISION IN CASH, IN KIND, OR BOTH IN**
 12 **CASH AND IN KIND, TO SHAREHOLDERS, MEMBERS, OR OTHERS ACCORDING TO**
 13 **THEIR RESPECTIVE RIGHTS AND INTERESTS.**

14 (e) ~~Any~~ **THE CORPORATION DISTRIBUTES ANY** remaining assets ~~may~~
 15 ~~be distributed to such~~ **ANY** persons, ~~societies, organizations,~~
 16 ~~domestic or foreign corporations, or domestic or foreign business~~
 17 ~~corporations, as may be specified in a plan of distribution adopted~~
 18 by the corporation.

19 (2) ~~(f) When there is no~~ **IF ANY ASSETS OF A DISSOLVED**
 20 **CORPORATION ARE NOT SUBJECT TO ANY** provision for the distribution
 21 of assets **DESCRIBED IN SUBSECTION (1),** ~~the assets remaining after~~
 22 ~~implementation of the provisions of this section shall~~ **THOSE**
 23 **REMAINING** escheat to the state.

24 Sec. 901. (1) ~~Each~~ **A** domestic corporation at least once in
 25 each **CALENDAR** year shall ~~cause~~ **PREPARE OR HAVE PREPARED** a report of
 26 the corporation for the preceding fiscal year ~~to be made and~~
 27 ~~distributed~~ **DISTRIBUTE THAT REPORT** to each shareholder or member

1 ~~thereof or presented~~ **PRESENT THE REPORT** at the annual meeting of
 2 shareholders or members ~~, or, if the corporation is organized upon~~
 3 **ON** a directorship basis, at the annual meeting of the board. The
 4 report shall include ~~the corporation's year end statement of assets~~
 5 ~~and liabilities, including trust funds, and the principal change in~~
 6 ~~assets and liabilities during the year preceding the date of the~~
 7 ~~report and, if prepared by the corporation, its source and~~
 8 ~~application of funds and any other information required by this~~
 9 ~~act.~~ **ALL OF THE FOLLOWING FOR THE CORPORATION'S PRECEDING FISCAL**
 10 **YEAR:**

11 (A) **ITS INCOME STATEMENT.**

12 (B) **ITS YEAR-END BALANCE SHEET, INCLUDING TRUST FUNDS AND**
 13 **FUNDS RESTRICTED BY DONORS OR THE BOARD.**

14 (C) **ITS STATEMENT OF SOURCE AND APPLICATION OF FUNDS, IF THE**
 15 **CORPORATION PREPARES THAT STATEMENT.**

16 (D) **ANY OTHER INFORMATION REQUIRED UNDER THIS ACT.**

17 (2) A corporation may distribute the financial report required
 18 under subsection (1) electronically, either by electronic
 19 transmission of the report or by making the report available for
 20 electronic transmission. If the report is distributed
 21 electronically under this subsection, the corporation shall provide
 22 the report in written form to a shareholder, member, or director on
 23 request.

24 Sec. 911. (1) ~~A~~ **EACH** domestic ~~or~~ **CORPORATION AND EACH** foreign
 25 corporation authorized to conduct affairs in this state shall file
 26 a report with the administrator ~~no~~ **NOT** later than October 1 of each
 27 year. The report ~~,~~ **SHALL BE** on a form approved by the

1 administrator, ~~shall~~ **SIGNED BY AN AUTHORIZED OFFICER OR AGENT OF**
 2 **THE CORPORATION, AND** contain all of the following information:

3 (a) The name of the corporation.

4 (b) The name of **ITS** resident agent and address of its
 5 registered office in this state.

6 (c) The names and business or residence addresses of its
 7 ~~officers~~ **PRESIDENT, SECRETARY, TREASURER,** and directors.

8 (d) ~~Purposes~~ **THE PURPOSES** of the corporation.

9 (e) ~~Nature~~ **THE GENERAL NATURE** and kind of business in which
 10 the corporation ~~has~~ **IS** engaged. ~~during the year covered by the~~
 11 ~~report.~~

12 (2) ~~The~~ **A CORPORATION IS NOT REQUIRED TO FILE A** report
 13 required under this section ~~is not required to be filed in the year~~
 14 of incorporation or authorization ~~by corporations that were~~ **IF THE**
 15 **CORPORATION WAS** formed or authorized to do business on or after
 16 January 1 and before October 1 of that year.

17 (3) If there are ~~not~~ **NO** changes in the information provided in
 18 the last filed report **REQUIRED UNDER SUBSECTION (1),** the
 19 corporation ~~shall certify~~ **MAY FILE A REPORT THAT CERTIFIES TO THE**
 20 **ADMINISTRATOR** that no changes in the required information have
 21 occurred since the last filed report. ~~The certification~~ **A REPORT**
 22 **FILED UNDER THIS SUBSECTION** shall be on a ~~report provided~~ **FORM**
 23 **APPROVED** by the administrator and filed ~~no~~ **NOT** later than the date
 24 required in subsection (1).

25 Sec. 913. ~~The~~ **A** county clerk may destroy the copies of ~~the~~ **ANY**
 26 corporate documents of a **DOMESTIC OR FOREIGN** corporation ~~which~~ **THAT**
 27 were forwarded to ~~the office of the county clerk in accordance with~~

1 ~~Act No. 327 of the Public Acts of 1931, as amended, being sections~~
2 ~~450.62 to 450.192 of the Michigan Compiled Laws, and HIS OR HER~~
3 **OFFICE UNDER 1931 PA 327, MCL 450.98 TO 450.192, ANY REPEALED**
4 **PROVISIONS OF 1931 PA 327, OR** its predecessor act. The clerk may
5 destroy **THESE RECORDS** or dispose of ~~these records in accordance~~
6 ~~with THEM UNDER~~ section 5 of ~~Act No. 271 of the Public Acts of~~
7 ~~1913, as amended, being section 399.5 of the Michigan Compiled~~
8 ~~Laws-1913 PA 271, MCL 399.5.~~

9 Sec. 922. (1) If a domestic corporation neglects or refuses
10 ~~for 2 consecutive years to file the ITS annual reports~~**REPORT UNDER**
11 **SECTION 911** or pay ~~the ANY~~ annual filing fee **OR A PENALTY ADDED TO**
12 **THE FEE** required by law, **AND THE NEGLECT OR REFUSAL CONTINUES FOR A**
13 **PERIOD OF 2 YEARS FROM THE DATE ON WHICH THE ANNUAL REPORT OR**
14 **FILING FEE WAS DUE,** the corporation ~~shall be~~**IS** automatically
15 dissolved **60 DAYS AFTER THE EXPIRATION OF THE 2-YEAR PERIOD.** The
16 administrator shall notify the corporation of the impending
17 dissolution ~~not later than~~**AT LEAST** 90 days before the ~~2-years has~~
18 ~~expired.~~**2-YEAR PERIOD EXPIRES.** Until a corporation has ~~been~~**IS**
19 dissolved **UNDER THIS SUBSECTION,** it is entitled to issuance by the
20 administrator, ~~upon~~**ON** request, of a certificate of good standing
21 ~~setting forth that it has been~~**STATES THAT THE CORPORATION WAS**
22 validly incorporated as a domestic corporation and that it is
23 validly in existence under the laws of this state.

24 (2) A charitable purpose corporation that is dissolved under
25 subsection (1) shall ~~provide notice of the dissolution to the~~
26 ~~attorney general within 60~~**90** days after the date of the
27 dissolution and ~~shall not dispose of any of its assets without~~

1 ~~written approval of the attorney general.~~ **COMPLY WITH THE**
2 **DISSOLUTION OF CHARITABLE PURPOSE CORPORATION ACT, 1965 PA 169, MCL**
3 **450.251 TO 450.253, OR RENEW ITS CORPORATE EXISTENCE UNDER SECTION**
4 **925. THIS SUBSECTION DOES NOT PREVENT A CORPORATION THAT IS**
5 **DISSOLVED UNDER SUBSECTION (1) FROM RENEWING ITS CORPORATE**
6 **EXISTENCE UNDER SECTION 925 AT ANY TIME.**

7 (3) If a foreign corporation neglects or refuses for 1 year to
8 file ~~the~~ **ITS** annual report **UNDER SECTION 911** or pay the annual
9 filing fee required by law, its certificate of authority is subject
10 to revocation ~~in accordance with~~ **UNDER** section 1042. Until
11 revocation of its certificate of authority, or its withdrawal from
12 this state or termination of its existence, the foreign corporation
13 is entitled to issuance by the administrator, ~~upon~~ **ON** request, of a
14 certificate of good standing ~~setting forth that it has been~~ **THAT**
15 **STATES THAT IT WAS** validly authorized to ~~transact business~~ **CONDUCT**
16 **AFFAIRS** in this state and that it holds a valid certificate of
17 authority to ~~transact business~~ **CONDUCT AFFAIRS** in this state.

18 (4) **THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A**
19 **NOTIFICATION OF PENDING DISSOLUTION DESCRIBED IN SUBSECTION (1) TO**
20 **THE RESIDENT AGENT OF THE CORPORATION IN THE MANNER AUTHORIZED BY**
21 **THE CORPORATION.**

22 Sec. 923. (1) ~~The administrator for~~ **IF** good cause **IS** shown,
23 **THE ADMINISTRATOR** may extend the time for filing ~~of a~~ report **UNDER**
24 **SECTION 911** for not more than 1 year ~~from~~ **AFTER** the due date of the
25 filing.

26 (2) The administrator may report promptly to the attorney
27 general any failure or neglect under sections 922, 931, ~~and~~ **OR** 932,

1 and the attorney general may ~~commence~~ **BRING** an action for
 2 ~~imposition of~~ **TO IMPOSE** the prescribed penalties. ~~When~~ **IF** a
 3 **DOMESTIC OR FOREIGN** corporation neglects or refuses to file its
 4 report **UNDER SECTION 911** within ~~90 days after~~ the time prescribed
 5 ~~by~~ **REQUIRED UNDER** this act, the administrator shall notify the
 6 corporation of that fact by mail ~~directed~~ **SENT** to its registered
 7 office **WITHIN 90 DAYS AFTER THE DUE DATE OF THE FILING**. The
 8 ~~administrator's certificate of mailing of the notice is prima facie~~
 9 ~~evidence in all courts and places of that fact, and that the notice~~
 10 ~~was received by the corporation.~~

11 (3) **THE ADMINISTRATOR MAY ELECTRONICALLY TRANSMIT A**
 12 **NOTIFICATION DESCRIBED IN SUBSECTION (2) TO THE RESIDENT AGENT OF**
 13 **THE CORPORATION IN THE MANNER AUTHORIZED BY THE CORPORATION.**

14 Sec. 925. (1) A domestic corporation ~~which has been~~ **THAT IS**
 15 dissolved ~~pursuant to~~ **UNDER** section 922(1), or a foreign
 16 corporation whose certificate of authority ~~has been~~ **IS** revoked
 17 ~~pursuant to~~ **UNDER** section 922(2) or section 1042, may renew its
 18 corporate existence or its certificate of authority by filing the
 19 **ANNUAL** reports **UNDER SECTION 911** for the last 5 years or any lesser
 20 number of years in which the reports were not filed and paying the
 21 annual filing fees for all the years for which they were not paid,
 22 together with a penalty of \$5.00 for each delinquent report. ~~Upon~~
 23 ~~filing~~ **WHEN** the reports **ARE FILED** and ~~payment of the fees and~~
 24 penalties **ARE PAID**, the corporate existence or the certificate of
 25 authority is renewed. ~~If during the intervening period the~~
 26 ~~corporate name or a confusingly similar name has been assigned to~~
 27 ~~another corporation, the~~ **THE** administrator may require that the

1 corporation adopt or use ~~within~~ **IN** this state a ~~different~~ **CORPORATE**
2 name **THAT CONFORMS TO THE REQUIREMENTS OF SECTION 212.**

3 (2) ~~Upon compliance with the provisions of this section, the~~
4 **THE** rights of ~~the~~ **A** corporation shall be ~~that complies with this~~
5 **SECTION ARE** the same as ~~though~~ **IF** a dissolution or revocation ~~had~~
6 **HAS** not taken place, and all contracts entered into and other
7 rights acquired during the interval ~~shall be~~ **ARE** valid and
8 enforceable.

9 Sec. 932. (1) A person ~~who~~ **SHALL NOT** knowingly ~~makes~~ **MAKE** or
10 ~~files~~ **FILE** or a person ~~who~~ knowingly ~~assists~~ **ASSIST** in the making
11 or filing of a false or fraudulent report, certificate, or other
12 statement **THAT A DOMESTIC OR FOREIGN CORPORATION IS** required by
13 ~~this act to be filed by a corporation~~ **TO FILE UNDER THIS ACT** with a
14 public officer of this state, ~~or~~ **AND** a person ~~knowing the same to~~
15 ~~be~~ **THAT KNOWS THAT A REPORT, CERTIFICATE OR STATEMENT IS** false or
16 fraudulent, ~~who procures, counsels, or advises~~ **SHALL NOT PROCURE,**
17 **COUNSEL OR ADVISE** the making or filing of ~~such a~~ **THAT** report,
18 certificate, or statement. ~~—~~ **A PERSON THAT VIOLATES THIS SUBSECTION**
19 is guilty of a misdemeanor and ~~is subject to~~ **PUNISHABLE BY** a fine
20 of not ~~to exceed~~ **MORE THAN** \$1,000.00 for each ~~such~~
21 ~~offense.~~ **VIOLATION OF THIS SUBSECTION.**

22 (2) An officer or agent of a corporation ~~who~~ **SHALL NOT**
23 knowingly ~~falsifies~~ **FALSIFY** or wrongfully ~~alters~~ **ALTER** the books,
24 records, or accounts of a corporation. **AN OFFICER OR AGENT THAT**
25 **VIOLATES THIS SUBSECTION** is guilty of a misdemeanor and ~~is subject~~
26 ~~to~~ **PUNISHABLE BY** a fine of not ~~to exceed~~ **MORE THAN** \$1,000.00 for
27 each ~~such offense.~~ **VIOLATION OF THIS SUBSECTION.**

1 Sec. 1001. A foreign corporation ~~which is~~ **THAT WAS** authorized
 2 to conduct affairs in this state on ~~the effective date of this act,~~
 3 **JANUARY 1, 1983,** for a purpose for which a corporation might secure
 4 ~~such~~ authority **TO CONDUCT AFFAIRS IN THIS STATE** under this act, has
 5 the rights and privileges applicable to a foreign corporation ~~which~~
 6 **THAT** receives a certificate of authority to ~~transact business~~
 7 **CONDUCT AFFAIRS** in this state under this act. ~~From the effective~~
 8 ~~date of this act~~ **BEGINNING ON JANUARY 1, 1983,** the corporation is
 9 subject to the duties, restrictions, penalties, and liabilities
 10 ~~prescribed herein for~~ **UNDER THIS ACT THAT ARE APPLICABLE TO** a
 11 foreign corporation ~~which~~ **THAT** receives a certificate of authority
 12 to ~~transact business~~ **CONDUCT AFFAIRS** in this state under this act.

13 Sec. 1002. (1) A foreign corporation ~~which~~ **THAT** receives a
 14 certificate of authority under this act, until a certificate of
 15 revocation or of withdrawal is issued ~~as provided in~~ **UNDER** this
 16 act, has the same rights and privileges as a domestic corporation
 17 organized for the purposes ~~set forth~~ **CONTAINED** in the application
 18 ~~pursuant to~~ **UNDER** which the certificate of authority is issued.
 19 Except as otherwise provided in this act, the corporation is
 20 subject to the same duties, restrictions, penalties, and
 21 liabilities ~~now or hereafter imposed upon~~ **OF** a **SIMILAR** domestic
 22 corporation. ~~of like character.~~

23 (2) **THIS ACT DOES NOT AUTHORIZE THIS STATE TO REGULATE THE**
 24 **ORGANIZATION OR INTERNAL AFFAIRS OF A FOREIGN CORPORATION**
 25 **AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.**

26 Sec. 1012. (1) Without excluding other activities ~~which~~ **THAT**
 27 may not constitute conducting affairs in this state, a foreign

1 corporation is not considered to be conducting affairs in this
 2 state ~~—~~for the purposes of this act ~~—~~solely because it is
 3 carrying on in this state any 1 or more of the following
 4 activities:

5 (a) Maintaining, ~~or defending, an action or suit or an~~
 6 ~~administrative or arbitratve proceeding, or effecting the~~
 7 ~~settlement thereof or the settlement of a claim or dispute.~~**OR**
 8 **SETTLING ANY PROCEEDING.**

9 (b) Holding meetings of ~~its~~**THE BOARD OF** directors,
 10 shareholders, or members or carrying on ~~any~~ other activities
 11 concerning ~~its~~ internal **CORPORATE** affairs.

12 (c) Maintaining a bank account.**ACCOUNTS.**

13 (d) ~~Effecting sales through an independent~~
 14 ~~contractor.~~**MAINTAINING OFFICES OR AGENCIES FOR THE TRANSFER,**
 15 **EXCHANGE, OR REGISTRATION OF THE CORPORATION'S OWN SECURITIES OR**
 16 **MAINTAINING TRUSTEES OR DEPOSITORIES WITH RESPECT TO THOSE**
 17 **SECURITIES.**

18 **(E) SELLING THROUGH INDEPENDENT CONTRACTORS.**

19 **(F) ~~(e)~~Soliciting or ~~precuring~~OBTAINING** orders, whether by
 20 mail or through employees or agents or otherwise, ~~where such~~**IF THE**
 21 orders require acceptance ~~without~~**OUTSIDE** this state before
 22 ~~becoming binding~~**THEY BECOME** contracts.

23 ~~——(f) Borrowing money, with or without security.~~

24 **(G) SOLICITING OR OBTAINING DONATIONS, WHETHER BY MAIL, BY**
 25 **TELEPHONE OR OTHER FORM OF REMOTE COMMUNICATIONS, BY ELECTRONIC**
 26 **TRANSMISSION, OR THROUGH EMPLOYEES, AGENTS, VOLUNTEERS OR**
 27 **OTHERWISE, IF THE DONATIONS ARE MADE TO A FOREIGN CORPORATION THAT**

1 HAS ITS PRINCIPAL PLACE OF BUSINESS OUTSIDE THE STATE.

2 (H) CREATING OR ACQUIRING INDEBTEDNESS, MORTGAGES, OR SECURITY
3 INTERESTS IN REAL OR PERSONAL PROPERTY.

4 (I) ~~(g)~~ Securing or collecting debts or enforcing any right in
5 ~~property securing the same.~~ MORTGAGES AND SECURITY INTERESTS IN
6 PROPERTY THAT SECURES THOSE DEBTS.

7 ~~(h) Transacting any business in interstate commerce.~~

8 (J) OWNING, WITHOUT MORE, REAL OR PERSONAL PROPERTY.

9 (K) ~~(i)~~ Conducting an isolated transaction **THAT IS COMPLETED**
10 **WITHIN 30 DAYS AND THAT IS** not 1 TRANSACTION in the course of a
11 ~~number of repeated transactions of like~~ **A SIMILAR** nature.

12 (l) **TRANSACTING BUSINESS IN INTERSTATE COMMERCE.**

13 (2) This section does not apply in determining the contracts
14 or activities ~~which~~ **THAT** may subject a foreign corporation to
15 service of process or taxation in this state or to regulation under
16 any other ~~act~~ **STATUTE** of this state.

17 **SEC. 1013. (1) A FOREIGN CORPORATION MAY ACQUIRE, OR THROUGH**
18 **ANOTHER PERSON ENTITLED TO CONDUCT AFFAIRS OR TRANSACT BUSINESS IN**
19 **THIS STATE MAY MAKE, A LOAN THAT IS INSURED OR GUARANTEED IN WHOLE**
20 **OR IN PART BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN**
21 **DEVELOPMENT, DEPARTMENT OF VETERAN'S AFFAIRS, OR A SUCCESSOR OR**
22 **OTHER AGENCY OF THE FEDERAL GOVERNMENT AND THAT IS SECURED IN WHOLE**
23 **OR IN PART BY 1 OR MORE MORTGAGES OF REAL PROPERTY THAT IS LOCATED**
24 **IN THIS STATE, AND A FOREIGN CORPORATION MAY PURCHASE A LOAN THAT**
25 **IS SECURED IN WHOLE OR IN PART BY A MORTGAGE OF REAL PROPERTY THAT**
26 **IS LOCATED IN THIS STATE, WITHOUT MAINTAINING AUTHORITY TO CONDUCT**
27 **AFFAIRS IN THIS STATE UNDER THIS ACT OR ANY OTHER LAW OF THIS STATE**

1 THAT RELATES TO QUALIFICATION OR MAINTAINING AUTHORITY TO CONDUCT
2 AFFAIRS IN THIS STATE AND WITHOUT PAYING A FEE TO QUALIFY OR
3 MAINTAIN THAT AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE.

4 (2) A FAILURE OF A FOREIGN CORPORATION DESCRIBED IN SUBSECTION
5 (1) TO QUALIFY OR MAINTAIN AUTHORITY TO CONDUCT AFFAIRS IN THIS
6 STATE UNDER THIS ACT OR A FAILURE TO PAY FEES TO QUALIFY OR
7 MAINTAIN AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE DOES NOT AFFECT
8 OR IMPAIR ITS OWNERSHIP OF A LOAN OR ITS RIGHT TO COLLECT AND
9 SERVICE THE LOAN THROUGH ANOTHER PERSON THAT IS ENTITLED TO CONDUCT
10 AFFAIRS OR TRANSACT BUSINESS IN THIS STATE, OR ITS RIGHT TO ENFORCE
11 A LOAN OR TO ACQUIRE, HOLD, PROTECT, CONVEY, LEASE, OR OTHERWISE
12 CONTRACT AND DEAL WITH RESPECT TO ANY PROPERTY MORTGAGED AS
13 SECURITY FOR THE LOAN.

14 (3) AS USED IN THIS SECTION, "LOAN" INCLUDES AN INTEREST OR
15 PARTICIPATION IN A LOAN.

16 Sec. 1015. To procure a certificate of authority to conduct
17 affairs in this state, a foreign corporation shall file with the
18 administrator an application ~~setting forth~~ **THAT CONTAINS ALL OF THE**
19 **FOLLOWING:**

20 (a) The name of the corporation and the jurisdiction of its
21 incorporation.

22 (b) The date of incorporation and the period of duration of
23 the corporation.

24 (c) The street address, and the mailing address if **IT IS**
25 different from the street address, of its main business or
26 headquarters office.

27 (d) The **STREET** address of its registered office in this state,

1 **THE MAILING ADDRESS IF IT IS DIFFERENT FROM THE STREET ADDRESS**, and
2 the name of its resident agent in this state at ~~such~~**THAT** address,
3 together with a statement that the resident agent is an agent of
4 the corporation ~~upon whom~~**ON WHICH** process against the corporation
5 may be served.

6 (e) The character of the affairs it is to ~~transact~~**CONDUCT** in
7 this state, together with a statement that it is authorized to
8 conduct ~~such~~**THOSE** affairs in the jurisdiction of its
9 incorporation.

10 (f) ~~Such~~**ANY** additional information ~~as~~**THAT** the administrator
11 ~~may require~~**REASONABLY REQUIRES** in order to determine whether the
12 corporation is entitled to a certificate of authority to conduct
13 affairs in this state **AND TO DETERMINE THE FEES AND TAXES**
14 **PRESCRIBED BY LAW.**

15 Sec. 1016. (1) ~~A copy of the articles of incorporation and all~~
16 ~~amendments thereto, certified by the proper officer of the~~
17 ~~jurisdiction of its incorporation shall be attached to the~~
18 ~~application of a foreign corporation.~~ **A FOREIGN CORPORATION SHALL**
19 **ATTACH A** certificate ~~setting forth~~**TO AN APPLICATION FOR AUTHORITY**
20 **TO CONDUCT AFFAIRS IN THIS STATE UNDER SECTION 1015 THAT STATES**
21 that the corporation is in good standing under the laws of the
22 jurisdiction of its incorporation, **IS** executed by the official of
23 the jurisdiction who has custody of the records ~~pertaining~~**THAT**
24 **PERTAIN** to corporations, and **IS** dated not ~~earlier~~**MORE** than 30 days
25 before ~~filing of the~~**THE DATE THE** application, ~~shall also be~~
26 ~~attached to the application.~~**IS FILED.** If ~~such~~**THE** certificate is
27 in a foreign language, **THE FOREIGN CORPORATION SHALL ATTACH** a

1 translation thereof ~~OF THE CERTIFICATE~~ under oath of the translator
2 ~~shall be attached thereto.~~ **TO THE CERTIFICATE.**

3 (2) ~~Upon filing of the~~ **IF A FOREIGN CORPORATION FILES AN**
4 application **DESCRIBED IN SUBSECTION (1)**, accompanied by the filing
5 and franchise fees prescribed by law, the administrator shall issue
6 to the foreign corporation a certificate of authority to conduct
7 affairs in this state. ~~Thereupon~~ **WHEN A CERTIFICATE OF AUTHORITY IS**
8 **ISSUED**, the foreign corporation is authorized to conduct in this
9 state any affairs of the character set forth in its application
10 **THAT A DOMESTIC CORPORATION FORMED UNDER THIS ACT MAY LAWFULLY**
11 **TRANSACT.** The authority **GRANTED UNDER THIS SUBSECTION** continues so
12 long as the foreign corporation retains its authority to conduct
13 ~~such~~ **ITS** affairs in the jurisdiction of its incorporation and its
14 authority to conduct affairs in this state ~~has not been~~ **IS NOT**
15 surrendered, suspended, or revoked.

16 Sec. 1021. (1) ~~When the articles of incorporation of~~ **EXCEPT AS**
17 **OTHERWISE PROVIDED IN THIS SECTION**, a foreign corporation
18 authorized to conduct affairs in this state ~~are amended, the~~
19 ~~foreign corporation, within 60 days after the amendment is~~
20 ~~effective, shall file with the administrator a copy of the~~
21 ~~amendment certified by the proper officers of the jurisdiction of~~
22 ~~its incorporation.~~ **THAT CHANGES ITS CORPORATE NAME, OR ENLARGES,**
23 **LIMITS, OR OTHERWISE CHANGES THE AFFAIRS THAT THE FOREIGN**
24 **CORPORATION PROPOSES TO CONDUCT IN THIS STATE, OR MAKES ANY OTHER**
25 **CHANGE THAT AFFECTS THE INFORMATION INCLUDED IN ITS APPLICATION FOR**
26 **CERTIFICATE OF AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE, SHALL**
27 **FILE AN AMENDED APPLICATION WITH THE ADMINISTRATOR WITHIN 30 DAYS**

1 AFTER THE TIME A CHANGE BECOMES EFFECTIVE. A FOREIGN CORPORATION
2 MAY MAKE A CHANGE IN ITS REGISTERED OFFICE OR RESIDENT AGENT UNDER
3 SECTION 242. AN AMENDED APPLICATION UNDER THIS SUBSECTION SHALL
4 STATE ALL OF THE FOLLOWING:

5 (A) THE NAME OF THE FOREIGN CORPORATION AS IT APPEARS ON THE
6 RECORDS OF THE ADMINISTRATOR AND THE JURISDICTION OF ITS
7 INCORPORATION.

8 (B) THE DATE THE FOREIGN CORPORATION WAS AUTHORIZED TO CONDUCT
9 AFFAIRS IN THIS STATE.

10 (C) IF THE NAME OF THE FOREIGN CORPORATION HAS CHANGED, A
11 STATEMENT OF THE NAME RELINQUISHED, A STATEMENT OF THE NEW NAME,
12 AND A STATEMENT THAT THE NAME WAS PROPERLY CHANGED UNDER THE LAWS
13 OF THE JURISDICTION OF ITS INCORPORATION AND THE DATE THE NAME WAS
14 CHANGED.

15 (D) IF THE AFFAIRS THAT THE FOREIGN CORPORATION PROPOSES TO
16 CONDUCT IN THIS STATE ENLARGE, LIMIT, OR OTHERWISE CHANGE THE
17 AFFAIRS THE FOREIGN CORPORATION IS AUTHORIZED TO CONDUCT, A
18 STATEMENT REFLECTING THE CHANGE AND A STATEMENT THAT THE FOREIGN
19 CORPORATION IS AUTHORIZED TO CONDUCT IN THE JURISDICTION OF ITS
20 INCORPORATION THE AFFAIRS THAT IT PROPOSES TO CONDUCT IN THIS
21 STATE.

22 (E) ANY ADDITIONAL INFORMATION AS THE ADMINISTRATOR MAY
23 REQUIRE.

24 (2) ~~When~~ IF a foreign corporation **THAT IS** authorized to
25 conduct affairs in this state ~~is a party to a merger,~~
26 ~~consolidation, or similar corporate action taken in accordance with~~
27 ~~the laws of the jurisdiction of its incorporation, the foreign~~

1 ~~corporation, within 60 days after the effective date thereof, shall~~
2 ~~file with the administrator a copy of the certificate of merger,~~
3 ~~consolidation, or similar corporate action, certified by the proper~~
4 ~~officers of the jurisdiction of its incorporation.~~ IS THE SURVIVOR
5 OF A MERGER PERMITTED BY THE LAWS OF THE JURISDICTION IN WHICH THE
6 FOREIGN CORPORATION IS INCORPORATED, WITHIN 30 DAYS AFTER THE
7 MERGER BECOMES EFFECTIVE, THE FOREIGN CORPORATION SHALL FILE A
8 CERTIFICATE THAT IS ISSUED BY THE PROPER OFFICER OF THE
9 JURISDICTION OF ITS INCORPORATION AND ATTESTS TO THE OCCURRENCE OF
10 THE MERGER. IF THE MERGER HAS CHANGED THE CORPORATE NAME OF THE
11 FOREIGN CORPORATION, OR HAS ENLARGED, LIMITED, OR CHANGED THE
12 AFFAIRS THAT THE FOREIGN CORPORATION PROPOSES TO CONDUCT IN THIS
13 STATE, OR CHANGED ANY OF THE INFORMATION INCLUDED IN THE
14 APPLICATION, THE FOREIGN CORPORATION SHALL COMPLY WITH SUBSECTION
15 (1).

16 (3) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO CONDUCT
17 AFFAIRS IN THIS STATE IS THE SURVIVOR OF A CONVERSION UNDER THE
18 LAWS OF THE JURISDICTION IN WHICH THE FOREIGN CORPORATION IS
19 INCORPORATED, THE FOREIGN CORPORATION SHALL, WITHIN 30 DAYS AFTER
20 THE CONVERSION BECOMES EFFECTIVE, FILE A CERTIFICATE THAT IS ISSUED
21 BY THE PROPER OFFICERS OF THE JURISDICTION OF ITS INCORPORATION AND
22 ATTESTS TO THE OCCURRENCE OF THE CONVERSION. IF THE CONVERSION HAS
23 CHANGED THE CORPORATE NAME OF THE FOREIGN CORPORATION, OR HAS
24 ENLARGED, LIMITED, OR CHANGED THE AFFAIRS THE FOREIGN CORPORATION
25 THAT PROPOSES TO CONDUCT IN THIS STATE OR HAS AFFECTED THE
26 INFORMATION INCLUDED IN THE APPLICATION, THE FOREIGN CORPORATION
27 SHALL COMPLY WITH SUBSECTION (1).

1 Sec. 1032. ~~Upon filing the~~ **IF A FOREIGN CORPORATION FILES AN**
2 application for withdrawal and ~~payment of~~ **PAYS** the filing fees
3 prescribed by law, the administrator shall issue to the **FOREIGN**
4 corporation a certificate of withdrawal, ~~whereupon~~ **AND BOTH OF THE**
5 **FOLLOWING SHALL OCCUR:**

6 (a) The authority of the **FOREIGN** corporation to conduct
7 affairs in this state ~~shall cease~~ **IS TERMINATED.**

8 (b) The authority of its resident agent in this state to
9 accept service of process against the **FOREIGN** corporation is ~~deemed~~
10 revoked.

11 Sec. 1035. (1) ~~When~~ **IF** a foreign corporation **THAT IS**
12 authorized to conduct affairs in this state is dissolved, or its
13 authority or existence is otherwise terminated or canceled in the
14 jurisdiction of its incorporation, or it is merged into, **CONVERTED**
15 **INTO**, or consolidated with another corporation, ~~there shall be~~
16 ~~filed~~ **OR BUSINESS ORGANIZATION, THE FOREIGN CORPORATION OR BUSINESS**
17 **ORGANIZATION SHALL FILE** with the administrator ~~such~~ **ANY** information
18 ~~as may be~~ **THAT IS** required by the administrator to determine and
19 assess any unpaid fees payable by ~~such~~ **THE** foreign corporation as
20 required by law and either of the following:

21 (a) A certificate of the official of the jurisdiction of
22 incorporation of the foreign corporation who has custody of the
23 records pertaining to corporations, evidencing the occurrence of
24 ~~any such~~ **THE** event.

25 (b) A certified copy of an order or judgment of a court of
26 competent jurisdiction directing dissolution of the foreign
27 corporation, the termination of its existence, or the cancellation

1 of its authority.

2 (2) ~~Upon filing of the~~ **IF A FOREIGN CORPORATION FILES A**
 3 certificate, order, or judgment **UNDER SUBSECTION (1)** and ~~payment of~~
 4 **PAYS** the filing fees ~~FEE~~ prescribed by law, the administrator shall
 5 issue a certificate of withdrawal ~~with like~~ **THAT HAS THE SAME**
 6 effect as ~~provided in~~ **A CERTIFICATE OF WITHDRAWAL UNDER** section
 7 1032.

8 Sec. 1041. In addition to any other ground for revocation
 9 provided by law, the administrator may revoke the certificate of
 10 authority of a foreign corporation to conduct affairs in this
 11 state, ~~upon the conditions prescribed~~ **IN THE MANNER DESCRIBED** in
 12 section 1042, ~~upon~~ **ON** any of the following grounds:

13 (a) The corporation fails to maintain a resident agent in this
 14 state as required ~~by~~ **UNDER** this act.

15 (b) The corporation, after ~~change of~~ **CHANGING** its registered
 16 office or resident agent, fails to file a statement of ~~such~~ **THE**
 17 change as required ~~by~~ **UNDER** this act.

18 (c) The corporation, ~~after amending its articles of~~
 19 ~~incorporation,~~ fails to file a ~~copy of the amendment as~~ **AN AMENDED**
 20 **APPLICATION IF** required ~~by~~ **UNDER** this act.

21 (d) The corporation, after becoming a ~~party to~~ **THE SURVIVOR IN**
 22 a merger, consolidation, or ~~similar corporation action,~~ **CONVERSION,**
 23 fails to file a ~~copy of the~~ certificate **THAT ATTESTS TO THE**
 24 **OCCURRENCE** of **THE** merger, consolidation, or ~~similar corporate~~
 25 ~~action~~ **CONVERSION** as required ~~by~~ **UNDER** this act.

26 (e) The corporation fails to file its annual report within the
 27 time required ~~by~~ **UNDER** this act, **OR FAILS TO PAY AN ANNUAL FEE**

1 **REQUIRED UNDER THIS ACT.**

2 Sec. 1042. (1) The administrator shall revoke a certificate of
3 authority of a foreign corporation only ~~when the administrator has~~
4 ~~given~~ **IF HE OR SHE GIVES** the **FOREIGN** corporation ~~not less than~~ **AT**
5 **LEAST** 90 days' notice, **BY MAIL OR BY ELECTRONIC TRANSMISSION UNDER**
6 **SUBSECTION (2)**, that a default under section ~~922-1041~~ exists and
7 that **HE OR SHE WILL REVOKE** its certificate of authority ~~will be~~
8 ~~revoked~~ unless the default is cured within 90 days after ~~mailing of~~
9 the notice **IS MAILED OR ELECTRONICALLY TRANSMITTED**, and the
10 corporation fails ~~before revocation~~ **WITHIN THE 90-DAY PERIOD** to
11 cure the default.

12 (2) The ~~notice shall be sent by first class mail~~ **ADMINISTRATOR**
13 **MAY ELECTRONICALLY TRANSMIT A NOTICE DESCRIBED IN SUBSECTION (1)** to
14 the **RESIDENT AGENT OF THE** corporation at ~~its registered office in~~
15 ~~this state and at its main business or headquarters office as these~~
16 ~~offices are on record in the office of the administrator.~~ **IN THE**
17 **MANNER AUTHORIZED BY THE CORPORATION.**

18 (3) ~~Upon revoking such~~ **IF HE OR SHE REVOKES** a certificate of
19 authority **UNDER THIS SECTION**, the administrator shall issue a
20 certificate of revocation and **SHALL** mail, ~~a copy to the~~ **OR IF**
21 **AUTHORIZED BY THE CORPORATION, MAY ELECTRONICALLY TRANSMIT, A COPY**
22 **OF THE CERTIFICATE OF REVOCATION TO THE RESIDENT AGENT OF THE**
23 corporation. ~~at each of the addresses designated in subsection (2).~~

24 (4) ~~The issuance of the~~ **ISSUING A** certificate of revocation
25 **UNDER THIS SECTION** has the same force and effect as ~~issuance of~~
26 **ISSUING** a certificate of withdrawal under section 1031.

27 Sec. 1051. (1) A foreign corporation ~~conducting~~ **THAT CONDUCTS**

1 affairs in this state without a certificate of authority shall not
2 maintain an action or proceeding in any court of this state until
3 the corporation ~~has obtained~~ **OBTAINS** a certificate of authority. An
4 action commenced by a foreign corporation ~~having no~~ **THAT DOES NOT**
5 **HAVE A** certificate of authority shall not be dismissed if **THE**
6 **FOREIGN CORPORATION OBTAINS** a certificate of authority ~~has been~~
7 ~~obtained~~ before the order of dismissal. **IF AN ACTION OR PROCEEDING**
8 **IS DISMISSED BECAUSE A FOREIGN CORPORATION DOES NOT HAVE A**
9 **CERTIFICATE OF AUTHORITY, THE ORDER OF DISMISSAL SHALL BE WITHOUT**
10 **PREJUDICE TO THE RECOMMENCEMENT OF THE ACTION OR PROCEEDING BY THE**
11 **FOREIGN CORPORATION AFTER IT OBTAINS A CERTIFICATE OF AUTHORITY.**
12 This ~~prohibition~~ **SUBSECTION** applies to **THE FOREIGN CORPORATION AND**
13 **TO ANY OF THE FOLLOWING:**

14 (a) A successor in interest of the foreign corporation, except
15 a receiver, trustee in bankruptcy, or other representative of
16 creditors of the corporation.

17 (b) An assignee of the foreign corporation, except an assignee
18 for value ~~who~~ **THAT** accepts an assignment without knowledge that the
19 foreign corporation should have but ~~has~~ **DID** not ~~obtained~~ **OBTAIN** a
20 certificate of authority in this state.

21 (2) Failure of a foreign corporation to obtain a certificate
22 of authority to conduct affairs in this state does not impair the
23 validity of a contract or act of the corporation, and does not
24 prevent the corporation from defending an action or proceeding in a
25 court of this state.

26 Sec. 1060. (1) ~~The fees a person shall pay to the~~
27 ~~administrator for the purposes described in this section are as~~

1 ~~follows~~-WHEN DELIVERING A DOCUMENT DESCRIBED IN THIS SUBSECTION TO
 2 THE ADMINISTRATOR FOR FILING, THE PERSON SHALL PAY THE
 3 ADMINISTRATOR WHICHEVER OF THE FOLLOWING FEES APPLY TO THAT
 4 DOCUMENT:

5 (a) ~~Examining, filing, and copying of articles~~ **ARTICLES OF**
 6 **INCORPORATION** of a domestic corporation, \$10.00.

7 (b) ~~Examining and filing articles or certificate of~~
 8 ~~incorporation, and other papers connected with the application~~ **AN**
 9 **APPLICATION** of a foreign corporation for admission ~~A~~ **CERTIFICATE OF**
 10 **AUTHORITY** to conduct affairs in this state, \$10.00.

11 (c) ~~Examining, filing, and copying an amendment~~ **AN AMENDMENT**
 12 to the articles **OF INCORPORATION** of a domestic corporation, \$10.00.

13 (d) ~~Examining and filing an amendment to the articles of a~~
 14 ~~foreign corporation,~~ **AN AMENDED APPLICATION FOR CERTIFICATE OF**
 15 **AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE**, \$10.00.

16 (e) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
 17 of merger or ~~consolidation~~ **CONVERSION** under chapter 7, \$50.00.

18 (f) ~~Examining and filing a certificate of~~ **A CERTIFICATE**
 19 **ATTESTING TO THE OCCURRENCE OF A** merger or ~~consolidation~~ of a
 20 foreign corporation ~~,~~ under section 1021, \$10.00.

21 (g) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
 22 of dissolution, \$10.00.

23 (h) ~~Examining and filing an application~~ **AN APPLICATION** for
 24 withdrawal and issuance of a certificate of withdrawal of a foreign
 25 corporation, \$10.00.

26 (i) ~~Examining, filing, and copying an application~~ **AN**
 27 **APPLICATION** for reservation of corporate name, \$10.00.

1 (j) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
2 of assumed name or certificate of termination of assumed name,
3 \$10.00.

4 (k) ~~Examining, filing, and copying a statement~~ **A STATEMENT** of
5 change of registered office or resident agent, \$5.00.

6 (l) ~~Examining, filing, and copying restated~~ **RESTATED** articles
7 **OF INCORPORATION** of **A** domestic corporation, **CORPORATIONS**, \$10.00.

8 (m) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
9 of abandonment, \$10.00.

10 (n) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
11 of correction, \$10.00.

12 (o) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
13 of revocation of dissolution proceedings, \$10.00.

14 (p) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
15 of renewal of corporate existence, \$10.00.

16 (q) ~~Filing and examination of a~~ **FOR EXAMINING A** special report
17 required by law, \$2.00.

18 (r) ~~Examining and filing a certificate of election, \$10.00.~~ **A**
19 **CERTIFICATE OF REGISTRATION OF CORPORATE NAME OF A FOREIGN**
20 **CORPORATION, \$50.00.**

21 (s) **A CERTIFICATE OF RENEWAL OF REGISTRATION OF CORPORATE NAME**
22 **OF A FOREIGN CORPORATION, \$50.00.**

23 (t) **A CERTIFICATE OF TERMINATION OF REGISTRATION OF CORPORATE**
24 **NAME OF A FOREIGN CORPORATION, \$10.00.**

25 (u) ~~(s) Filing~~ **FOR FILING** a report required under section 911,
26 \$10.00 if paid before October 1, 2003 or after September 30, 2015.
27 After September 30, 2003 and before October 1, 2015, the fee is

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1 \$20.00.

2 (2) ~~A corporation shall pay the applicable fee described in~~
3 ~~this section to the administrator at the time of filing or when the~~
4 ~~service is rendered by the administrator. The fees described in~~
5 ~~this section~~ **SUBSECTION (1)** are in addition to any franchise fees
6 prescribed ~~in~~ **UNDER** this act. **THE ADMINISTRATOR SHALL NOT REFUND**
7 **ALL OR ANY PART OF A FEE DESCRIBED IN THIS SECTION.**

8 (3) **EXCEPT AS PROVIDED IN SUBSECTION [(8)], THE ADMINISTRATOR**
9 **SHALL DEPOSIT ALL FEES RECEIVED AND COLLECTED UNDER THIS SECTION IN**
10 **THE STATE TREASURY TO THE CREDIT OF THE ADMINISTRATOR, WHO MAY ONLY**
11 **USE THE MONEY CREDITED PURSUANT TO LEGISLATIVE APPROPRIATION AND**
12 **ONLY IN CARRYING OUT THOSE DUTIES OF THE DEPARTMENT REQUIRED BY**
13 **LAW.**

14 (4) ~~(3)~~ A person shall pay a minimum charge of \$1.00 for each
15 certificate and 50 cents per folio to the administrator for
16 certifying a part of a file or record pertaining to a corporation
17 if a fee for that service is not described in subsection (1). The
18 administrator may furnish copies of documents, reports, and papers
19 required or permitted by law to be filed with the administrator,
20 and shall charge for those copies the fee established in a schedule
21 of fees adopted by the administrator with the approval of the state
22 administrative board. **THE ADMINISTRATOR SHALL RETAIN THE REVENUE**
23 **COLLECTED UNDER THIS SUBSECTION, AND THE DEPARTMENT SHALL USE IT TO**
24 **DEFRAY THE COSTS FOR ITS COPYING AND CERTIFYING SERVICES.**

25 ~~—— (4) The administrator shall not refund all or any part of a~~
26 ~~fee described in this section. The administrator shall deposit all~~
27 ~~fees received and collected under this section in the state~~

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1 ~~treasury to the credit of the administrator, who may only use the~~
 2 ~~money credited pursuant to legislative appropriation and only in~~
 3 ~~carrying out those duties of the department required by law.~~

4 [(5) The administrator shall waive ~~any~~ **THE** fee **FOR FILING INITIAL**
 5 **ARTICLES OF INCORPORATION**, otherwise required under ~~this section~~
 6 **SUBSECTION (1)**, if a majority of the **INITIAL** members ~~or directors of the~~
 7 ~~corporation responsible for paying the fee are, and the corporation~~
 8 ~~provides proof satisfactory to the administrator that a majority of the~~
 9 ~~members or directors are, honorably discharged veterans of the armed~~
~~forces of the United States.~~ **OF A MEMBERSHIP CORPORATION, INITIAL**
DIRECTORS OF A DIRECTORSHIP CORPORATION, OR INITIAL SHAREHOLDERS OF A
STOCK CORPORATION, AS APPLICABLE, ARE, OR IF APPLICABLE THE INITIAL
MEMBERS, INITIAL DIRECTORS, OR INITIAL SHAREHOLDERS WILL BE, INDIVIDUALS
WHO SERVED IN THE ARMED FORCES AND WERE SEPARATED FROM THAT SERVICE WITH
AN HONORABLE CHARACTER OF SERVICE OR UNDER HONORABLE CONDITIONS (GENERAL)
CHARACTER OF SERVICE.

(6) TO REQUEST A FEE WAIVER UNDER SUBSECTION (5), THE PERSON THAT IS SUBMITTING THE DOCUMENT FOR FILING SHALL SUBMIT BOTH OF THE FOLLOWING TO THE ADMINISTRATOR WITH THE DOCUMENT:

(A) A SIGNED AFFIDAVIT REQUESTING THE FEE WAIVER AND CERTIFYING THAT A MAJORITY OF THE INITIAL MEMBERS OF THE MEMBERSHIP CORPORATION, INITIAL DIRECTORS OF THE DIRECTORSHIP CORPORATION, OR INITIAL SHAREHOLDERS OF THE STOCK CORPORATION, AS APPLICABLE, ARE, OR IF APPLICABLE THE INITIAL MEMBERS, INITIAL DIRECTORS, OR INITIAL SHAREHOLDERS WILL BE, INDIVIDUALS WHO SERVED IN THE ARMED FORCES AND WERE SEPARATED FROM THAT SERVICE WITH AN HONORABLE CHARACTER OF SERVICE OR UNDER HONORABLE CONDITIONS (GENERAL) CHARACTER OF SERVICE.

(B) COPIES OF FORM DD214 OR FORM DD215, OR ANY OTHER FORM THAT IS SATISFACTORY TO THE DEPARTMENT, FOR EACH INDIVIDUAL DESCRIBED IN SUBSECTION (5) WHO IS OR WILL BE AN INITIAL MEMBER OF THE CORPORATION, INITIAL DIRECTOR OF THE CORPORATION, OR INITIAL SHAREHOLDER OF THE CORPORATION, AS APPLICABLE.

10 [(7)] IF A PERSON PAYS A FEE OR PENALTY ON BEHALF OF A DOMESTIC
 11 OR FOREIGN CORPORATION BY CHECK AND THE CHECK IS DISHONORED, THE
 12 FEE IS UNPAID AND THE ADMINISTRATOR SHALL RESCIND THE FILING OF ALL
 13 RELATED DOCUMENTS.

14 [(8)] THE ADMINISTRATOR MAY ACCEPT A CREDIT CARD IN LIEU OF CASH
 15 OR CHECK AS PAYMENT OF A FEE UNDER THIS ACT. THE ADMINISTRATOR
 16 SHALL DETERMINE WHICH CREDIT CARDS HE OR SHE SHALL ACCEPT FOR
 17 PAYMENT.

18 [(9)] THE ADMINISTRATOR MAY CHARGE A NONREFUNDABLE FEE OF UP TO
 19 \$50.00 FOR ANY DOCUMENT SUBMITTED OR CERTIFICATE SENT BY FACSIMILE
 20 OR ELECTRONIC TRANSMISSION. THE ADMINISTRATOR SHALL RETAIN THE
 21 REVENUE COLLECTED UNDER THIS SUBSECTION AND THE DEPARTMENT SHALL
 22 USE IT IN CARRYING OUT ITS DUTIES REQUIRED BY LAW.

[(10) AS USED IN THIS SECTION, "ARMED FORCES" MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE VETERAN RIGHT TO EMPLOYMENT SERVICES ACT, 1994 PA 39, MCL 35.1092.]

23 Sec. 1104. AS USED IN THIS CHAPTER:

24 (A) "INSOLVENT" MEANS BEING UNABLE TO PAY DEBTS AS THEY BECOME
 25 DUE IN THE USUAL COURSE OF A DEBTOR'S BUSINESS.

26 (B) ~~(1)~~ "Member capital" means the assets ~~which~~ **THAT** a member
 27 must provide by payment, transfer, or allocation of net savings to

1 a cooperative as a condition of admission to or retention of
 2 membership and with respect to which the member has rights to
 3 dividends, redemption, or distributions on dissolution ~~pursuant to~~
 4 **UNDER** this chapter.

5 (C) ~~(2)~~—"Membership fee" means a nonredeemable fee ~~which~~ **THAT**
 6 a member must pay to a cooperative as a condition of admission to
 7 or retention of membership in the cooperative ~~which~~ **THAT** is not
 8 member capital or a fee for goods, services, or facilities.

9 (D) ~~(3)~~—"Patron" means a person whose economic exchange is a
 10 regular part of the business of a cooperative or foreign
 11 cooperative, ~~which~~ **IF THE** economic exchange is the same type of
 12 regular economic exchange engaged in by any class of members.

13 (E) ~~(4)~~—"Patronage" means the selling or providing of goods,
 14 services, or facilities to, or the buying of goods, services, or
 15 facilities from members or other persons, or ~~the~~ providing of labor
 16 or services to or by a cooperative.

17 (F) ~~(5)~~—"Redemption" means any method by which a cooperative
 18 exchanges cash or debt instruments for member capital, including,
 19 but not limited to, repurchase, redemption, refund, or repayment.

20 (G) ~~(6)~~—"Referendum" means a method of member voting that
 21 utilizes secret ballot and established polling places as provided
 22 in the cooperative's bylaws **OR UNDER SECTION 409**.

23 (H) ~~(7)~~—"Unincorporated cooperative" means either of the
 24 following:

25 (i) ~~(a)~~—An association of 2 or more persons **THAT IS** organized
 26 on a cooperative basis ~~which~~ **AND THAT** is not a corporation.

27 (ii) ~~(b)~~—An association of 2 or more persons **THAT IS** organized

1 under the laws of another state ~~operating~~ **AND OPERATES** on either a
 2 cooperative basis or a similar basis provided in ~~another~~ **THAT** state
 3 as the criterion for being a cooperative, ~~which~~ **AND THAT** is not a
 4 corporation.

5 Sec. 1107. To the extent that sections ~~301(3)~~ **301(4)** and ~~(4)~~,
 6 **301(5)**, 855, and 901 are inconsistent with this chapter, they shall
 7 not apply to cooperatives.

8 Sec. 1145. Notwithstanding section 611(4), ~~703(2)~~, **703A(2)(D)**,
 9 753(4), or ~~804(4)~~, **804(6)**, unless the articles of incorporation
 10 provide for a higher vote for passage, amendment of the articles of
 11 incorporation, amendment of the bylaws ~~which~~ **THAT** alters member
 12 voting rights or member capital, merger, ~~consolidation~~, disposition
 13 of all or substantially all of the assets of the corporation, or
 14 dissolution ~~shall be adopted~~ **REQUIRE APPROVAL** by the affirmative
 15 vote of a majority of the votes cast by members **THAT ARE** eligible
 16 to vote ~~thereon~~, **ON THAT MATTER**, and if a class is eligible to vote
 17 ~~thereon~~ **ON THAT MATTER** as a class, the affirmative vote of a
 18 majority of the votes cast by members of ~~each~~ **THAT** class. ~~Such~~ **AN**
 19 action ~~may only~~ **DESCRIBED IN THIS SECTION SHALL** be taken at a
 20 meeting called according to the notice provisions of section 404.

21 Sec. 1162. In the event of an amendment to the articles **OF**
 22 **INCORPORATION** or bylaws, merger, ~~consolidation~~, or disposition of
 23 substantially all of the assets of ~~the~~ **A** cooperative, or **A**
 24 dissolution, ~~which~~ **THAT** results in a distribution of all or
 25 substantially all of the assets of the corporation to members, the
 26 **CORPORATION SHALL MAKE THAT** distribution ~~shall be~~ in the manner and
 27 order provided in section 1183.

1 Enacting section 1. Sections 312, 315, 361, 363, 365, 371,
2 411, 447, 481, 491, 492, 493, 515, 545, 546, 564, 703, 721, 722,
3 723, 731, 732, 736, 737, 825, 841, 842, 843, and 935 of the
4 nonprofit corporation act, 1982 PA 162, MCL 450.2312, 450.2315,
5 450.2361, 450.2363, 450.2365, 450.2371, 450.2411, 450.2447,
6 450.2481, 450.2491, 450.2492, 450.2493, 450.2515, 450.2545,
7 450.2546, 450.2564, 450.2703, 450.2721, 450.2722, 450.2723,
8 450.2731, 450.2732, 450.2736, 450.2737, 450.2825, 450.2841,
9 450.2842, 450.2843, and 450.2935, are repealed.

10 Enacting section 2. This amendatory act does not take effect
11 unless all of the following bills of the 97th Legislature are
12 enacted into law:

13 (a) Senate Bill No. 624.

14 (b) Senate Bill No. 929.