

SENATE BILL No. 623

October 16, 2013, Introduced by Senators KOWALL, JONES and BIEDA and referred to the Committee on Economic Development.

A bill to amend 1982 PA 162, entitled
"Nonprofit corporation act,"
by amending sections 103, 104, 105, 106, 107, 108, 109, 110, 121,
122, 123, 131, 132, 133, 141, 143, 151, 202, 209, 212, 215, 217,
221, 241, 242, 243, 246, 251, 261, 275, 301, 303, 304, 305, 307,
308, 309, 313, 317, 331, 332, 338, 402, 403, 404, 405, 407, 413,
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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, 1013, and 1056; 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:**

(a) ~~the~~ **THE** original articles of incorporation or any other instrument filed or issued under any statute to organize a domestic or foreign corporation, as amended, supplemented, or restated by certificates of amendment, merger, **CONVERSION**, or consolidation, or other certificates or instruments filed or issued under any statute. ~~or~~

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

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

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

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

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

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

(7) "Business corporation" or "domestic business corporation" means a corporation for profit ~~organized~~ **FORMED** under Act No. 284 ~~of the Public Acts of 1972, as amended, being sections 450.1101 to 450.2099 of the Michigan Compiled Laws,~~ **THE BUSINESS CORPORATION ACT**, or existing on January 1, 1973 and ~~theretofore~~ **BEFORE**

1 JANUARY 1, 1973 under any other statute of this state for a purpose
2 for which a corporation for profit may be organized under that
3 ~~act.~~ **STATUTE.**

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

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

8 (a) Is **RECOGNIZED AS** exempt or qualifies for exemption under
9 section 501(c)(3) of the internal revenue code, 26 USC 501.

10 (b) Is a corporation whose purposes, structure, or activities
11 are exclusively those that are described in section 501(c)(3) of
12 the internal revenue code, 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. **THE TERM INCLUDES A**
24 **VOLUNTEER DIRECTOR.**

25 (5) **"DISTRIBUTION" MEANS A DIRECT OR INDIRECT TRANSFER OF**
26 **MONEY OR OTHER PROPERTY, EXCEPT THE CORPORATION'S SHARES OR**
27 **MEMBERSHIPS, OR DEBT INCURRED BY THE CORPORATION TO OR FOR THE**

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

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

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

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

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

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

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

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

(3) **"INTERNAL REVENUE CODE" MEANS THE UNITED STATES INTERNAL REVENUE CODE OF 1986, 26 USC 1 TO 9834.**

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

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

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

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

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

(5) **"PRIVATE FOUNDATIONS" MEANS A TAX EXEMPT CORPORATION DESCRIBED IN SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE, 26 USC 501, THAT IS CLASSIFIED AS A PRIVATE FOUNDATION UNDER SECTION**

1 509(A) OF THE INTERNAL REVENUE CODE, 26 USC 509.

2 Sec. 109. (1) "SHAREHOLDER" MEANS A PERSON THAT HOLDS SHARES
3 OF A DOMESTIC CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS
4 CORPORATION, OR FOREIGN BUSINESS CORPORATION.

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

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

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

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

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

27 (a) Every domestic corporation ~~organized~~ **FORMED** under this act

1 or under a predecessor act, for a purpose or purposes for which a
2 corporation might be ~~organized~~**FORMED** under this act.

3 (b) Every foreign corporation ~~which~~**THAT** is authorized to **OR**
4 **DOES** conduct affairs in this state **EXCEPT AS OTHERWISE PROVIDED**
5 **UNDER THIS ACT OR ANOTHER STATUTE.**

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

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

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

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

22 (a) ~~Chapter 55 of the Revised Statutes of 1846, entitled~~
23 ~~"general provisions relating to corporations", as amended, being~~
24 ~~sections 450.504 to 450.525 of the Michigan Compiled Laws.1846 RS~~
25 **55, MCL 450.504 TO 450.525.**

26 (b) ~~Act No. 156 of the Public Acts of 1955, being sections~~
27 ~~450.701 to 450.704 of the Michigan Compiled Laws.1955 PA 156, MCL~~

1 450.701 TO 450.704.

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

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

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

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

14 (b) A secret society or lodge.

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

18 (d) A church trustee corporation.

19 (e) An educational corporation that is organized as a trustee
20 corporation or a nonprofit corporation.

21 (f) An ecclesiastical corporation.

22 (g) A public building corporation.

23 (h) A street railway under the nonprofit street railway act,
24 1867 PA 35, MCL 472.1 to ~~472.31~~ **472.27**.

25 (3) Except as provided in subsection (2)(h), this act does not
26 apply to insurance ~~—OR~~ surety **COMPANIES**, credit unions, savings
27 and loan associations, fraternal benefit societies, railroad,

1 bridge, or tunnel companies, union depot companies, ~~and~~ OR banking
2 corporations.

3 Sec. 131. (1) A **PERSON SHALL SUBMIT A** document **THAT IS**
4 required or permitted to be filed under this act ~~shall be submitted~~
5 by delivering the document to the administrator together with the
6 fees and accompanying documents required by law. The administrator
7 ~~may~~ **SHALL** establish a ~~procedure~~ **PROCEDURES** for accepting delivery
8 of a document submitted under this subsection by facsimile, **BY**
9 **ELECTRONIC MAIL, OVER THE INTERNET,** or **BY** other electronic
10 transmission. ~~However, by December 31, 2006, the administrator~~
11 ~~shall establish a procedure for accepting delivery of a document~~
12 ~~submitted under this subsection by electronic mail or over the~~
13 ~~internet. Beginning January 1, 2007, the administrator shall accept~~
14 ~~delivery of documents submitted by electronic mail or over the~~
15 ~~internet.~~

16 (2) If a document submitted under subsection (1) substantially
17 conforms to the requirements of this act, the administrator shall
18 endorse ~~upon~~ **ON** it the word "filed" with ~~the administrator's~~ **HIS OR**
19 **HER** official title and the dates of receipt and of filing, and
20 shall file and index the document or a reproduction of the document
21 ~~pursuant to~~ **UNDER** the records reproduction act, 1992 PA 116, MCL
22 24.401 to 24.406, in ~~the administrator's~~ **HIS OR HER** office. If
23 requested at the time of the delivery of the document to the
24 administrator's office, the administrator shall include the hour of
25 filing in the endorsement on the document.

26 (3) The administrator shall return a copy of a document filed
27 under subsection (2), other than an annual report, or, at his or

1 her discretion, the original, to the person ~~who~~**THAT** submitted the
2 document for filing. The administrator shall mark the filing date
3 on the copy or original before returning it or, if the document was
4 submitted by electronic mail or over the internet, may provide
5 proof of the filing date to the person ~~who~~**THAT** submitted the
6 document for filing in another manner determined by the
7 administrator.

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

15 (5) The administrator may make ~~copies~~**REPRODUCTIONS** of any
16 documents filed under this act, or any predecessor act, ~~pursuant to~~
17 **UNDER** the records reproduction act, 1992 PA 116, MCL 24.401 to
18 24.406, and may destroy the originals of the reproduced documents.

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

23 (7) The administrator shall charge 1 of the following
24 nonrefundable fees if expedited filing of a document by the
25 administrator is requested and the administrator shall retain the
26 revenue collected under this subsection and the department shall
27 use it to carry out its duties required by law:

1 (a) For any filing that a person requests the administrator to
2 complete within 1 hour on the same day as the day of the request,
3 \$1,000.00. The department may establish a deadline by which a
4 person must submit a request for filing under this subdivision.

5 (b) For any filing that a person requests the administrator to
6 complete within 2 hours on the same day as the day of the request,
7 \$500.00. The department may establish a deadline by which a person
8 must submit a request for filing under this subdivision.

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

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

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

25 (f) For the filing of any other document concerning an
26 existing domestic corporation or a qualified foreign corporation
27 that a person requests the administrator to complete within 24

1 hours of the time the administrator receives the request, \$100.00.

2 Sec. 132. (1) A document filed with the administrator shall be
3 in the English language, except that the corporate name need not be
4 in the English language if written in English letters or Arabic or
5 Roman numerals. ~~, and the articles of incorporation of a foreign~~
6 ~~corporation need not be in the English language.~~

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

22 (a) The corporate seal.

23 (b) An attestation by the secretary or an assistant secretary
24 of the corporation.

25 (c) An acknowledgment or proof.

26 Sec. 133. If a document relating to a domestic or foreign
27 corporation **THAT IS** filed with the administrator under this act ~~is~~

1 **WAS AT THE TIME OF FILING** an inaccurate record of the corporation
2 action referred to in the document or was defectively or
3 erroneously executed, or the document was electronically
4 transmitted and the electronic transmission was defective, the
5 document may be corrected by filing with the administrator a
6 certificate of correction on behalf of the corporation. A
7 certificate entitled "certificate of correction of... (correct
8 title of document and name of corporation)" shall be signed as
9 provided in this act with respect to the document being corrected
10 and filed with the administrator. The certificate shall set forth
11 the name of the corporation, the date the document to be corrected
12 was filed by the administrator, the provision in the document as
13 ~~corrected or eliminated,~~ **IT SHOULD HAVE ORIGINALLY APPEARED,** and if
14 the execution was defective, the proper execution. The corrected
15 document is effective in its corrected form as of its original
16 filing date except as to a person ~~who~~ **THAT** relied ~~upon~~ **ON** the
17 inaccurate portion of the document and was, as a result of the
18 inaccurate portion of the document, adversely affected by the
19 correction.

20 Sec. 141. ~~When,~~ **IF,** under this act or the articles of
21 incorporation or bylaws of a corporation or by the terms of an
22 agreement or instrument, a corporation or the board or any
23 committee of the board may take action after notice to any person
24 or after lapse of a prescribed period of time, the action may be
25 taken without notice and without lapse of the period of time, if at
26 any time before or after the action is completed the person
27 entitled to notice or to participate in the action to be taken or,

1 in case of a shareholder or member, by ~~the shareholder or member's~~
2 **HIS OR HER** attorney-in-fact, submits a signed waiver or a waiver by
3 electronic transmission of the requirements.

4 Sec. 143. (1) ~~When~~ **IF** a notice or communication is required or
5 permitted by this act to be given by mail, it shall be mailed,
6 except as otherwise provided in this act, to the person to ~~whom~~
7 **WHICH** it is directed at the address designated by that person for
8 that purpose or, if none is designated, at that person's last known
9 address. The notice or communication is given when deposited, with
10 postage prepaid, in a post office or official depository under the
11 exclusive care and custody of the United States postal service. The
12 mailing shall be **SENT BY** registered, certified, or other first
13 class mail ~~except where~~ **UNLESS** otherwise ~~provided in~~ **REQUIRED UNDER**
14 this act.

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

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

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

1 (B) AT LEAST 60 DAYS BEFORE THE FIRST DELIVERY OR ANY DELIVERY
2 TO A COMMON ADDRESS UNDER THIS SUBSECTION, THE CORPORATION GIVES
3 NOTICE TO THE SHAREHOLDERS OR MEMBERS THAT SHARE THAT COMMON
4 ADDRESS THAT IT INTENDS TO PROVIDE ONLY 1 COPY OF NOTICES, REPORTS,
5 STATEMENTS, OR OTHER COMMUNICATIONS TO SHAREHOLDERS OR MEMBERS THAT
6 SHARE A COMMON ADDRESS.

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

17 (4) ~~(3) When~~ IF a notice or communication is permitted by this
18 act to be transmitted electronically, the notice or communication
19 is given when electronically transmitted to the person entitled to
20 the notice or communication in a manner authorized by the person.

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

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

~~receipt from the person submitting the document for filing of~~
RECEIVING a written request ~~for the filing of~~ **TO FILE** the document
FROM THE PERSON THAT SUBMITTED THE DOCUMENT FOR FILING give written
 notice of the ~~refusal~~ **FAILURE** to file the document to that person,
 specifying the reasons for the ~~refusal~~ **FAILURE** to file the
 document. If the document was not originally submitted by
 electronic transmission, the administrator shall not give the
 written notice by electronic transmission. The person may seek
 judicial review of the refusal to file the document ~~pursuant to~~
UNDER sections 103, 104, and 106 of the administrative procedures
 act of 1969, 1969 PA 306, MCL 24.303, 24.304, and 24.306.

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

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

(a) The name of the corporation.

(b) The purposes for which the corporation is ~~organized~~
FORMED. It ~~shall not be~~ **IS NOT** sufficient to state substantially
 that the corporation may engage in any activity within the purposes
 for which a corporation may be ~~organized~~ **FORMED** under this act. A
~~corporation which proposes to conduct educational purposes shall~~
~~state such purposes and~~ **IF A CORPORATION PROPOSES TO ORGANIZE AND**
OPERATE A SCHOOL, COLLEGE, OR OTHER EDUCATIONAL INSTITUTION

1 DESCRIBED IN SECTION 170 OF 1931 PA 327, MCL 450.170, OTHER THAN A
 2 PUBLIC SCHOOL ACADEMY AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL
 3 CODE, 1976 PA 451, MCL 380.5, IT shall STATE ITS EDUCATIONAL
 4 PURPOSES IN ITS ARTICLES OF INCORPORATION AND comply with all
 5 requirements of sections 170 to 177 of ~~Act No. 327 of the Public~~
 6 ~~Acts of 1931, as amended, being sections 450.170 to 450.177 of the~~
 7 ~~Michigan Compiled Laws. 1931 PA 327, MCL 450.170 TO 450.177.~~

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

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

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

25 (f) ~~In the case of a~~ **IF THE** corporation ~~organized~~ **IS FORMED** on
 26 a nonstock basis, a statement that the corporation is ~~organized~~
 27 **FORMED** on a membership basis or a statement that the corporation is

1 ~~organized~~ **FORMED** on a directorship basis.

2 (g) The street address, and the mailing address if different
3 from the street address, of the corporation's initial registered
4 office and the name of the corporation's initial resident agent at
5 that address.

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

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

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

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

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

22 (c) A provision that eliminates ~~the personal~~ **OR LIMITS A**
23 **DIRECTOR'S OR VOLUNTEER OFFICER'S** liability ~~of a volunteer director~~
24 ~~or volunteer officer to the corporation, its shareholders, or its~~
25 ~~members for monetary~~ **MONEY** damages for ~~a breach of the director's~~
26 ~~or officer's fiduciary duty. The provision does not eliminate or~~
27 ~~limit the liability of a director or officer~~ **ANY ACTION TAKEN OR**

1 ANY FAILURE TO TAKE ANY ACTION AS A DIRECTOR OR VOLUNTEER OFFICER,
 2 EXCEPT LIABILITY for any of the following:

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

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

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

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

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

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

18 (d) For a ~~tax-exempt~~ **CHARITABLE PURPOSE** corporation, under
 19 ~~section 501(c)(3) of the internal revenue code,~~ a provision that
 20 the corporation assumes all liability to any person other than the
 21 corporation, its shareholders, or its members for all acts or
 22 omissions of a volunteer director occurring on or after January 1,
 23 1988 incurred in the good faith performance of the volunteer
 24 director's duties.

25 (e) A provision that ~~a nonprofit~~ **THE** corporation assumes the
 26 liability for all acts or omissions of a volunteer director,
 27 volunteer officer, or other volunteer occurring on or after the

1 effective date of the provision ~~granting~~ **THAT GRANTS** limited
2 liability if all of the following are met:

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

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

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

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

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

15 (F) A PROVISION THAT RESERVES TO 1 OR MORE MEMBERS,
16 SHAREHOLDERS, OR OTHER PERSONS ALL OR PART OF THE AUTHORITY TO
17 EXERCISE THE CORPORATE POWERS OR TO MANAGE THE BUSINESS AND AFFAIRS
18 OF THE CORPORATION, INCLUDING THE RESOLUTION OF ANY ISSUE ABOUT
19 WHICH THERE EXISTS A DEADLOCK AMONG DIRECTORS, SHAREHOLDERS, OR
20 MEMBERS. A PROVISION AUTHORIZED UNDER THIS SUBSECTION THAT LIMITS
21 THE DISCRETION OR POWERS OF THE BOARD RELIEVES THE DIRECTORS OF,
22 AND IMPOSES ON THE PERSON OR PERSONS IN WHICH THE DISCRETION OR
23 POWERS ARE VESTED, LIABILITY FOR ACTS OR OMISSIONS IMPOSED BY LAW
24 ON DIRECTORS TO THE EXTENT THAT THE DISCRETION OR POWERS OF THE
25 DIRECTORS ARE LIMITED BY THE PROVISION. THE PERSON OR PERSONS IN
26 WHICH THE DISCRETION OR POWERS ARE VESTED ARE TREATED AS A DIRECTOR
27 OR DIRECTORS FOR THE PURPOSES OF ANY LIMITATION OR ASSUMPTION OF

1 LIABILITY UNDER THIS SECTION AND, EXCEPT AS OTHERWISE PROVIDED IN
2 THE ARTICLES OF INCORPORATION OR BYLAWS, HAVE THE SAME RIGHTS AND
3 OBLIGATIONS WITH RESPECT TO INDEMNIFICATION AS A DIRECTOR OR
4 DIRECTORS.

5 (2) IF THE ARTICLES OF INCORPORATION CONTAIN A PROVISION THAT
6 ELIMINATES THE LIABILITY OF A VOLUNTEER DIRECTOR OR VOLUNTEER
7 OFFICER THAT WAS FILED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY
8 ACT THAT ADDED THIS SUBSECTION, THAT PROVISION IS CONSIDERED TO
9 ELIMINATE THE LIABILITY OF A DIRECTOR OR VOLUNTEER OFFICER UNDER
10 SUBSECTION (1) (C) .

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

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

19 ~~(b) Shall not be the same as, or confusingly similar to, the~~
20 ~~corporate name of a domestic corporation, a domestic business~~
21 ~~corporation, a foreign corporation authorized to conduct affairs in~~
22 ~~this state, or a foreign business corporation authorized to~~
23 ~~transact business in this state; a corporate name currently~~
24 ~~reserved under this act, a predecessor act, or Act No. 284 of the~~
25 ~~Public Acts of 1972, as amended; or a name assumed under section~~
26 ~~217 or under section 217 of Act No. 284 of the Public Acts of 1972,~~
27 ~~as amended, being section 450.1217 of the Michigan Compiled Laws,~~

~~unless the written consent of the other domestic corporation,
domestic business corporation, foreign corporation, or foreign
business corporation or holder of a reserved name, to the adoption
of a confusingly similar name, but not the same name, is filed in
the office of the administrator, or, in lieu of the consent, there
is filed a certified copy of a final judgment of a court of
competent jurisdiction establishing the prior right of the
corporation to the use of the name in this state.~~ SHALL DISTINGUISH

THE CORPORATE NAME IN THE RECORDS IN THE OFFICE OF THE
ADMINISTRATOR FROM ALL OF THE FOLLOWING:

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

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

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

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

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

(c) Shall not contain a word or phrase, ~~or~~ an abbreviation, or

1 derivative thereof, ~~OF A WORD OR PHRASE~~, the use of which is
 2 prohibited or restricted by any other statute of this state, unless
 3 the **USE OF THE NAME COMPLIES WITH THAT** restriction. ~~has been~~
 4 ~~complied with.~~

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

22 (3) A **CHARITABLE PURPOSE** corporation ~~incorporated for the~~
 23 ~~purpose of receiving and administering funds for perpetuation of~~
 24 ~~the memory of persons, preservation of objects of historical or~~
 25 ~~natural interest, educational, charitable, or religious purposes,~~
 26 ~~or public welfare may use the name foundation.~~ **WORD "FOUNDATION" IN**
 27 **ITS CORPORATE NAME OR IN AN ASSUMED NAME. THIS SUBSECTION DOES NOT**

1 PROHIBIT A CORPORATION FROM CONTINUING TO USE THE WORD "FOUNDATION"
 2 IN ITS CORPORATE NAME OR IN AN ASSUMED NAME IF THE CORPORATION WAS
 3 IN EXISTENCE AND USED THE WORD "FOUNDATION" IN ITS CORPORATE NAME
 4 OR IN AN ASSUMED NAME BEFORE THE EFFECTIVE DATE OF THE AMENDATORY
 5 ACT THAT ADDED THIS SENTENCE.

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

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

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

18 (2) ~~(3) The~~ **A PERSON MY TRANSFER A** right to exclusive use of a
 19 corporate name ~~so reserved may be transferred~~ **UNDER SUBSECTION (1)**
 20 to another person by filing a notice of the transfer, executed by
 21 the applicant for ~~whom~~ **WHICH** the name was reserved, ~~and stating~~
 22 **THAT STATES** the name and address of the transferee.

23 Sec. 217. (1) Except as otherwise ~~prohibited by law,~~ **PROVIDED**
 24 **IN SECTION 212,** a domestic or foreign corporation may conduct its
 25 affairs under any assumed name or names other than its corporate
 26 name, ~~not precluded from use by section 212, and the same name may~~
 27 ~~be assumed by 2 or more corporations participating together in any~~

1 ~~partnership or joint venture~~ by filing a certificate stating the
 2 true name of the corporation and the assumed name under which its
 3 affairs are to be conducted. ~~The~~ **A** certificate ~~shall be~~ **OF ASSUMED**
 4 **NAME IS** effective, unless sooner terminated by ~~the~~ filing ~~of a~~
 5 certificate of termination or by the dissolution or withdrawal of
 6 the corporation, for a period ~~expiring~~ **THAT EXPIRES** on December 31
 7 of the fifth full calendar year following the year in which it was
 8 filed. ~~It~~ **A CERTIFICATE OF ASSUMED NAME** may be extended for
 9 additional consecutive periods of 5 full calendar years each by ~~the~~
 10 filing ~~of~~ similar certificates not earlier than 90 days preceding
 11 the expiration of ~~any such~~ **THE INITIAL OR A SUBSEQUENT 5-YEAR**
 12 period. The administrator shall notify the corporation of the
 13 impending expiration of the certificate of assumed name ~~no~~ **NOT**
 14 later than 90 days before **THE EXPIRATION OF** the initial or
 15 subsequent 5-year period. ~~will expire. This~~ **A CERTIFICATE OF**
 16 **ASSUMED NAME FILED UNDER THIS** section does not create substantive
 17 rights to the use of a particular assumed name.

18 (2) **TWO OR MORE CORPORATIONS, OR 1 OR MORE CORPORATIONS AND 1**
 19 **OR MORE BUSINESS CORPORATIONS, LIMITED PARTNERSHIPS, LIMITED**
 20 **LIABILITY COMPANIES, OR OTHER ENTERPRISES THAT PARTICIPATE TOGETHER**
 21 **IN A PARTNERSHIP OR JOINT VENTURE MAY ASSUME THE SAME NAME. EACH**
 22 **PARTICIPANT CORPORATION SHALL FILE A CERTIFICATE UNDER THIS**
 23 **SECTION.**

24 (3) **A CORPORATION THAT PARTICIPATES IN A MERGER, OR ANY OTHER**
 25 **ENTITY THAT PARTICIPATES IN A MERGER UNDER SECTION 735 OR 736A, MAY**
 26 **TRANSFER TO THE SURVIVING ENTITY THE USE OF AN ASSUMED NAME FOR**
 27 **WHICH A CERTIFICATE OF ASSUMED NAME IS ON FILE WITH THE**

1 ADMINISTRATOR BEFORE THE MERGER, IF THE TRANSFER IS NOTED IN THE
2 CERTIFICATE OF MERGER UNDER SECTION 707(1)(F), 712(1)(C), OR
3 736A(3)(F) OR OTHER APPLICABLE STATUTE. THE USE OF AN ASSUMED NAME
4 TRANSFERRED UNDER THIS SUBSECTION MAY CONTINUE FOR THE REMAINING
5 EFFECTIVE PERIOD OF THE CERTIFICATE OF ASSUMED NAME ON FILE BEFORE
6 THE MERGER, AND THE SURVIVING ENTITY MAY TERMINATE OR EXTEND THE
7 CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION (1).

8 (4) A CORPORATION THAT SURVIVES A MERGER MAY USE AS AN ASSUMED
9 NAME THE CORPORATE NAME OF A MERGING CORPORATION, OR THE NAME OF
10 ANY OTHER ENTITY THAT PARTICIPATES IN THE MERGER UNDER SECTION 735
11 OR 736A, BY FILING A CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION
12 (1) OR BY PROVIDING FOR THE USE OF THE NAME AS AN ASSUMED NAME IN
13 THE CERTIFICATE OF MERGER. THE SURVIVING CORPORATION ALSO MAY FILE
14 A CERTIFICATE OF ASSUMED NAME UNDER SUBSECTION (1) OR PROVIDE IN
15 THE CERTIFICATE OF MERGER FOR THE USE AS AN ASSUMED NAME OF AN
16 ASSUMED NAME OF A MERGING ENTITY THAT IS NOT TRANSFERRED UNDER
17 SUBSECTION (3). A PROVISION IN THE CERTIFICATE OF MERGER UNDER THIS
18 SUBSECTION IS CONSIDERED A NEW CERTIFICATE OF ASSUMED NAME.

19 (5) A BUSINESS ORGANIZATION INTO WHICH A CORPORATION HAS
20 CONVERTED UNDER SECTION 745 MAY USE AN ASSUMED NAME OF THE
21 CONVERTING CORPORATION, IF THE CORPORATION HAS A CERTIFICATE OF
22 ASSUMED NAME FOR THAT ASSUMED NAME ON FILE WITH THE ADMINISTRATOR
23 BEFORE THE CONVERSION, BY PROVIDING FOR THE USE OF THE NAME AS AN
24 ASSUMED NAME IN THE CERTIFICATE OF CONVERSION. THE USE OF AN
25 ASSUMED NAME UNDER THIS SUBSECTION MAY CONTINUE FOR THE REMAINING
26 EFFECTIVE PERIOD OF THE CERTIFICATE OF ASSUMED NAME ON FILE BEFORE
27 THE CONVERSION, AND THE SURVIVING BUSINESS ORGANIZATION MAY

1 TERMINATE OR EXTEND THE CERTIFICATE OF ASSUMED NAME UNDER
2 SUBSECTION (1) .

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

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

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

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

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

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

1 ~~7-a~~

2 (ii) A domestic ~~ex-CORPORATION~~, A domestic business
 3 corporation, ~~ex-a foreign ex-CORPORATION~~, A foreign business
 4 corporation, A LIMITED LIABILITY COMPANY, OR ANOTHER ENTITY, IF IT
 5 IS authorized to conduct affairs or transact business in this state
 6 and ~~having~~ IT HAS a business office identical with the
 7 ~~corporation's~~ registered office.

8 Sec. 242. (1) A domestic corporation or a foreign corporation
 9 authorized to conduct affairs in this state may change its
 10 registered office or change its resident agent, or both, ~~upon~~ BY
 11 filing a statement ~~7-which~~ WITH THE DEPARTMENT. THE STATEMENT may
 12 be executed by any of the individuals ~~set forth~~ DESCRIBED in
 13 section 132 or by the secretary or assistant secretary of the
 14 corporation. ~~7-setting forth~~ THE STATEMENT SHALL PROVIDE ALL OF THE
 15 FOLLOWING INFORMATION:

16 (a) The CORPORATE name. ~~of the corporation.~~

17 (b) The street address of ~~its then~~ THE CORPORATION'S
 18 registered office AT THE TIME OF FILING, and its mailing address if
 19 different from its street address.

20 (c) If the address of ~~its~~ THE CORPORATION'S registered office
 21 is changed, the street address and the mailing address, if
 22 different from the street address, to which the registered office
 23 is to be changed.

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

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

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

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

7 (2) **IF A RESIDENT AGENT CHANGES ITS BUSINESS OR RESIDENCE**
 8 **ADDRESS TO ANOTHER PLACE WITHIN THIS STATE, THE RESIDENT AGENT MAY**
 9 **CHANGE THE ADDRESS OF THE REGISTERED OFFICE OF ANY DOMESTIC OR**
 10 **FOREIGN CORPORATION OF WHICH THE PERSON IS A RESIDENT AGENT BY**
 11 **FILING THE STATEMENT REQUIRED UNDER SUBSECTION (1), EXCEPT THAT THE**
 12 **STATEMENT NEED ONLY BE SIGNED BY THE RESIDENT AGENT, NEED NOT BE**
 13 **RESPONSIVE TO SUBSECTION (1)(E) OR (G), AND SHALL RECITE THAT A**
 14 **COPY OF THE STATEMENT HAS BEEN MAILED TO THE CORPORATION.**

15 Sec. 243. A resident agent of a domestic or foreign
 16 corporation may resign by filing a written notice of resignation
 17 with the president or a ~~vice-president~~ **VICE PRESIDENT** of the
 18 corporation and with the administrator. ~~The~~ **A** corporation shall
 19 promptly appoint a successor resident agent **AFTER ITS RESIDENT**
 20 **AGENT HAS RESIGNED.** The appointment of ~~the~~ **A** resigning **RESIDENT**
 21 ~~agent terminates upon appointment of a successor or upon expiration~~
 22 ~~of~~ **WHEN A SUCCESSOR IS APPOINTED OR** 30 days after receipt of the
 23 notice by the administrator, whichever first occurs. **WHEN A**
 24 **RESIGNATION BECOMES EFFECTIVE UNDER THIS SECTION, THE BUSINESS OR**
 25 **RESIDENCE ADDRESS OF THE RESIGNED AGENT IS NO LONGER THE REGISTERED**
 26 **OFFICE OF THE CORPORATION.**

27 Sec. 246. (1) The resident agent ~~so~~ appointed by a corporation

1 is an agent of the corporation upon ~~whom~~ **WHICH** any process, notice,
 2 or demand required or permitted by law to be served upon the
 3 corporation may be served.

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

19 Sec. 251. (1) ~~Except if required by law to incorporate under~~
 20 ~~another statute of this state, a~~ **A** corporation may be formed under
 21 this act for any lawful purposes not involving pecuniary gain or
 22 profit for its officers, directors, shareholders, or members, **OTHER**
 23 **THAN A PURPOSE FOR WHICH A CORPORATION MAY BE FORMED UNDER ANY**
 24 **OTHER STATUTE OF THIS STATE AND THAT STATUTE EXPRESSLY PROHIBITS**
 25 **FORMATION UNDER THIS ACT.**

26 (2) In time of war or other national emergency, a corporation
 27 may ~~conduct~~ **TAKE** any lawful activity, **ACTION TO PROVIDE AID,**

1 including any business activity, ~~in aid thereof,~~ notwithstanding
2 the purposes set forth in its articles of incorporation, at the
3 request or direction of a competent governmental authority.

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

8 (a) Have perpetual duration.

9 (b) Sue and be sued in all courts and participate in actions
10 and proceedings judicial, administrative, arbitrativ, or
11 otherwise, in the same manner as ~~a natural person.~~ **AN INDIVIDUAL.**

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

15 (d) Adopt, amend, or repeal bylaws, including emergency
16 bylaws, relating to the purposes of the corporation, the conduct of
17 its affairs, its rights and powers, and the rights and powers of
18 its shareholders, members, directors, or officers.

19 (e) Elect or appoint officers, employees, and other agents of
20 the corporation, prescribe their duties, fix their compensation and
21 the compensation of directors, and indemnify corporate directors,
22 officers, employees, and agents.

23 (f) Purchase, receive, take by grant, gift, devise, bequest,
24 or otherwise, lease, or otherwise acquire, own, hold, improve,
25 **ADMINISTER,** employ, use, and otherwise deal in and with, real or
26 personal property, or an interest in real or personal property,
27 wherever situated, either absolutely, ~~or~~ in trust, **OR AS AN**

1 **ENDOWMENT OR DONOR RESTRICTED FUND**, and without limitation as to
2 amount or value.

3 (g) Sell, convey, lease, exchange, transfer, or otherwise
4 dispose of, or mortgage or pledge, or create a security interest
5 in, any of its property, or an interest in the property, wherever
6 situated.

7 (h) Purchase, take, receive, subscribe for, or otherwise
8 acquire, own, hold, vote, employ, sell, lend, lease, exchange,
9 transfer, or otherwise dispose of, mortgage, pledge, use, and
10 otherwise deal in and with, bonds and other obligations, shares or
11 other securities or interests or memberships issued by others,
12 whether engaged in similar or different business, governmental, or
13 other activities, including banking corporations or trust
14 companies. A corporation organized or conducting affairs in this
15 state under this act shall not guarantee or become surety ~~upon~~**ON** a
16 bond or other undertaking securing the deposit of public money.

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

1 CORPORATION:

2 (i) A CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS
3 CORPORATION, OR FOREIGN BUSINESS CORPORATION, IF ALL OF ITS
4 OUTSTANDING SHARES ARE OWNED, DIRECTLY OR INDIRECTLY, OR ALL OF THE
5 OUTSTANDING MEMBERSHIPS ARE OWNED OR CONTROLLED, DIRECTLY OR
6 INDIRECTLY, BY ANY OF THE FOLLOWING:

7 (A) THE CONTRACTING CORPORATION.

8 (B) A DIRECTORSHIP CORPORATION WHOSE DIRECTORS ARE ALL ELECTED
9 OR APPOINTED, DIRECTLY OR INDIRECTLY, BY THE CONTRACTING
10 CORPORATION.

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

14 (ii) A CORPORATION OR FOREIGN CORPORATION THAT OWNS OR
15 CONTROLS, DIRECTLY OR INDIRECTLY, ALL OF THE OUTSTANDING SHARES OF
16 THE CONTRACTING CORPORATION; OR THAT OWNS OR CONTROLS, DIRECTLY OR
17 INDIRECTLY, ALL OF THE OUTSTANDING MEMBERSHIP INTERESTS OF THE
18 CONTRACTING CORPORATION; OR THAT ELECTS OR APPOINTS, DIRECTLY OR
19 INDIRECTLY, ALL OF THE DIRECTORS OF THE CONTRACTING DIRECTORSHIP
20 CORPORATION.

21 (iii) A CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS
22 CORPORATION, OR FOREIGN BUSINESS CORPORATION, IF ALL OF ITS
23 OUTSTANDING SHARES ARE OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY,
24 OR ALL OF ITS OUTSTANDING MEMBERSHIPS ARE OWNED OR CONTROLLED,
25 DIRECTLY OR INDIRECTLY, BY AN AFFILIATE; OR A DIRECTORSHIP
26 CORPORATION, IF ALL OF ITS DIRECTORS ARE ELECTED OR APPOINTED,
27 DIRECTLY OR INDIRECTLY, BY AN AFFILIATE; OR A DOMESTIC OR FOREIGN

1 LIMITED LIABILITY COMPANY, IF ALL ITS OUTSTANDING MEMBERSHIP
2 INTERESTS ARE OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY AN
3 AFFILIATE. AS USED IN THIS SUBPARAGRAPH, "AFFILIATE" MEANS A
4 NONPROFIT CORPORATION, WHETHER OR NOT SUBJECT TO THIS ACT, OR A
5 FOREIGN CORPORATION, THAT OWNS OR CONTROLS, DIRECTLY OR INDIRECTLY,
6 ALL OF THE OUTSTANDING SHARES OF THE CONTRACTING CORPORATION; OR
7 THAT OWNS OR CONTROLS, DIRECTLY OR INDIRECTLY, ALL OF THE
8 OUTSTANDING MEMBERSHIPS OF THE CONTRACTING CORPORATION; OR THAT
9 ELECTS OR APPOINTS, DIRECTLY OR INDIRECTLY, ALL OF THE DIRECTORS OF
10 THE CONTRACTING CORPORATION IF IT IS A DIRECTORSHIP CORPORATION.

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

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

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

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

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

(o) Cease its corporate activities and dissolve.

(p) Conduct its affairs, carry on its operations, and have offices and exercise the powers granted ~~by~~ **UNDER** this act in any jurisdiction ~~within or without~~ **IN OR OUTSIDE** the United States, and, in the case of a corporation the purpose or purposes of which require the transaction of business, the receipt and payment of money, the care and custody of property, and other incidental business matters, transact ~~such~~ **THAT** business, receive, collect, and disburse ~~such~~ **THAT** money, and engage in ~~such~~ **THOSE** other incidental business matters as are naturally or properly within the scope of its articles.

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

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

1 MCL 451.921 TO 451.931, controls.

2 (3) ~~The corporate existence of all corporations incorporated~~
3 ~~before January 1, 1983, without capital stock, for religious,~~
4 ~~benevolent, social, or fraternal purposes, shall be considered to~~
5 ~~be in perpetuity. A~~ UNLESS THE STATUTE UNDER WHICH A CORPORATION IS
6 FORMED REQUIRES A FIXED TERM OF CORPORATE EXISTENCE, A CORPORATION
7 THAT IS SUBJECT TO THIS ACT AND WAS FORMED BEFORE JANUARY 1, 2011
8 HAS PERPETUAL CORPORATE EXISTENCE. IF A CORPORATION WAS FORMED
9 AFTER DECEMBER 31, 2010, A limitation or term fixed in the articles
10 or in the law under which the corporation WAS originally
11 incorporated is not effective AFTER DECEMBER 31, 2014 unless the
12 corporation affirmatively ~~waived its right to perpetual existence~~
13 ~~after September 18, 1931, by fixing a definite term of existence by~~
14 ~~amendment to its articles.~~ WAIVES ITS RIGHT TO PERPETUAL EXISTENCE
15 BY AMENDING ITS ARTICLES OF INCORPORATION TO ESTABLISH A DEFINITE
16 TERM OF EXISTENCE FOR THE CORPORATION AND FILING THE AMENDMENT
17 BEFORE JANUARY 1, 2015. A CORPORATION MAY FIX A DEFINITE TERM OF
18 EXISTENCE IN ARTICLES OF INCORPORATION FILED AFTER DECEMBER 31,
19 2014 AND A CORPORATION HAVING PERPETUAL EXISTENCE MAY AMEND ITS
20 ARTICLES OF INCORPORATION TO ESTABLISH A DEFINITE TERM OF EXISTENCE
21 AND FILE THE AMENDMENT AT ANY TIME AFTER DECEMBER 31, 2014. THIS
22 PROVISION SHALL NOT BE CONSIDERED TO BE INCONSISTENT WITH THE ACT
23 UNDER WHICH ANY CORPORATION SUBJECT TO THIS ACT WAS FORMED.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (5) ~~(4)~~ A corporation whose lawful activities include the
 2 charging of fees or prices for its services or products may receive
 3 the income and may make a profit as a result of its receipt. All
 4 ~~such~~ **EXCEPT AS AUTHORIZED IN SUBSECTIONS (2), (3), AND (4), THE**
 5 **CORPORATION SHALL APPLY ALL OF THAT** resulting profit ~~shall be~~
 6 ~~applied to the maintenance, expansion, or operation of the lawful~~
 7 ~~activities of the corporation. and shall not be distributed to the~~
 8 ~~shareholders, members, directors, or officers of the corporation.~~
 9 However, profit derived solely from the charging of fees or prices
 10 by a corporation to its shareholders or members for its services or
 11 products may be distributed to the shareholders or members on the
 12 basis of, or in proportion to, the fees or prices paid by
 13 shareholders or members to the corporation for its services or
 14 products.

15 (6) ~~(5)~~ This act shall not be deemed to permit **INTERPRETED IN**
 16 **A WAY THAT PERMITS** assets held by a corporation for charitable
 17 purposes to be used, conveyed, or distributed for noncharitable
 18 purposes.

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

27 (A) THE SHARES MAY BE ALL OF 1 CLASS OR MAY BE DIVIDED INTO 2

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

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

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

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

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

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

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

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

(2) ~~(5)~~ A corporation may adopt rules of qualification and government of its shareholders pursuant to its articles and bylaws. Adopted rules shall be reasonable, germane to the purposes of the corporation, and equally enforced as to all shareholders **OF THE SAME CLASS**. A corporation may provide for the cancellation of the stock of a shareholder ~~who~~ **THAT** fails to comply with adopted rules without liability for an accounting.

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

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

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

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

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

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

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

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

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

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

1 members of the corporation.

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

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

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

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

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

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

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

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

1 ~~(2) Unless the context of a provision of~~ **EXCEPT AS OTHERWISE**
 2 **PROVIDED IN** this act, ~~otherwise requires,~~ all matters which ~~which~~ **THAT**
 3 are subject to membership vote or other action ~~in~~ **UNDER** this act in
 4 the case of a membership corporation ~~shall be~~ **ARE** subject to duly
 5 authorized action by the board of directors of a directorship
 6 corporation.

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

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

16 (3) A contract with a corporation to purchase its shares to be
 17 issued ~~or its treasury shares~~ is a subscription agreement and not
 18 an executory contract to purchase shares, unless otherwise provided
 19 in the contract.

20 Sec. 308. Unless otherwise provided in the subscription
 21 agreement:

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

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

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

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

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

~~——(b) If~~ **THE CORPORATION IS ORGANIZED ON A STOCK BASIS AND IF** the articles of incorporation or bylaws of a corporation ~~organized upon a stock basis~~ permit the transfer of shares, ~~it may~~ **THE CORPORATION MAY AT ANY TIME BEFORE FULL SATISFACTION OF THE CLAIM OR A JUDGMENT** sell the shares in any reasonable manner **THAT IS** consistent ~~therewith at any time before full satisfaction of the claim or a judgment therefor. Notice~~ **WITH THE ARTICLES OF INCORPORATION AND BYLAWS. THE CORPORATION SHALL GIVE NOTICE** of the time and place of a public sale or of the time after which a private sale may ~~be had, together with a~~ **OCCUR, AND A WRITTEN** statement of the amount due ~~upon~~**ON** each share, ~~shall be given in writing to the subscriber personally or by registered or certified mail at least 20 days before any such~~ **THE** time stated in the notice. ~~Any~~ **THE CORPORATION SHALL PAY ANY** excess of net proceeds

1 realized over the amount due plus interest ~~shall be paid to the~~
 2 subscriber. If the sale is made in good faith, in a reasonable
 3 manner ~~, and upon such notice,~~ **AFTER THE NOTICE REQUIRED IN THIS**
 4 **SUBDIVISION**, the corporation may recover the difference between the
 5 amount due plus interest and the net proceeds of the sale. A good
 6 faith purchaser for value acquires title to the sold shares free of
 7 any right of the subscriber even ~~though~~ **IF** the corporation fails to
 8 comply with 1 or more of the requirements of this subdivision.

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

23 (2) The rights and duties set forth in this section ~~shall be~~
 24 ~~interpreted as~~ **ARE** cumulative so far as is consistent with
 25 entitling the corporation to a full and single recovery of the
 26 amount due or its damages. ~~The~~ **A** subscription agreement may limit
 27 the rights and remedies of the corporation set forth in this

1 section, and may add to them so far as is consistent with this
2 subsection.

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

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

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

21 (A) THE BOARD MAY AUTHORIZE SHARES THAT ARE ISSUED FOR NO
22 CONSIDERATION OR FOR CONSIDERATION THAT MAY CONSIST OF ANY TANGIBLE
23 OR INTANGIBLE PROPERTY OR BENEFIT TO THE CORPORATION, INCLUDING,
24 BUT NOT LIMITED TO, CASH, PROMISSORY NOTES, SERVICES PERFORMED,
25 CONTRACTS FOR SERVICES TO BE PERFORMED, OR OTHER SECURITIES OF THE
26 CORPORATION.

27 (B) A DETERMINATION BY THE BOARD THAT ANY CONSIDERATION

1 RECEIVED OR TO BE RECEIVED FOR ISSUED SHARES IS CONCLUSIVE
2 CONCERNING THE NATURE AND AMOUNT OF CONSIDERATION FOR THE ISSUANCE
3 OF SHARES IN DETERMINING WHETHER THE SHARES ARE VALIDLY ISSUED,
4 FULLY PAID, AND NONASSESSABLE.

5 (C) WHEN THE CORPORATION RECEIVES THE CONSIDERATION FOR WHICH
6 THE BOARD AUTHORIZED THE ISSUANCE OF SHARES, THE SHARES ISSUED ARE
7 FULLY PAID AND NONASSESSABLE AND THE SUBSCRIBER HAS ALL THE RIGHTS
8 AND PRIVILEGES OF A HOLDER OF THE SHARES.

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

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

22 (2) A person ~~holding~~ THAT HOLDS stock or membership IN A
23 CORPORATION in a fiduciary or representative capacity is not
24 personally liable to the corporation as the holder of or subscriber
25 for shares or membership, ~~of a corporation,~~ but the estate and OR
26 funds ~~in the person's hands are so~~ FOR WHICH THE PERSON IS HOLDING
27 THE STOCK OR MEMBERSHIP ARE liable TO THE CORPORATION AS THE HOLDER

1 OR SUBSCRIBER.

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

11 (4) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF
 12 INCORPORATION, A PERSON THAT IS A SHAREHOLDER OR MEMBER OF A
 13 CORPORATION IS NOT PERSONALLY LIABLE FOR THE ACTS OR DEBTS OF THE
 14 CORPORATION EXCEPT THAT THE PERSON MAY BECOME PERSONALLY LIABLE BY
 15 REASON OF THE PERSON'S OWN ACTS OR CONDUCT.

16 Sec. 331. ~~The~~ **EXCEPT AS PROVIDED IN SECTION 336, THE** shares of
 17 a corporation shall be represented by certificates **THAT ARE** signed
 18 by the chairperson of the board, vice-chairperson of the board,
 19 president ~~, OR A vice-president, treasurer, or other officer~~
 20 ~~authorized by the bylaws or a resolution of the board, and may be~~
 21 ~~sealed~~ **AND THAT ALSO MAY BE SIGNED BY ANOTHER OFFICER OF THE**
 22 **CORPORATION. THE CORPORATION MAY SEAL THE CERTIFICATE** with the seal
 23 of the corporation or a facsimile ~~thereof.~~ **OF THE SEAL.** The
 24 signatures of the officers may be ~~facsimile if the certificate is~~
 25 ~~countersigned by a transfer agent or registered by a registrar~~
 26 ~~other than the corporation itself or its employee. In case~~
 27 **FACSIMILES. IF** an officer who has signed or whose facsimile

signature has been placed ~~upon~~ **ON** a certificate ceases to be an officer before the certificate is issued, ~~it may be issued by the~~ corporation ~~with~~ **MAY ISSUE THE CERTIFICATE AND HIS OR HER SIGNATURE HAS** the same effect as if ~~the person~~ **HE OR SHE** were an officer ~~at~~ **ON** the date of issue.

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

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

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

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

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

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

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

1 ~~issued.~~ISSUE.

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

8 (2) WITHIN A REASONABLE TIME AFTER THE ISSUANCE OR TRANSFER OF
9 SHARES WITHOUT CERTIFICATES UNDER THIS SECTION, THE CORPORATION
10 SHALL SEND THE SHAREHOLDER A WRITTEN STATEMENT OF THE INFORMATION
11 REQUIRED ON CERTIFICATES UNDER SECTION 332 AND, IF APPLICABLE,
12 SECTIONS 472 AND 488.

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

18 (A) ISSUE CERTIFICATES FOR FRACTIONS OF SHARES THAT ENTITLE
19 THE HOLDERS TO EXERCISE VOTING RIGHTS AND RECEIVE DISTRIBUTIONS
20 PERMITTED UNDER SECTION 301 in proportion to their fractional
21 holdings. ~~, to exercise voting rights and participate in~~
22 ~~liquidating distributions.~~

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

26 (C) ~~(3) As an alternative, a corporation may issue~~ ISSUE scrip
27 in registered or bearer form over the manual or facsimile signature

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

13 (2) ~~(4)~~ A corporation may provide reasonable opportunity for
 14 ~~persons~~ **A PERSON THAT IS** entitled to fractions of a share or scrip
 15 to sell them or to purchase additional fractions of a share or
 16 scrip ~~needed~~ **THAT THE PERSON NEEDS** to acquire a full share.

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

21 (2) A CORPORATION MAY NOT ISSUE SHARES OF 1 CLASS AS A SHARE
 22 DIVIDEND IN RESPECT OF SHARES OF ANOTHER CLASS UNLESS THE ARTICLES
 23 AUTHORIZE THE ISSUANCE, THE ISSUANCE IS CONSISTENT WITH THE
 24 LIMITATIONS IN SECTION 301, AND EITHER A MAJORITY OF THE VOTES
 25 ENTITLED TO BE CAST BY THE CLASS TO BE ISSUED APPROVE THE ISSUE OR
 26 THERE ARE NO OUTSTANDING SHARES OF THE CLASS TO BE ISSUED.

27 (3) AS USED IN THIS SECTION, "SHARE DIVIDEND" MEANS SHARES

1 ISSUED UNDER SUBSECTION (1) .

2 SEC. 343. (1) THE SHAREHOLDERS OF A CORPORATION ORGANIZED ON A
3 STOCK BASIS DO NOT HAVE A PREEMPTIVE RIGHT TO ACQUIRE THE
4 CORPORATION'S UNISSUED SHARES EXCEPT TO THE EXTENT PROVIDED IN THE
5 ARTICLES OF INCORPORATION OR BY AGREEMENT BETWEEN THE CORPORATION
6 AND 1 OR MORE SHAREHOLDERS.

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

13 (A) THE SHAREHOLDERS OF THE CORPORATION HAVE A PREEMPTIVE
14 RIGHT, GRANTED ON UNIFORM TERMS AND CONDITIONS PRESCRIBED BY THE
15 BOARD, TO PROVIDE A FAIR AND REASONABLE OPPORTUNITY TO EXERCISE THE
16 RIGHT TO ACQUIRE PROPORTIONAL AMOUNTS OF THE CORPORATION'S UNISSUED
17 SHARES IF THE BOARD DECIDES TO ISSUE THEM.

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

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

23 (i) SHARES THAT ARE AUTHORIZED IN THE ARTICLES OF INCORPORATION
24 AND ARE ISSUED WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE OF
25 INCORPORATION.

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

27 (D) HOLDERS OF SHARES OF ANY CLASS THAT DO NOT HAVE GENERAL

1 VOTING RIGHTS BUT DO HAVE PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR
2 ASSETS DO NOT HAVE PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY
3 CLASS.

4 (E) HOLDERS OF SHARES OF ANY CLASS THAT HAVE GENERAL VOTING
5 RIGHTS BUT DO NOT HAVE PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR
6 ASSETS DO NOT HAVE PREEMPTIVE RIGHTS WITH RESPECT TO SHARES OF ANY
7 CLASS WITH PREFERENTIAL RIGHTS TO DISTRIBUTIONS OR ASSETS UNLESS
8 THE SHARES WITH PREFERENTIAL RIGHTS ARE CONVERTIBLE INTO OR CARRY A
9 RIGHT TO SUBSCRIBE FOR OR ACQUIRE SHARES WITHOUT PREFERENTIAL
10 RIGHTS.

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

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

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

26 SEC. 344. (1) SUBJECT TO RESTRICTIONS IMPOSED UNDER THIS ACT
27 OR THE ARTICLES OF INCORPORATION, A CORPORATION THAT IS ORGANIZED

1 ON A STOCK OR MEMBERSHIP BASIS MAY ACQUIRE ITS OWN SHARES OR
2 MEMBERSHIPS. EXCEPT AS PROVIDED IN SUBSECTION (4), THOSE SHARES OR
3 MEMBERSHIPS CONSTITUTE AUTHORIZED BUT UNISSUED SHARES OR
4 MEMBERSHIPS.

5 (2) IF THE ARTICLES OF INCORPORATION PROHIBIT REISSUE OF ANY
6 SHARES OR MEMBERSHIPS ACQUIRED UNDER SUBSECTION (1), THE BOARD BY
7 RESOLUTION SHALL ADOPT AND FILE ANY NECESSARY AMENDMENT TO THE
8 ARTICLES OF INCORPORATION TO REDUCE THE NUMBER OF AUTHORIZED SHARES
9 OR MEMBERSHIPS ACCORDINGLY.

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

16 (4) A CORPORATION THAT ACQUIRES ITS OWN SHARES OR MEMBERSHIPS
17 MAY GRANT A SECURITY INTEREST IN THE SHARES OR MEMBERSHIPS AS
18 SECURITY FOR THE PAYMENT OF THE PURCHASE PRICE OF THE SHARES OR
19 MEMBERSHIPS. ANY SHARES OR MEMBERSHIPS ACQUIRED BY THE CORPORATION
20 IN WHICH IT HAS GRANTED A SECURITY INTEREST ARE NOT CANCELED AND DO
21 NOT CONSTITUTE AUTHORIZED BUT UNISSUED SHARES OR MEMBERSHIPS UNTIL
22 THE CORPORATION PAYS THE PURCHASE PRICE. IF A CORPORATION HAS
23 GRANTED A SECURITY INTEREST IN ITS OWN SHARES OR MEMBERSHIPS, THE
24 SHARES OR MEMBERSHIPS SHALL NOT BE VOTED DIRECTLY OR INDIRECTLY AND
25 ARE NOT COUNTED IN DETERMINING THE TOTAL NUMBER OF ISSUED SHARES OR
26 MEMBERS ENTITLED TO VOTE AT ANY GIVEN TIME, EXCEPT TO THE EXTENT
27 PROVIDED BY THE AGREEMENT CREATING THE SECURITY INTEREST IN THE

1 EVENT OF DEFAULT. WHEN THE PURCHASE PRICE IS PAID, THE SHARES OR
2 MEMBERSHIPS ARE CANCELED AND CONSTITUTE AUTHORIZED BUT UNISSUED
3 SHARES OR MEMBERSHIPS. IF THE ARTICLES OF INCORPORATION PROHIBIT
4 REISSUE OF CANCELED SHARES OR MEMBERSHIPS, THEN THE BOARD BY
5 RESOLUTION SHALL ADOPT AND FILE ANY AMENDMENT TO THE ARTICLES OF
6 INCORPORATION REQUIRED UNDER SUBSECTION (2).

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

11 (2) IF THE BOARD DOES NOT FIX THE RECORD DATE FOR DETERMINING
12 SHAREHOLDERS OR MEMBERS ENTITLED TO A DISTRIBUTION, OTHER THAN A
13 DISTRIBUTION INVOLVING A PURCHASE, REDEMPTION, OR ACQUISITION OF
14 THE CORPORATION'S SHARES OR MEMBERSHIPS, THE RECORD DATE IS THE
15 DATE THE BOARD AUTHORIZES THE DISTRIBUTION.

16 (3) A CORPORATION SHALL NOT MAKE A DISTRIBUTION IF AFTER
17 GIVING IT EFFECT THE CORPORATION WOULD NOT BE ABLE TO PAY ITS DEBTS
18 AS THE DEBTS BECOME DUE IN THE USUAL COURSE OF BUSINESS, OR THE
19 CORPORATION'S TOTAL ASSETS WOULD BE LESS THAN THE SUM OF ITS TOTAL
20 LIABILITIES PLUS, UNLESS THE ARTICLES OF INCORPORATION PERMIT
21 OTHERWISE, THE AMOUNT THAT WOULD BE NEEDED, IF THE CORPORATION WERE
22 DISSOLVED AT THE TIME OF THE DISTRIBUTION, TO SATISFY THE
23 PREFERENTIAL RIGHTS ON DISSOLUTION OF SHAREHOLDERS OR MEMBERS WHOSE
24 PREFERENTIAL RIGHTS ARE SUPERIOR TO THOSE THAT RECEIVE THE
25 DISTRIBUTION.

26 (4) THE BOARD MAY BASE A DETERMINATION THAT A DISTRIBUTION IS
27 NOT PROHIBITED UNDER SUBSECTION (3) ON FINANCIAL STATEMENTS

1 PREPARED ON THE BASIS OF ACCOUNTING PRACTICES AND PRINCIPLES THAT
2 ARE REASONABLE IN THE CIRCUMSTANCES, ON A FAIR VALUATION, OR ON ANY
3 OTHER METHOD THAT IS REASONABLE.

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

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

12 (B) FOR ANY OTHER DISTRIBUTION OF INDEBTEDNESS, AS OF THE DATE
13 THE INDEBTEDNESS IS AUTHORIZED IF DISTRIBUTION OCCURS WITHIN 120
14 DAYS AFTER THE DATE OF AUTHORIZATION OR THE DATE THE INDEBTEDNESS
15 IS DISTRIBUTED IF IT OCCURS MORE THAN 120 DAYS AFTER THE DATE OF
16 AUTHORIZATION.

17 (C) FOR ANY OTHER PURPOSE, AS OF THE DATE THE DISTRIBUTION IS
18 AUTHORIZED IF THE PAYMENT OCCURS WITHIN 120 DAYS AFTER THE DATE OF
19 AUTHORIZATION OR THE DATE THE PAYMENT IS MADE IF IT OCCURS MORE
20 THAN 120 DAYS AFTER THE DATE OF AUTHORIZATION.

21 (6) A CORPORATION'S INDEBTEDNESS TO A SHAREHOLDER OR MEMBER
22 THAT IS INCURRED BY REASON OF A DISTRIBUTION MADE UNDER THIS
23 SECTION IS AT PARITY WITH THE CORPORATION'S INDEBTEDNESS TO ITS
24 GENERAL, UNSECURED CREDITORS, EXCEPT AS OTHERWISE AGREED.

25 (7) IF A CORPORATION ACQUIRES ITS SHARES OR MEMBERSHIPS IN
26 EXCHANGE FOR AN OBLIGATION TO MAKE FUTURE PAYMENTS, AND
27 DISTRIBUTION OF AN OBLIGATION WOULD OTHERWISE BE PROHIBITED UNDER

1 SUBSECTION (3) AT THE TIME IT IS MADE, THE CORPORATION MAY ISSUE
2 THE OBLIGATION AND ALL OF THE FOLLOWING APPLY:

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

6 (B) ALL OF THE FOLLOWING APPLY TO THE PORTION OF THE
7 OBLIGATION THAT EXCEEDS THE AMOUNT TREATED AS INDEBTEDNESS UNDER
8 SUBDIVISION (A):

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

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

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

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

26 (9) IF A CLAIM IS MADE TO RECOVER A DISTRIBUTION THAT VIOLATES
27 SUBSECTION (3), OR IF A VIOLATION OF SUBSECTION (3) IS RAISED AS A

1 DEFENSE TO A CLAIM BASED ON A DISTRIBUTION, THIS SECTION DOES NOT
2 PREVENT THE PERSON THAT RECEIVED THE DISTRIBUTION FROM ASSERTING A
3 RIGHT OF RESCISSION OR OTHER LEGAL OR EQUITABLE RIGHTS.

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

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

1 ~~AND THAT IT IS~~ held at ~~such-**THE**~~ time and place, ~~upon such-**AFTER THE**~~
2 notice, and for the transaction of ~~such-**THE**~~ business ~~as may be-**THAT**~~
3 **IS** designated in the order. At any ~~such-meeting~~ ordered ~~to be~~
4 ~~called~~ by the court **UNDER THIS SECTION**, the shareholders or members
5 ~~,-**THAT ARE**~~ present in person or by proxy and ~~having-**THAT HAVE**~~
6 voting powers ~~,-~~ constitute a quorum for transaction of the business
7 designated in the order.

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

26 Sec. 404. (1) Except as otherwise provided in this act,
27 **WRITTEN** notice of the time, place, if any, and purposes of a

1 meeting of shareholders or members shall be given in any of the
2 following manners:

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

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

13 (2) **NOTICE OF THE PURPOSES OF A MEETING SHALL INCLUDE NOTICE**
14 **OF ANY PROPOSAL A SHAREHOLDER OR MEMBER INTENDS TO PROPOSE, IF THAT**
15 **PROPOSAL IS A PROPER SUBJECT FOR SHAREHOLDER OR MEMBER ACTION AND**
16 **THE SHAREHOLDER OR MEMBER NOTIFIED THE CORPORATION IN WRITING OF**
17 **THE SHAREHOLDER'S OR MEMBER'S INTENTION TO PRESENT THE PROPOSAL AT**
18 **THE MEETING. THE BYLAWS MAY ESTABLISH REASONABLE PROCEDURES FOR THE**
19 **SUBMISSION OF PROPOSALS TO THE CORPORATION IN ADVANCE OF A MEETING.**

20 (3) ~~(2)~~ If a meeting of the shareholders or members is
21 adjourned to another time or place, it is not necessary, unless the
22 bylaws otherwise provide, to give notice of the adjourned meeting
23 if the time and place to which the meeting is adjourned are
24 announced at the meeting at which the adjournment is taken. If
25 after ~~the~~ **AN** adjournment the board fixes a new record date for the
26 adjourned meeting, ~~a~~ **THE CORPORATION SHALL GIVE** notice of the
27 adjourned meeting ~~shall be given~~ to each shareholder or member of

1 record on the new record date **THAT IS** entitled to notice under
2 subsection (1).

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

12 **(5) ~~(4)~~** ~~Attendance of a person at a meeting of shareholders or~~
13 ~~members, in person or by proxy, constitutes a waiver A~~
14 **SHAREHOLDER'S OR MEMBER'S ATTENDANCE AT A MEETING, IN PERSON OR BY**
15 **PROXY, WILL RESULT IN BOTH OF THE FOLLOWING:**

16 **(A) WAIVER** of objection to lack of notice or defective notice
17 of the meeting, unless the shareholder or member at the beginning
18 of the meeting objects to holding the meeting or transacting
19 business at the meeting.

20 **(B) WAIVER OF OBJECTION TO CONSIDERATION OF A PARTICULAR**
21 **MATTER AT THE MEETING THAT IS NOT WITHIN THE PURPOSE OR PURPOSES**
22 **DESCRIBED IN THE MEETING NOTICE, UNLESS THE SHAREHOLDER OR MEMBER**
23 **OBJECTS TO CONSIDERING THE MATTER WHEN IT IS PRESENTED.**

24 **(6) ~~(5)~~**—If a shareholder, ~~or~~ member, **OR PROXY HOLDER** is
25 permitted to participate in and vote at a meeting by remote
26 communication under section 405, the notice described in subsection
27 (1) shall include a description of the means of remote

1 communication by which a shareholder, ~~or member~~, OR PROXY HOLDER
2 may participate.

3 (7) THIS SECTION DOES NOT PROHIBIT A CORPORATION FROM
4 CONDUCTING A MEETING OF ITS SHAREHOLDERS OR MEMBERS WITHOUT NOTICE
5 OR WITH THE NOTICE PRESCRIBED IN THE ARTICLES OF INCORPORATION OR
6 BYLAWS, IF THE MEETING IS FOR A PURPOSE OR PURPOSES THAT DO NOT
7 INVOLVE THE ELECTION OF DIRECTORS OR THE TAKING OF OTHER ACTIONS
8 INVOLVING CONTROL OR GOVERNANCE OF THE CORPORATION FOR WHICH A VOTE
9 OF THE SHAREHOLDERS OR MEMBERS IS REQUIRED UNDER THIS ACT, THE
10 ARTICLES OF INCORPORATION, THE BYLAWS, OR AN AGREEMENT UNDER
11 SECTION 488.

12 Sec. 405. (1) ~~A corporation may provide in its articles of~~
13 ~~incorporation or in its bylaws for a shareholder's or member's~~
14 ~~participation~~ UNLESS OTHERWISE RESTRICTED BY THE ARTICLES OF
15 INCORPORATION OR BYLAWS, A SHAREHOLDER, MEMBER, OR PROXY HOLDER MAY
16 PARTICIPATE in a meeting of shareholders or members by a conference
17 telephone or other means of remote communication ~~by which~~ THAT
18 PERMITS all persons ~~participating~~ THAT PARTICIPATE in the meeting
19 ~~may hear each other if all~~ TO COMMUNICATE WITH ALL THE OTHER
20 PARTICIPANTS. ALL participants ~~are~~ SHALL BE advised of the means of
21 remote communication. ~~in use and the names of the participants in~~
22 ~~the meeting are divulged to all participants.~~

23 (2) Participation in a meeting ~~pursuant to~~ UNDER this section
24 constitutes presence in person at the meeting.

25 (3) Unless otherwise restricted by any provisions of the
26 articles of incorporation or bylaws, the board of directors may
27 hold a meeting of shareholders or members THAT IS conducted solely

1 by means of remote communication.

2 (4) Subject to any guidelines and procedures adopted by the
3 board of directors, shareholders, ~~ex~~-members, **AND PROXY HOLDERS**
4 **THAT ARE** not physically present at a meeting of shareholders or
5 members may participate in the meeting by **A** means of remote
6 communication and are considered present in person and may vote at
7 the meeting if all of the following are met:

8 (a) The corporation implements reasonable measures to verify
9 that each person **THAT IS** considered present and permitted to vote
10 at the meeting by means of remote communication is a shareholder,
11 ~~ex~~-member, **OR PROXY HOLDER**.

12 (b) The corporation implements reasonable measures to provide
13 each shareholder, ~~ex~~-member, **OR PROXY HOLDER** a reasonable
14 opportunity to participate in the meeting and to vote on matters
15 submitted to the shareholders or members, including an opportunity
16 to read or hear the proceedings of the meeting substantially
17 concurrently with the proceedings.

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

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

27 **SEC. 406. (1) AT EACH MEETING OF SHAREHOLDERS OR MEMBERS, A**

1 CHAIRPERSON SHALL PRESIDE. THE CHAIRPERSON SHALL BE APPOINTED AS
 2 PROVIDED IN THE BYLAWS OR, IN THE ABSENCE OF A PROVISION IN THE
 3 BYLAWS, BY THE BOARD OF DIRECTORS.

4 (2) UNLESS THE ARTICLES OF INCORPORATION OR BYLAWS PROVIDE
 5 OTHERWISE, THE CHAIRPERSON THAT PRESIDES AT A MEETING OF THE
 6 SHAREHOLDERS OR MEMBERS SHALL DETERMINE THE ORDER OF BUSINESS AND
 7 HAS THE AUTHORITY TO ESTABLISH RULES FOR THE CONDUCT OF THE
 8 MEETING. ANY RULES ADOPTED FOR, OR FOR THE CONDUCT OF, THE MEETING
 9 MUST BE FAIR TO SHAREHOLDERS OR MEMBERS.

10 (3) THE CHAIRPERSON OF A MEETING SHALL ANNOUNCE AT THE MEETING
 11 WHEN THE POLLS CLOSE FOR EACH VOTE OF THE SHAREHOLDERS OR MEMBERS.
 12 IF AN ANNOUNCEMENT IS NOT MADE, THE POLLS CLOSE ON THE FINAL
 13 ADJOURNMENT OF THE MEETING. AFTER THE POLLS CLOSE, BALLOTS,
 14 PROXIES, AND VOTES AND ANY REVOCATIONS OR CHANGES TO BALLOTS,
 15 PROXIES, OR VOTES, SHALL NOT BE ACCEPTED.

16 Sec. 407. (1) The articles of incorporation may provide that
 17 any action **THE SHAREHOLDERS OR MEMBERS ARE** required or permitted by
 18 this act to ~~be taken~~ **TAKE** at an annual or special meeting of
 19 ~~shareholders or members~~ may be taken without a meeting, without
 20 prior notice, and without a vote, if **WRITTEN** consents, ~~in writing,~~
 21 setting forth the action taken, are signed and dated by the holders
 22 of outstanding ~~stock~~ **SHARES** or members ~~having~~ **THAT HAVE** not less
 23 than the minimum number of votes that ~~would be~~ **IS** necessary to
 24 authorize or take the action at a meeting at which all shares or
 25 members entitled to vote on the action were present and voted.
 26 ~~Prompt~~ **THE CORPORATION SHALL GIVE PROMPT** notice of ~~the taking of~~
 27 ~~the~~ **ANY** corporate action **TAKEN** without a meeting by less than

1 unanimous written consent ~~shall be given to~~ **THOSE** shareholders or
2 members ~~who have~~ **THAT DID** not ~~consented~~ **CONSENT TO THE ACTION** in
3 writing.

4 (2) If **THE SHAREHOLDERS OR MEMBERS TAKE** an action ~~consented to~~
5 **BY WRITTEN CONSENT** under ~~this section~~ **SUBSECTION (1) THAT** would
6 ~~have required~~ **REQUIRE** filing of a certificate under any other
7 section of this act if the action had been ~~voted upon by~~
8 ~~shareholders or members~~ **TAKEN** at a meeting of the shareholders or
9 members, the certificate filed under that other section shall
10 state, in lieu of any statement required by that section concerning
11 a vote of shareholders or members, that both written consent and
12 written notice have been given as provided in ~~this~~
13 ~~section~~ **SUBSECTION (1)**.

14 (3) Any action **THE SHAREHOLDERS OR MEMBERS ARE** required or
15 permitted by this act to ~~be taken~~ **TAKE** at an annual or special
16 meeting ~~of shareholders or members~~ may be taken without a meeting,
17 without prior notice, and without a vote, if **BEFORE OR AFTER THE**
18 **ACTION** all the shareholders or members entitled to vote on the
19 action consent to the action in writing. **IF THE SHAREHOLDERS OR**
20 **MEMBERS TAKE AN ACTION BY WRITTEN CONSENT UNDER THIS SUBSECTION**
21 **THAT REQUIRES FILING OF A CERTIFICATE UNDER ANY OTHER SECTION OF**
22 **THIS ACT IF THE ACTION HAD BEEN TAKEN AT A MEETING, THE**
23 **CERTIFICATION FILED UNDER THE OTHER SECTION SHALL STATE, IN LIEU OF**
24 **ANY STATEMENT REQUIRED BY THAT SECTION CONCERNING A VOTE OF THE**
25 **SHAREHOLDERS OR MEMBERS, THAT WRITTEN CONSENT HAS BEEN GIVEN AS**
26 **PROVIDED IN THIS SUBSECTION.**

27 (4) An electronic transmission ~~consenting~~ **THAT CONSENTS** to an

1 action **THAT IS** transmitted by a shareholder, ~~or~~ member, **OR PROXY**
2 **HOLDER**, or by a person authorized to act for the shareholder, ~~or~~
3 member, **OR PROXY HOLDER**, is written, signed, and dated for the
4 purposes of this section if the electronic transmission is
5 delivered with information from which the corporation can determine
6 that the electronic transmission was transmitted by the
7 shareholder, ~~or~~ member, **OR PROXY HOLDER**, or by a person authorized
8 to act for the shareholder, ~~or~~ member, **OR PROXY HOLDER**, and the
9 date on which the electronic transmission was transmitted. The date
10 on which an electronic transmission is transmitted is the date on
11 which the consent was signed for purposes of this section. A
12 consent given by electronic transmission is not delivered until **IT**
13 **IS** reproduced in paper form and the paper form **IS** delivered to the
14 corporation by delivery to its registered office in this state, its
15 principal office in this state, or an officer or agent of the
16 corporation ~~having~~ **THAT HAS** custody of the book in which
17 proceedings of meetings of shareholders or members are recorded.
18 Delivery to a corporation's registered office shall be made by hand
19 or by certified or registered mail, return receipt requested.
20 Delivery to a corporation's principal office in this state or to an
21 officer or agent of the corporation ~~having~~ **THAT HAS** custody of the
22 book in which proceedings of meetings of shareholders or members
23 are recorded shall be made by hand, by certified or registered
24 mail, return receipt requested, or in any other manner provided in
25 the articles of incorporation or bylaws or by resolution of the
26 board **OF DIRECTORS** of the corporation.

27 **SEC. 408. (1) A CORPORATION MAY PROVIDE IN ITS ARTICLES OF**

1 INCORPORATION OR IN BYLAWS THAT ARE APPROVED BY THE SHAREHOLDERS OR
2 MEMBERS THAT ANY ACTION THE SHAREHOLDERS OR MEMBERS ARE REQUIRED OR
3 PERMITTED TO TAKE AT AN ANNUAL OR SPECIAL MEETING, INCLUDING THE
4 ELECTION OF DIRECTORS, MAY BE TAKEN WITHOUT A MEETING IF THE
5 CORPORATION PROVIDES A BALLOT TO EACH SHAREHOLDER OR MEMBER THAT IS
6 ENTITLED TO VOTE ON THE ACTION IN THE MANNER PROVIDED IN SECTION
7 404 FOR PROVIDING NOTICE OF MEETINGS OF SHAREHOLDERS OR MEMBERS. A
8 PROVISION IN THE ARTICLES OF INCORPORATION OR BYLAWS AUTHORIZING
9 SHAREHOLDER OR MEMBER ACTION BY BALLOT SHALL NOT PRECLUDE CALLING
10 OR HOLDING ANNUAL OR SPECIAL MEETINGS OF SHAREHOLDERS OR MEMBERS.

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

13 (A) SET FORTH EACH PROPOSED ACTION.

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

16 (C) SPECIFY A TIME BY WHICH THE CORPORATION MUST RECEIVE A
17 BALLOT IN ORDER TO BE COUNTED AS A VOTE OF THE SHAREHOLDER OR
18 MEMBER. THE TIME SPECIFIED SHALL BE NOT LESS THAN 20 OR MORE THAN
19 90 DAYS AFTER THE DATE THE CORPORATION PROVIDES THE BALLOT TO THE
20 SHAREHOLDERS OR MEMBERS.

21 (3) AN ACTION IS CONSIDERED APPROVED BY THE SHAREHOLDERS OR
22 MEMBERS BY BALLOT IF THE TOTAL NUMBER OF SHAREHOLDERS OR MEMBERS
23 VOTING OR THE TOTAL NUMBER OF SHAREHOLDER OR MEMBER VOTES CAST IN
24 BALLOTS RECEIVED BY THE CORPORATION BY THE TIME SPECIFIED IN THE
25 BALLOTS EQUALS OR EXCEEDS THE QUORUM REQUIRED TO BE PRESENT AT A
26 MEETING TO TAKE THE ACTION, AND THE NUMBER OF FAVORABLE VOTES
27 EQUALS OR EXCEEDS THE NUMBER OF VOTES THAT WOULD BE REQUIRED TO

1 APPROVE THE ACTION AT A MEETING AT WHICH THE NUMBER OF VOTES CAST
2 BY SHAREHOLDERS OR MEMBERS PRESENT WAS THE SAME AS THE NUMBER OF
3 VOTES CAST BY BALLOT. EXCEPT AS OTHERWISE PROVIDED IN THE ARTICLES
4 OF INCORPORATION, AN INVALID BALLOT, AN ABSTENTION, OR THE
5 SUBMISSION OF A BALLOT MARKED "ABSTAIN" WITH RESPECT TO ANY ACTION
6 DOES NOT CONSTITUTE A VOTE CAST ON THAT ACTION.

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

10 (5) SUBJECT TO SUBSECTION (6), A CORPORATION THAT PROVIDES IN
11 ITS ARTICLES OF INCORPORATION OR BYLAWS FOR SHAREHOLDER OR MEMBER
12 ACTION BY BALLOT MAY ESTABLISH PROCEDURES THAT ENABLE SHAREHOLDERS
13 OR MEMBERS OR A SPECIFIED NUMBER OR PERCENTAGE OF SHAREHOLDERS OR
14 MEMBERS TO INCLUDE PROPOSED ACTIONS IN A BALLOT.

15 (6) IF HOLDERS OF AT LEAST 10% OF ALL THE VOTING SHARES OR OF
16 AT LEAST 10% OF THE MEMBER VOTES SUBMIT A PROPOSAL FOR ACTION BY
17 THE SHAREHOLDERS OR MEMBERS, A CORPORATION THAT PROVIDES IN ITS
18 ARTICLES OF INCORPORATION OR BYLAWS FOR MEMBERSHIP ACTION BY BALLOT
19 SHALL INCLUDE THE PROPOSED ACTION IN A BALLOT AND SUBMIT THAT
20 BALLOT TO THE SHAREHOLDERS OR MEMBERS AS PROVIDED IN THIS SECTION.

21 (7) IF ANY OTHER SECTION OF THIS ACT REQUIRES THE FILING OF A
22 CERTIFICATE WITH THE DEPARTMENT IF AN ACTION IS APPROVED BY VOTE OF
23 THE SHAREHOLDERS OR MEMBERS AT A MEETING, THE SHAREHOLDERS OR
24 MEMBERS MAY APPROVE THAT ACTION BY BALLOT UNDER SUBSECTION (1) AND,
25 IN LIEU OF ANY STATEMENT REQUIRED UNDER THAT SECTION CONCERNING THE
26 VOTE OF THE SHAREHOLDERS OR MEMBERS AT A MEETING, THE CERTIFICATE
27 SHALL STATE THAT THE ACTION WAS APPROVED BY BALLOT UNDER THIS

1 SECTION.

2 SEC. 409. (1) A CORPORATION MAY PROVIDE IN ITS ARTICLES OF
3 INCORPORATION OR IN BYLAWS THAT ARE APPROVED BY THE SHAREHOLDERS OR
4 MEMBERS THAT ANY ACTION THE SHAREHOLDERS OR MEMBERS ARE REQUIRED OR
5 PERMITTED TAKE AT AN ANNUAL OR SPECIAL MEETING, INCLUDING THE
6 ELECTION OF DIRECTORS, MAY BE TAKEN WITHOUT A MEETING IF THE
7 CORPORATION PROVIDES A BALLOT TO EACH SHAREHOLDER OR MEMBER THAT IS
8 ENTITLED TO VOTE THAT ALLOWS THE SHAREHOLDER OR MEMBER TO VOTE AT A
9 POLLING PLACE OR AT POLLING PLACES ESTABLISHED BY THE CORPORATION
10 THAT ARE REASONABLY ACCESSIBLE TO THE SHAREHOLDERS OR MEMBERS. THE
11 CORPORATION SHALL PROVIDE NOTICE TO EACH SHAREHOLDER OR MEMBER THAT
12 IS ENTITLED TO CAST A BALLOT AT A SHAREHOLDER OR MEMBER VOTE HELD
13 AT A POLLING PLACE OR AT POLLING PLACES UNDER THIS SUBSECTION
14 WITHIN THE SAME TIME AND IN THE SAME MANNER PROVIDED FOR NOTICE OF
15 MEETINGS OF SHAREHOLDERS OR MEMBERS UNDER THIS ACT. THE NOTICE
16 SHALL DESCRIBE EACH PROPOSED ACTION THAT IS INCLUDED ON THE BALLOT,
17 THE LOCATION OF THE POLLING PLACE OR PLACES, AND THE TIMES WHEN THE
18 POLLING PLACES ARE OPEN. A PROVISION IN THE ARTICLES OF
19 INCORPORATION OR BYLAWS THAT AUTHORIZES SHAREHOLDER OR MEMBER
20 ACTION BY BALLOT CAST AT A POLLING PLACE OR AT POLLING PLACES DOES
21 NOT PRECLUDE THE CALLING OR HOLDING OF AN ANNUAL OR SPECIAL MEETING
22 OF SHAREHOLDERS OR MEMBERS.

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

26 (3) AN ACTION IS CONSIDERED APPROVED BY THE SHAREHOLDERS OR
27 MEMBERS BY BALLOT UNDER THIS SECTION IF THE TOTAL NUMBER OF

1 SHAREHOLDERS OR MEMBERS THAT VOTE OR THE TOTAL NUMBER OF VOTES CAST
2 BY SHAREHOLDERS OR MEMBERS AT THE POLLING PLACE OR POLLING PLACES
3 DURING THE PERIOD WHEN THE POLLS WERE OPEN EQUALS OR EXCEEDS THE
4 QUORUM REQUIRED TO BE PRESENT AT A MEETING TO TAKE THAT ACTION, AND
5 THE NUMBER OF FAVORABLE VOTES EQUALS OR EXCEEDS THE NUMBER OF VOTES
6 THAT WOULD BE REQUIRED TO TAKE THE ACTION AT A MEETING AT WHICH THE
7 NUMBER OF VOTES CAST BY SHAREHOLDERS OR MEMBERS PRESENT WAS THE
8 SAME AS THE NUMBER OF VOTES CAST BY BALLOT. EXCEPT AS OTHERWISE
9 PROVIDED IN THE ARTICLES OF INCORPORATION, AN INVALID BALLOT, AN
10 ABSTENTION, OR THE SUBMISSION OF A BALLOT MARKED "ABSTAIN" WITH
11 RESPECT TO ANY ACTION DOES NOT CONSTITUTE A VOTE CAST ON THAT
12 ACTION.

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

16 (5) SUBJECT TO SUBSECTION (6), A CORPORATION THAT PROVIDES IN
17 ITS ARTICLES OF INCORPORATION OR BYLAWS FOR SHAREHOLDER OR MEMBER
18 ACTION BY BALLOT CAST AT A POLLING PLACE OR AT POLLING PLACES MAY
19 ESTABLISH PROCEDURES THAT ENABLE SHAREHOLDERS OR MEMBERS OR A
20 SPECIFIED NUMBER OR PERCENTAGE OF SHAREHOLDERS OR MEMBERS TO
21 INCLUDE PROPOSED ACTIONS IN A BALLOT.

22 (6) IF HOLDERS OF AT LEAST 10% OF ALL THE VOTING SHARES OR OF
23 AT LEAST 10% OF THE MEMBER VOTES SUBMIT A PROPOSED ACTION BY THE
24 SHAREHOLDERS OR MEMBERS, A CORPORATION THAT PROVIDES IN ITS
25 ARTICLES OF INCORPORATION OR BYLAWS FOR MEMBERSHIP ACTION BY BALLOT
26 CAST AT A POLLING PLACE OR AT POLLING PLACES SHALL INCLUDE THE
27 PROPOSED ACTION IN A BALLOT AND SUBMIT SUCH BALLOT TO THE

1 SHAREHOLDERS OR MEMBERS AS PROVIDED IN THIS SECTION.

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

10 SEC. 412. (1) EXCEPT AS PROVIDED IN THIS SUBSECTION, FOR THE
11 PURPOSE OF DETERMINING WHICH SHAREHOLDERS OR MEMBERS ARE ENTITLED
12 TO NOTICE OF AND TO VOTE AT A MEETING OF SHAREHOLDERS OR MEMBERS,
13 NOTICE OF AN ADJOURNMENT OF A MEETING, OR NOTICE OF OR TO CAST A
14 BALLOT AT A POLLING PLACE, AND FOR THE PURPOSE OF DETERMINING THE
15 SHAREHOLDERS OR MEMBERS THAT ARE ENTITLED TO RECEIVE AND TO CAST A
16 BALLOT UNDER SECTION 408, THE BYLAWS MAY PROVIDE FOR ESTABLISHING A
17 RECORD DATE, OR, IN THE ABSENCE OF A BYLAWS PROVISION, THE BOARD
18 SHALL BY RESOLUTION ESTABLISH A RECORD DATE. IF THE BYLAWS
19 ESTABLISH A RECORD DATE, THE BOARD SHALL COMPLY WITH THE BYLAWS IN
20 ESTABLISHING THE RECORD DATE. THE RECORD DATE SHALL NOT PRECEDE THE
21 DATE ON WHICH THE RESOLUTION FIXING THE RECORD DATE IS ADOPTED BY
22 THE BOARD. THE RECORD DATE SHALL NOT BE MORE THAN 60 OR FEWER THAN
23 10 DAYS BEFORE THE DATE OF THE MEETING OR THE FIRST DAY ON WHICH A
24 SHAREHOLDER OR MEMBER MAY CAST A BALLOT AT A POLLING PLACE UNDER
25 SECTION 409. IF THE VOTE IS BY BALLOT UNDER SECTION 408, THE RECORD
26 DATE SHALL BE NOT MORE THAN 60 OR FEWER THAN 20 DAYS BEFORE THE
27 LAST DATE ON WHICH THE CORPORATION MUST RECEIVE THE BALLOTS FOR

1 THEM TO BE COUNTED. IF A RECORD DATE IS NOT FIXED, THE RECORD DATE
2 FOR DETERMINATION OF SHAREHOLDERS OR MEMBERS ENTITLED TO NOTICE OF
3 OR TO VOTE AT A MEETING OF SHAREHOLDERS OR MEMBERS OR TO CAST A
4 BALLOT AT A POLLING PLACE IS THE CLOSE OF BUSINESS ON THE DAY NEXT
5 PRECEDING THE DAY ON WHICH NOTICE IS GIVEN, OR IF NO NOTICE IS
6 GIVEN, THE DAY NEXT PRECEDING THE DAY ON WHICH THE MEETING IS HELD
7 OR THE DAY NEXT PRECEDING THE FIRST DAY ON WHICH A SHAREHOLDER OR
8 MEMBER MAY CAST A BALLOT AT A POLLING PLACE UNDER SECTION 409. IF
9 THE VOTE IS BY BALLOT UNDER SECTION 408, AND A RECORD DATE IS NOT
10 FIXED, THE RECORD DATE FOR DETERMINATION OF WHICH SHAREHOLDERS OR
11 MEMBERS ARE ENTITLED TO RECEIVE AND CAST A BALLOT IS THE CLOSE OF
12 BUSINESS OF THE DAY NEXT PRECEDING THE DAY ON WHICH THE CORPORATION
13 PROVIDES THE BALLOT TO THE SHAREHOLDERS OR MEMBERS UNDER SECTION
14 408(1). IF A DETERMINATION OF WHICH SHAREHOLDERS OR MEMBERS OF
15 RECORD ARE ENTITLED TO NOTICE OF OR TO VOTE AT A MEETING OF
16 SHAREHOLDERS OR MEMBERS IS MADE UNDER THIS SECTION, THE
17 DETERMINATION APPLIES TO ANY ADJOURNMENT OF THE MEETING, UNLESS THE
18 BOARD ESTABLISHES A NEW RECORD DATE UNDER THIS SECTION FOR THE
19 ADJOURNED MEETING.

20 (2) FOR THE PURPOSE OF DETERMINING WHICH SHAREHOLDERS OR
21 MEMBERS ARE ENTITLED TO EXPRESS CONSENT TO OR TO DISSENT FROM A
22 PROPOSAL WITHOUT A MEETING UNDER SECTION 407, THE BYLAWS MAY
23 PROVIDE FOR ESTABLISHING A RECORD DATE. THE RECORD DATE SHALL NOT
24 BE MORE THAN 60 DAYS BEFORE THE PROPOSED EFFECTIVE DATE OF THE
25 SHAREHOLDER OR MEMBER ACTION. IF THE BYLAWS DO NOT ESTABLISH A
26 RECORD DATE, THE BOARD MAY ESTABLISH A RECORD DATE THAT DOES NOT
27 PRECEDE THE DATE THE BOARD ADOPTS THE RESOLUTION ESTABLISHING THE

1 RECORD DATE AND IS NOT MORE THAN 10 DAYS AFTER THE BOARD
2 RESOLUTION. IF A RECORD DATE IS NOT ESTABLISHED AND PRIOR ACTION BY
3 THE BOARD IS REQUIRED WITH RESPECT TO ANY CORPORATE ACTION TO BE
4 TAKEN WITHOUT A MEETING UNDER SECTION 407, THE RECORD DATE IS THE
5 CLOSE OF BUSINESS ON THE DAY ON WHICH THE RESOLUTION OF THE BOARD
6 IS ADOPTED. IF A RECORD DATE IS NOT FIXED AND PRIOR ACTION BY THE
7 BOARD IS NOT REQUIRED, THE RECORD DATE IS THE FIRST DATE ON WHICH A
8 SIGNED WRITTEN CONSENT IS DELIVERED TO THE CORPORATION UNDER
9 SECTION 407.

10 (3) FOR THE PURPOSE OF DETERMINING SHAREHOLDERS OR MEMBERS
11 THAT ARE ENTITLED TO RECEIVE PAYMENT OF A SHARE DIVIDEND,
12 DISTRIBUTION, OR ALLOTMENT OF A RIGHT OR FOR THE PURPOSE OF ANY
13 OTHER ACTION, THE BYLAWS MAY PROVIDE FOR ESTABLISHING A RECORD
14 DATE, OR, IN THE ABSENCE OF A BYLAWS PROVISION, THE BOARD MAY
15 ESTABLISH A RECORD DATE. THE RECORD DATE SHALL NOT PRECEDE THE DATE
16 ON WHICH THE RESOLUTION ESTABLISHING THE RECORD DATE IS ADOPTED BY
17 THE BOARD. THE DATE SHALL NOT BE MORE THAN 60 DAYS BEFORE THE
18 PAYMENT OF THE SHARE DIVIDEND, DISTRIBUTION, OR ALLOTMENT OF A
19 RIGHT OR OTHER ACTION. IF A RECORD DATE IS NOT ESTABLISHED, THE
20 RECORD DATE IS THE CLOSE OF BUSINESS ON THE DAY ON WHICH THE
21 RESOLUTION OF THE BOARD RELATING TO THE CORPORATE ACTION IS
22 ADOPTED.

23 Sec. 413. (1) The officer or agent ~~having charge of~~
24 **RESPONSIBLE FOR** the shareholder or membership records of a
25 corporation shall make and certify a complete list of the
26 shareholders or members entitled to vote at a ~~shareholders' or~~
27 ~~members' meeting or any adjourned shareholders' or members'~~

1 ~~meeting. The list shall meet all of the following.~~ **MEETING OF THE**
2 **SHAREHOLDERS OR MEMBERS. ALL OF THE FOLLOWING APPLY TO THE LIST:**

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

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

9 (c) ~~Be~~ **THE LIST IS** open to examination by any shareholder or
10 member during the entire meeting. If the meeting is held solely by
11 means of remote communication, then **THE OFFICER OR AGENT SHALL MAKE**
12 the list ~~shall be~~ open to the examination of any shareholder or
13 member during the entire meeting by posting the list on a
14 reasonably accessible electronic network, and **PROVIDING** the
15 information required to access the list ~~shall be provided with the~~
16 notice of the meeting.

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

20 (2) If the requirements of this section ~~have not been~~ **ARE NOT**
21 complied with, and a shareholder or member **THAT IS** present in
22 person or by proxy in good faith challenges the existence of
23 sufficient votes to ~~carry~~ **APPROVE** any action at the meeting, the
24 **CORPORATION SHALL ADJOURN THE** meeting ~~shall be adjourned until the~~
25 requirements are complied with. Failure to comply with the
26 requirements of this section does not affect the validity of an
27 action taken at the meeting before ~~the making of a~~ challenge under

1 this subsection.

2 Sec. 415. (1) Unless a greater or lesser quorum is provided in
3 the articles of incorporation, in a bylaw adopted by the
4 shareholders, ~~or members,~~ **OR INCORPORATORS**, or in this act, shares
5 or members entitled to cast a majority of the votes at a meeting
6 constitute a quorum at the meeting. ~~The~~ **IF THE WITHDRAWAL OF**
7 **SHAREHOLDERS OR MEMBERS LEAVES LESS THAN A QUORUM BEFORE**
8 **ADJOURNMENT, THE REMAINING** shareholders or members present in
9 person or by proxy at ~~such~~ **THE** meeting may continue to do business
10 until adjournment. ~~, notwithstanding the withdrawal of enough~~
11 ~~shareholders or members to leave less than a quorum.~~ Whether or not
12 a quorum is present, ~~the~~ **A** meeting may be adjourned by a vote of
13 the shareholders or members present.

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

18 Sec. 421. (1) Except as otherwise provided **BY STATUTE**, in the
19 articles of incorporation, or in a bylaw **THAT IS** adopted by the
20 shareholders or members **OF A CORPORATION ORGANIZED ON A STOCK OR**
21 **MEMBERSHIP BASIS**, a shareholder or member **THAT IS** entitled to vote
22 at a meeting of shareholders or members, **TO CAST A BALLOT UNDER**
23 **SECTION 408 OR 409**, or to express consent or dissent without a
24 meeting may authorize other persons to act for the shareholder or
25 member by proxy. **EXCEPT AS OTHERWISE PROVIDED BY STATUTE, IN THE**
26 **ARTICLES OF INCORPORATION, OR IN A BYLAW, A DIRECTOR OR OTHER**
27 **PERSON THAT IS ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A**

1 CORPORATION ORGANIZED ON A DIRECTORSHIP BASIS MAY AUTHORIZE ANOTHER
2 PERSON OR PERSONS TO ACT FOR THE DIRECTOR OR OTHER PERSON WITH
3 RESPECT TO THE ELECTION OF DIRECTORS BY PROXY.

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

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

11 (4) The authority of the holder of a proxy to act is not
12 revoked by the incompetence or death of the ~~shareholder or member~~
13 **PERSON** who executed the proxy unless, before the authority is
14 exercised, written notice of an adjudication of the incompetence or
15 death is received by the corporate officer **THAT IS** responsible for
16 maintaining the list of shareholders, ~~or members,~~ **OR PERSONS THAT**
17 **ARE ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A DIRECTORSHIP**
18 **CORPORATION.**

19 (5) Without limiting the manner in which a shareholder, ~~or~~
20 member, **OR PERSON THAT IS ENTITLED TO VOTE IN THE ELECTION OF**
21 **DIRECTORS OF A DIRECTORSHIP CORPORATION** may authorize another
22 person or persons to act ~~for him or her as proxy~~ **FOR THE**
23 **SHAREHOLDER, MEMBER, OR PERSON** under subsection (1), each of the
24 following methods constitute a valid means by which a shareholder,
25 ~~or member,~~ **OR PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS**
26 **OF A DIRECTORSHIP CORPORATION** may grant authority to another person
27 to act as proxy:

1 (a) Delivering a writing to the person ~~authorizing~~ **THAT**
2 **AUTHORIZES** that person to act for the shareholder, ~~or~~ member, **OR**
3 **PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF A**
4 **DIRECTORSHIP CORPORATION** as proxy ~~—AND IS~~ executed by the
5 shareholder, ~~or~~ member, **OR PERSON ENTITLED TO VOTE IN THE ELECTION**
6 **OF DIRECTORS OF A DIRECTORSHIP CORPORATION**, or by an authorized
7 officer, director, employee, or agent of the shareholder, ~~or~~
8 member, **OR PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF**
9 **A DIRECTORSHIP CORPORATION**, by signing the writing or causing his
10 or her signature to be affixed to the writing by any reasonable
11 means, including, but not limited to, facsimile signature.

12 (b) Transmitting or authorizing the transmission of a
13 telegram, cablegram, or other means of electronic transmission to
14 the person ~~who~~ **THAT** will hold the proxy; or to a proxy solicitation
15 firm, proxy support service organization, or similar agent ~~fully~~
16 ~~authorized by the~~ **THAT THE** person who will hold the proxy
17 **AUTHORIZED** to receive that transmission **ON THE PERSON'S BEHALF**. Any
18 telegram, cablegram, or other means of electronic transmission must
19 either set forth or ~~be submitted with~~ **INCLUDE WITH IT** information
20 from which it can be determined that the telegram, cablegram, or
21 other electronic transmission was authorized by the shareholder, ~~or~~
22 member, **OR PERSON ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS OF**
23 **A DIRECTORSHIP CORPORATION**. If a telegram, cablegram, or other
24 electronic transmission is determined to be valid, the inspectors
25 or, if there are no inspectors, the persons making the
26 determination shall specify the information ~~upon~~ **ON** which they
27 relied.

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

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

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

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

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

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

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

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

Sec. 423. (1) A proxy **DESCRIBED IN SECTION 422** becomes

1 revocable, notwithstanding a provision ~~making~~ **THAT MAKES** it
 2 irrevocable, after the pledge is redeemed, ~~or~~ **THE SECURITY INTEREST**
 3 **IS TERMINATED**, the debt of the corporation is paid, ~~or~~ the period
 4 of employment provided for in the contract of employment ~~has~~
 5 ~~terminated~~, **EXPIRES**, or the agreement under section 461 ~~has~~ **IS**
 6 terminated. ~~In a case provided for~~ **A PROXY DESCRIBED** in section
 7 422(c) or (d) ~~the proxy is~~ revocable 3 years after the date of the
 8 proxy or at the end of ~~the~~ **ANY** period ~~, if any, specified therein,~~
 9 **IN THE PROXY**, whichever period is less, unless the period of
 10 irrevocability is renewed by execution of a new irrevocable proxy.
 11 This subsection does not affect the duration of a proxy under
 12 section 421(2).

13 (2) A proxy is revocable, notwithstanding a provision ~~making~~
 14 **THAT MAKES** it irrevocable, by a purchaser of shares ~~without~~
 15 ~~knowledge~~ **THAT DID NOT KNOW AT THE TIME OF PURCHASE** of **THE**
 16 existence of the provision unless the existence of the proxy and
 17 its irrevocability are noted conspicuously on the face or back of
 18 the certificate representing the shares.

19 **SEC. 432. (1) A CORPORATION MAY ESTABLISH A PROCEDURE UNDER**
 20 **WHICH THE BENEFICIAL OWNER OF SHARES OR MEMBERSHIPS THAT ARE**
 21 **REGISTERED IN THE NAME OF A NOMINEE IS RECOGNIZED BY THE**
 22 **CORPORATION AS THE SHAREHOLDER OR MEMBER. THE PROCEDURE ESTABLISHED**
 23 **MAY DETERMINE THE EXTENT OF THIS RECOGNITION.**

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

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

27 (B) THE RIGHTS OR PRIVILEGES THAT THE CORPORATION RECOGNIZES

1 IN THE BENEFICIAL OWNER.

2 (C) THE MANNER IN WHICH THE PROCEDURE IS SELECTED BY THE
3 NOMINEE.

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

6 (E) THE PERIOD FOR WHICH SELECTION OF THE PROCEDURE IS
7 EFFECTIVE.

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

9 Sec. 441. (1) Each outstanding share or member is entitled to
10 1 vote on each matter submitted to a vote, unless otherwise
11 provided ~~pursuant to~~ **UNDER** section 303 or 304. **A PERSON MAY CAST A**
12 ~~vote may be cast~~ **AT A MEETING OF THE SHAREHOLDERS OR MEMBERS** either
13 orally or in writing, unless otherwise provided in the bylaws. ~~In~~
14 ~~addition, the bylaws may provide for voting by electronic~~
15 ~~transmission.~~

16 (2) ~~When~~ **IF** an action, other than the election of directors,
17 ~~is to be taken by~~ **IS SUBMITTED FOR A** vote of the shareholders or
18 members, ~~it shall be~~ **THE ACTION IS APPROVED OR** authorized ~~by~~ **IF IT**
19 **RECEIVES THE AFFIRMATIVE VOTE OF** a majority of the votes cast by
20 the holders of shares or members entitled to vote on ~~that~~ **THE**
21 action, unless a ~~greater plurality~~ **HIGHER VOTE** is required ~~by~~ **IN**
22 the articles of incorporation or **A HIGHER OR LOWER VOTE IS REQUIRED**
23 **UNDER** another section of this act. **UNLESS OTHERWISE PROVIDED BY THE**
24 **ARTICLES OF INCORPORATION, ABSTAINING FROM A VOTE OR SUBMITTING A**
25 **BALLOT MARKED "ABSTAIN" WITH RESPECT TO AN ACTION IS NOT A VOTE**
26 **CAST ON THAT ACTION.** Except as otherwise provided ~~by~~ **IN** the
27 articles **OF INCORPORATION,** directors ~~shall be~~ **ARE** elected by a

1 plurality of the votes cast at an election.

2 Sec. 442. (1) The articles of incorporation **OR BYLAWS** may
3 provide that a class of shares or members shall vote as a class to
4 authorize any action, including amendment to the articles **OF**
5 **INCORPORATION**. ~~Such voting~~ **A VOTE** as a class ~~shall be~~ **UNDER THIS**
6 **SECTION IS** in addition to any other vote required ~~by~~ **UNDER** this
7 act. ~~Where~~ **IF** voting as a class is provided in the articles **OF**
8 **INCORPORATION OR BYLAWS**, it shall be by the proportionate vote
9 provided in the articles **OF INCORPORATION OR BYLAWS** or, if a
10 proportionate vote is not so provided, then for any action other
11 than the election of directors, by a majority of the votes cast by
12 the holders of shares or members of ~~such~~ **THE** class entitled to vote
13 ~~thereon~~ **ON THE ACTION**.

14 (2) ~~Where~~ **IF** voting as a class is required ~~by~~ **UNDER** this act
15 to authorize an action, the action ~~shall be~~ **IS** authorized ~~by~~ **IF IT**
16 **RECEIVES THE AFFIRMATIVE VOTE OF** a majority of the votes cast by
17 the ~~holders of shares~~ **SHAREHOLDERS** or members of each class
18 entitled to vote ~~thereon~~ **ON THAT ACTION**, unless a ~~greater~~ **HIGHER**
19 vote is required ~~by~~ **IN** the articles of incorporation or **UNDER**
20 another section of this act. ~~The voting~~ **A VOTE** as a class ~~shall be~~
21 **UNDER THIS SUBSECTION IS** in addition to any other vote required ~~by~~
22 **UNDER** this act.

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

1 Sec. 444. (1) ~~The vote of a shareholder or member which is a~~
 2 **SHARES OR MEMBERSHIPS THAT ARE HELD BY ANOTHER** domestic
 3 corporation, ~~or~~ domestic business corporation, ~~or~~ foreign
 4 corporation, or foreign business corporation, whether or not the
 5 corporation or business corporation is subject to this act, may be
 6 ~~cast~~ **VOTED** by an officer or agent, or by **A** proxy **THAT IS** appointed
 7 by an officer or agent or by some other person, who by action of
 8 its board or ~~pursuant to~~ **UNDER** its bylaws ~~shall be~~ **IS** appointed to
 9 ~~cast such vote~~ **THE SHARES OR MEMBERSHIP.**

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

13 Sec. 446. ~~The vote of shares or a membership~~ **SHARES OR A**
 14 **MEMBERSHIP THAT ARE** held by 2 or more persons as joint tenants or
 15 as tenants in common may be ~~cast or~~ voted at a meeting of
 16 shareholders or members **OR BY BALLOT UNDER SECTION 408 OR 409** by
 17 ~~any of these persons,~~ **JOINT TENANT OR TENANT IN COMMON**, unless
 18 another joint tenant or tenant in common seeks to vote **THE SHARES**
 19 **OR MEMBERSHIP** in person or by proxy. In the latter event, the
 20 written agreement, if any, ~~which~~ **THAT** governs the manner in which
 21 the shares or membership ~~shall be~~ **ARE** voted, controls if presented
 22 at the meeting, either physically or by means of electronic
 23 transmission **OR IF PRESENTED TO THE CORPORATION EITHER PHYSICALLY**
 24 **OR BY MEANS OF ELECTRONIC TRANSMISSION BEFORE THE TIME FOR CASTING**
 25 **A BALLOT UNDER SECTION 408 OR 409 EXPIRES.** If ~~the~~ **AN** agreement **THAT**
 26 **GOVERNS VOTES** is not presented at the meeting, the majority in
 27 interest of the joint tenants or tenants in common present ~~shall~~

~~control~~ **DETERMINES** the manner of voting. In the case of a stock corporation **OR A MEMBERSHIP THAT CARRIES MORE THAN 1 VOTE**, if there is no majority in interest of the joint tenants or tenants in common present, the shares **OR MEMBER VOTES**, for the purpose of voting, shall be divided among those joint tenants or tenants in common **THAT ARE PRESENT IN PERSON** in accordance with their interest in the shares **OR MEMBERSHIP**.

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

Sec. 451. (1) The articles of incorporation **OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR MEMBERSHIP BASIS** may provide that a shareholder or member **THAT IS** entitled to vote at an election for directors may vote, in person, by proxy, ~~or by electronic transmission,~~ **OR BY BALLOT AS PROVIDED IN SECTION 408 OR 409**, for as many ~~persons~~ **INDIVIDUALS** as there are directors to be elected and for whose election the shareholder or member has a right to vote, or to cumulate votes by giving 1 candidate as many votes as

1 the number of ~~these~~ directors **TO BE ELECTED** multiplied by the
 2 number of ~~shares~~ **VOTES** held by the shareholder or member, or by
 3 distributing the votes of the shareholder or member on the same
 4 principle among any number of the candidates.

5 (2) **THE ARTICLES OF INCORPORATION OF A CORPORATION THAT IS**
 6 **ORGANIZED ON A DIRECTORSHIP BASIS MAY PROVIDE THAT A PERSON THAT IS**
 7 **ENTITLED TO VOTE AT AN ELECTION FOR DIRECTORS MAY VOTE, IN PERSON,**
 8 **BY PROXY, OR BY ELECTRONIC TRANSMISSION, FOR AS MANY INDIVIDUALS AS**
 9 **THERE ARE DIRECTORS TO BE ELECTED AND FOR WHOSE ELECTION THE PERSON**
 10 **HAS A RIGHT TO VOTE, OR TO CUMULATE VOTES BY GIVING 1 CANDIDATE AS**
 11 **MANY VOTES AND THE NUMBER OF DIRECTORS TO BE ELECTED MULTIPLIED BY**
 12 **THE NUMBER OF VOTES HELD BY THE PERSON, OR BY DISTRIBUTING THE**
 13 **VOTES OF THE PERSON ON THE SAME PRINCIPLE AMONG ANY NUMBER OF THE**
 14 **CANDIDATES.**

15 Sec. 455. ~~When, with~~ **WITH** respect to an action to be taken by
 16 the shareholders or members, **IF** the articles of incorporation
 17 require the vote or concurrence of **THE** holders of a greater
 18 proportion of the shares or a greater proportion of members, or of
 19 a class ~~thereof,~~ **OF SHARES OR MEMBERS**, than required ~~by~~ **UNDER** this
 20 act with respect to the action, the articles **OF INCORPORATION** shall
 21 control. An amendment of the articles ~~which adds,~~ **OF INCORPORATION**
 22 **THAT** changes ~~, or deletes such a~~ **THAT** provision ~~shall be authorized~~
 23 ~~by the vote~~ **REQUIRES THE SAME VOTE THAT IS** required to amend the
 24 articles ~~pursuant to~~ **OF INCORPORATION UNDER** section 611, or ~~by the~~
 25 same vote ~~as~~ **THAT** would be required to take action under ~~such~~ **THAT**
 26 provision, whichever is greater. **A FAILURE TO INCLUDE A PROVISION**
 27 **DESCRIBED IN THIS SECTION IN THE ARTICLES OF INCORPORATION DOES NOT**

1 INVALIDATE ANY BYLAW OR AGREEMENT THAT WOULD OTHERWISE BE
2 CONSIDERED VALID.

3 Sec. 461. An agreement between 2 or more shareholders or
4 members, if **IT IS** in writing and signed by the parties, ~~thereto,~~
5 may provide that in exercising voting rights, they shall cast their
6 votes as provided in the agreement, or as they ~~may~~ agree, or as
7 determined ~~in accordance with~~ **UNDER** a procedure agreed ~~upon~~ **ON** by
8 them. **A VOTING AGREEMENT EXECUTED UNDER THIS SECTION, WHETHER OR**
9 **NOT PROXIES ARE EXECUTED UNDER THAT AGREEMENT, IS NOT SUBJECT TO**
10 **SECTIONS 466 TO 468. A VOTING AGREEMENT UNDER THIS SECTION IS**
11 **SPECIFICALLY ENFORCEABLE.**

12 **SEC. 466. (1) IF SHARES OR MEMBERSHIPS OF A CORPORATION ARE**
13 **TRANSFERABLE, A SHAREHOLDER OR MEMBER MAY CONFER ON A TRUSTEE THE**
14 **RIGHT TO VOTE OR OTHERWISE REPRESENT THOSE SHARES OR MEMBERSHIPS**
15 **FOR A PERIOD THAT DOES NOT EXCEED 10 YEARS, BY ENTERING INTO A**
16 **WRITTEN VOTING TRUST AGREEMENT THAT INCLUDES THE TERMS AND**
17 **CONDITIONS OF THE VOTING TRUST, BY FILING AN EXECUTED COUNTERPART**
18 **OF THE AGREEMENT AT THE REGISTERED OFFICE OF THE CORPORATION, AND**
19 **BY TRANSFERRING THOSE SHARES OR MEMBERSHIP TO THE TRUSTEE FOR**
20 **PURPOSES OF THE AGREEMENT.**

21 **(2) IF A VOTING RIGHTS AGREEMENT UNDER SUBSECTION (1) IS**
22 **FILED, THE HOLDER OF ANY CERTIFICATES FOR SHARES OR MEMBERSHIPS**
23 **TRANSFERRED SHALL SURRENDER THE CERTIFICATES AND THE CORPORATION**
24 **SHALL CANCEL THE CERTIFICATES AND ISSUE NEW CERTIFICATES FOR THE**
25 **SHARES OR MEMBERSHIPS TO THE TRUSTEE THAT STATE THAT THEY ARE**
26 **ISSUED UNDER THE AGREEMENT. THE CORPORATION SHALL ALSO DESCRIBE THE**
27 **TRANSFER OF OWNERSHIP IN THE RECORDS OF THE CORPORATION, AND THE**

1 TRUSTEE MAY VOTE THE TRANSFERRED SHARES OR MEMBERSHIPS DURING THE
2 TERM OF THE AGREEMENT.

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

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

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

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

17 (2) IF 2 OR MORE PERSONS ARE DESIGNATED AS VOTING TRUSTEES,
18 AND THE RIGHT AND METHOD OF VOTING SHARES OR MEMBERSHIPS IN THEIR
19 NAMES ARE NOT FIXED IN THE AGREEMENT THAT APPOINTS THE TRUSTEES, A
20 MAJORITY OF THE TRUSTEES SHALL DETERMINE THE RIGHT TO VOTE AND
21 MANNER OF VOTING THE SHARES OR MEMBERSHIPS. IF THE TRUSTEES ARE
22 EQUALLY DIVIDED CONCERNING THE RIGHT TO VOTE AND THE MANNER OF
23 VOTING, THE VOTES SHALL BE DIVIDED EQUALLY AMONG THE TRUSTEES.

24 SEC. 468. (1) AT ANY TIME WITHIN THE 12-MONTH PERIOD BEFORE
25 THE EXPIRATION OF THE ORIGINAL TERM OF A VOTING TRUST AGREEMENT
26 UNDER SECTION 466 OR AN EXTENSION OF A VOTING TRUST AGREEMENT UNDER
27 THIS SECTION, 1 OR MORE BENEFICIARIES OF THE VOTING TRUST, BY

1 WRITTEN AGREEMENT AND WITH WRITTEN CONSENT OF THE VOTING TRUSTEES,
2 MAY EXTEND THE DURATION OF THE VOTING TRUST AGREEMENT WITH REGARD
3 TO THE SHARES OR MEMBERSHIPS SUBJECT TO THEIR BENEFICIAL INTEREST
4 FOR AN ADDITIONAL PERIOD THAT DOES NOT EXCEED 10 YEARS. BEFORE
5 EXPIRATION OF THE ORIGINAL TERM OF A VOTING TRUST AGREEMENT UNDER
6 SECTION 466 OR AN EXTENSION OF A VOTING TRUST AGREEMENT UNDER THIS
7 SECTION, IF THE VOTING TRUSTEES FILE IN THE REGISTERED OFFICE OF
8 THE CORPORATION AN EXECUTED COUNTERPART OF AN EXTENSION AGREEMENT
9 AND OF THEIR CONSENT TO THE EXTENSION, THE TERM OF THE VOTING TRUST
10 AGREEMENT IS EXTENDED FOR THE PERIOD DESCRIBED IN THE EXTENSION
11 AGREEMENT. AN EXTENSION AGREEMENT DOES NOT AFFECT THE RIGHTS OR
12 OBLIGATIONS OF PERSONS THAT ARE NOT PARTIES TO THE EXTENSION
13 AGREEMENT.

14 (2) IF THE TERM OF AN EXTENSION AGREEMENT DESCRIBED IN
15 SUBSECTION (1) OR A VOTING TRUST AGREEMENT THAT OTHERWISE MEETS THE
16 REQUIREMENTS OF THIS ACT IS MORE THAN 10 YEARS, THE VOTING TRUST
17 AGREEMENT OR EXTENSION AGREEMENT IS VALID FOR A PERIOD OF 10 YEARS
18 FROM THE DATE OF ITS COMMENCEMENT AND BECOMES INOPERATIVE AT THE
19 END OF THAT 10-YEAR PERIOD UNLESS EXTENDED UNDER SUBSECTION (1).

20 SEC. 472. (1) THE ARTICLES OF INCORPORATION, THE BYLAWS, OR AN
21 AGREEMENT AMONG ANY NUMBER OF HOLDERS OF BONDS, SHARES, OR
22 MEMBERSHIPS, OR AMONG THE HOLDERS AND THE CORPORATION, MAY CONTAIN
23 A RESTRICTION ON THE TRANSFER OR REGISTRATION OF A BOND, SHARE, OR
24 MEMBERSHIP OF A CORPORATION THAT IS OTHERWISE TRANSFERABLE. A
25 RESTRICTION DESCRIBED IN THIS SUBSECTION IS NOT BINDING WITH
26 RESPECT TO BONDS, SHARES, OR MEMBERSHIPS THAT ARE ISSUED BEFORE
27 ADOPTION OF THE RESTRICTION UNLESS THE HOLDERS ARE PARTIES TO AN

1 AGREEMENT OR VOTED IN FAVOR OF THE RESTRICTION.

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

17 SEC. 473. WITHOUT LIMITING THE GENERAL AUTHORITY UNDER SECTION
18 472(1) TO IMPOSE RESTRICTIONS ON THE TRANSFER OR REGISTRATION OF
19 BONDS, SHARES, OR MEMBERSHIPS OF A CORPORATION THAT ARE OTHERWISE
20 TRANSFERABLE, A RESTRICTION ON THE TRANSFER OR REGISTRATION OF
21 TRANSFER OF BONDS, SHARES, OR MEMBERSHIPS OF A CORPORATION THAT IS
22 CONSISTENT WITH SECTION 301 IS PERMITTED IF IT DOES ANY OF THE
23 FOLLOWING:

24 (A) OBLIGATES THE HOLDERS OF THE RESTRICTED INSTRUMENTS TO
25 OFFER TO THE CORPORATION OR TO ANY OTHER HOLDERS OF BONDS, SHARES
26 OR MEMBERSHIPS OF THE CORPORATION, TO ANY OTHER PERSON, OR TO ANY
27 COMBINATION OF THOSE PERSONS, A PRIOR OPPORTUNITY TO ACQUIRE THE

1 RESTRICTED INSTRUMENTS.

2 (B) OBLIGATES THE CORPORATION OR A HOLDER OF BONDS, SHARES, OR
3 MEMBERSHIPS OF THE CORPORATION, ANY OTHER PERSON, OR ANY
4 COMBINATION OF THOSE PERSONS, TO PURCHASE THE INSTRUMENTS THAT ARE
5 THE SUBJECT OF AN AGREEMENT RESPECTING THE PURCHASE AND SALE OF THE
6 RESTRICTED INSTRUMENTS.

7 (C) REQUIRES THE CORPORATION OR THE HOLDERS OF A CLASS OF
8 BONDS, SHARES, OR MEMBERSHIPS OF THE CORPORATION TO CONSENT TO A
9 PROPOSED TRANSFER OF THE RESTRICTED INSTRUMENTS OR TO APPROVE THE
10 PROPOSED TRANSFEREE OF THE RESTRICTED INSTRUMENTS.

11 (D) PROHIBITS THE TRANSFER OF THE RESTRICTED INSTRUMENTS TO
12 DESIGNATED PERSONS OR CLASSES OF PERSONS, AND THE DESIGNATION IS
13 NOT CONTRARY TO PUBLIC POLICY.

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

17 Sec. 485. A corporation shall keep books and records of
18 account and minutes of the proceedings of its shareholders or
19 members, board, and executive committee, if any. Unless otherwise
20 provided in the bylaws, the **CORPORATION MAY KEEP THE** books,
21 records, and minutes ~~may be kept outside~~ this state. The
22 corporation shall keep at its registered office, or at the office
23 of its transfer agent ~~within or without~~ **IN OR OUTSIDE** this state,
24 records ~~containing~~ **THAT CONTAIN** the names and addresses of all
25 shareholders or members, the number and class of shares held by
26 each shareholder or the class or classes of membership held by each
27 member, and the dates when they respectively became holders

1 **SHAREHOLDERS** of record ~~thereof~~ or members. Any of ~~such~~ **THE** books,
2 records, or minutes may be in written form or in any other form
3 ~~capable of being converted~~ **THAT IS CONVERTIBLE** into written form
4 within a reasonable time. A corporation shall convert into written
5 form without charge any ~~such~~ record **THAT IS** not in ~~such~~ **WRITTEN**
6 form, ~~upon written request of~~ **IF REQUESTED BY** a person **THAT IS**
7 entitled to inspect ~~them~~. **THE RECORD.**

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

14 ~~—— (2) A person who is a shareholder or member of record of a~~
15 ~~corporation, upon at least 10 days' written demand, may examine for~~
16 ~~any proper purpose in person or by agent or attorney, during usual~~
17 ~~business hours, its minutes of shareholders' or members' meetings~~
18 ~~and record of shareholders or members and make extracts therefrom,~~
19 ~~at the places where they are kept pursuant to section 485.~~

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

25 **(2) EXCEPT AS PROVIDED IN SUBSECTION (7), ANY SHAREHOLDER OR**
26 **MEMBER OF RECORD OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR**
27 **MEMBERSHIP BASIS, IN PERSON OR BY ATTORNEY OR OTHER AGENT, MAY**

1 DURING REGULAR BUSINESS HOURS INSPECT FOR ANY PROPER PURPOSE THE
2 CORPORATION'S STOCK LEDGER, A LIST OF ITS SHAREHOLDERS OR MEMBERS,
3 AND ITS OTHER BOOKS AND RECORDS, IF THE SHAREHOLDER OR MEMBER GIVES
4 THE CORPORATION WRITTEN DEMAND DESCRIBING WITH REASONABLE
5 PARTICULARITY THE PURPOSE OF THE INSPECTION AND THE RECORDS THE
6 SHAREHOLDER OR MEMBER DESIRES TO INSPECT, AND THE RECORDS SOUGHT
7 ARE DIRECTLY CONNECTED WITH THE PURPOSE. AS USED IN THIS
8 SUBSECTION, "PROPER PURPOSE" MEANS A PURPOSE THAT IS REASONABLY
9 RELATED TO A PERSON'S INTEREST AS A SHAREHOLDER OR MEMBER. A
10 SHAREHOLDER OR MEMBER MUST DELIVER A DEMAND UNDER THIS SUBSECTION
11 TO THE CORPORATION AT ITS REGISTERED OFFICE IN THIS STATE OR AT ITS
12 PRINCIPAL PLACE OF BUSINESS. IF AN ATTORNEY OR OTHER AGENT IS THE
13 PERSON SEEKING TO INSPECT THE RECORDS, THE DEMAND MUST INCLUDE A
14 POWER OF ATTORNEY OR OTHER WRITING THAT AUTHORIZES THE ATTORNEY OR
15 OTHER AGENT TO ACT ON BEHALF OF THE SHAREHOLDER OR MEMBER.

16 (3) IF A CORPORATION DOES NOT PERMIT AN INSPECTION REQUIRED
17 UNDER SUBSECTION (2) WITHIN 5 BUSINESS DAYS AFTER A DEMAND IS
18 RECEIVED UNDER SUBSECTION (2), OR IMPOSES UNREASONABLE CONDITIONS
19 ON THE INSPECTION, THE SHAREHOLDER OR MEMBER MAY APPLY TO THE
20 CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF
21 BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED FOR AN
22 ORDER TO COMPEL THE INSPECTION. IF THE SHAREHOLDER OR MEMBER SEEKS
23 TO INSPECT THE BOOKS AND RECORDS OTHER THAN ITS STOCK LEDGER OR
24 LIST OF SHAREHOLDERS OR MEMBERS, THE SHAREHOLDER OR MEMBER MUST
25 ESTABLISH THAT THE SHAREHOLDER OR MEMBER HAS COMPLIED WITH THIS
26 SECTION CONCERNING THE FORM AND MANNER OF MAKING DEMAND FOR
27 INSPECTION OF THE DOCUMENTS, THAT THE INSPECTION IS FOR A PROPER

1 PURPOSE, AND THAT THE DOCUMENTS SOUGHT ARE DIRECTLY CONNECTED WITH
2 THE PURPOSE. IF THE SHAREHOLDER OR MEMBER SEEKS TO INSPECT THE
3 CORPORATION'S STOCK LEDGER OR LIST OF SHAREHOLDERS OR MEMBERS AND
4 ESTABLISHES THAT THE STOCKHOLDER OR MEMBER HAS COMPLIED WITH THIS
5 SECTION CONCERNING THE FORM AND MANNER OF MAKING DEMAND FOR THE
6 INSPECTION OF THE DOCUMENTS, THE CORPORATION HAS THE BURDEN OF
7 PROOF TO ESTABLISH THAT THE INSPECTION THAT IS SOUGHT IS FOR AN
8 IMPROPER PURPOSE OR THAT THE RECORDS SOUGHT ARE NOT DIRECTLY
9 CONNECTED WITH THE PERSON'S PURPOSE. IN ITS DISCRETION, THE COURT
10 MAY ORDER THE CORPORATION TO PERMIT THE SHAREHOLDER OR MEMBER TO
11 INSPECT THE CORPORATION'S STOCK LEDGER, A LIST OF SHAREHOLDERS OR
12 MEMBERS, AND ITS OTHER BOOKS AND RECORDS, PRESCRIBE CONDITIONS AND
13 LIMITATIONS ON THE INSPECTION, AND AWARD OTHER OR FURTHER RELIEF
14 THAT THE COURT CONSIDERS JUST AND PROPER. THE COURT MAY ORDER
15 BOOKS, DOCUMENTS AND RECORDS, PERTINENT EXTRACTS, OR DULY
16 AUTHENTICATED COPIES TO BE BROUGHT TO THIS STATE AND KEPT IN THIS
17 STATE AND PRESCRIBE TERMS AND CONDITIONS ON THOSE OBLIGATIONS.

18 (4) A DIRECTOR MAY EXAMINE ANY OF THE CORPORATION'S BOOKS AND
19 RECORDS FOR A PURPOSE REASONABLY RELATED TO HIS OR HER POSITION AS
20 A DIRECTOR. THE DIRECTOR MAY APPLY TO THE CIRCUIT COURT OF THE
21 COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OR REGISTERED
22 OFFICE OF THE CORPORATION IS LOCATED FOR AN ORDER TO COMPEL THE
23 INSPECTION. IN ITS DISCRETION, THE COURT MAY ORDER THE CORPORATION
24 TO PERMIT THE DIRECTOR TO INSPECT ANY AND ALL BOOKS AND RECORDS,
25 PRESCRIBE CONDITIONS AND LIMITATIONS ON THE INSPECTION, AND AWARD
26 OTHER AND FURTHER RELIEF THAT THE COURT CONSIDERS JUST AND PROPER.

27 (5) IF THE COURT ORDERS INSPECTION OF THE RECORDS DEMANDED

1 UNDER SUBSECTION (3) OR (4), IT SHALL ALSO ORDER THE CORPORATION TO
2 PAY THE SHAREHOLDER'S, MEMBER'S, OR DIRECTOR'S COSTS, INCLUDING
3 REASONABLE ATTORNEY FEES, INCURRED TO OBTAIN THE ORDER UNLESS THE
4 CORPORATION PROVES THAT IT FAILED TO PERMIT THE INSPECTION IN GOOD
5 FAITH BECAUSE IT HAD A REASONABLE BASIS TO DOUBT THE RIGHT OF THE
6 SHAREHOLDER, MEMBER, OR DIRECTOR TO INSPECT THE RECORDS DEMANDED.

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

10 (7) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, THE
11 ARTICLES OF INCORPORATION, THE BYLAWS, OR A RESOLUTION OF THE BOARD
12 OF DIRECTORS MAY PROVIDE THAT THE SHAREHOLDERS OR MEMBERS AND
13 ATTORNEYS OR AGENTS FOR SHAREHOLDERS OR MEMBERS DO NOT HAVE THE
14 RIGHT TO INSPECT THE CORPORATION'S STOCK LEDGER, LISTS OF
15 SHAREHOLDER OR MEMBERS, LISTS OF DONORS OR DONATIONS, OR ITS OTHER
16 BOOKS AND RECORDS, IF THE INCORPORATORS, SHAREHOLDERS, MEMBERS, OR
17 DIRECTORS THAT APPROVE A LIMITATION UNDER THIS SUBSECTION MAKE A
18 GOOD FAITH DETERMINATION THAT 1 OR MORE OF THE FOLLOWING APPLY:

19 (A) OPENING THE STOCK LEDGER, LISTS OF SHAREHOLDER OR MEMBERS,
20 LISTS OF DONORS OR DONATIONS, OR ITS OTHER BOOKS AND RECORDS FOR
21 INSPECTION WOULD IMPAIR THE RIGHTS OF PRIVACY OR FREE ASSOCIATION
22 OF THE SHAREHOLDERS OR MEMBERS.

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

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

1 (8) A CORPORATION THAT LIMITS INSPECTION OF LISTS OF ITS
2 SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (7) SHALL PROVIDE A
3 REASONABLE WAY FOR SHAREHOLDERS OR MEMBERS TO COMMUNICATE WITH ALL
4 OTHER SHAREHOLDERS OR MEMBERS CONCERNING THE ELECTION OF DIRECTORS
5 AND OTHER AFFAIRS OF THE CORPORATION. A CORPORATION DESCRIBED IN
6 THIS SUBSECTION MAY REQUIRE A SHAREHOLDER OR MEMBER THAT WISHES TO
7 COMMUNICATE WITH OTHER SHAREHOLDERS OR MEMBERS UNDER THIS
8 SUBSECTION TO PAY THE REASONABLE COSTS TO COVER THE COST OF LABOR
9 AND MATERIALS AND THIRD-PARTY CHARGES INCURRED BY THE CORPORATION
10 IN DOING SO.

11 (9) AS USED IN THIS SECTION:

12 (A) "PROPER PURPOSE" MEANS A PURPOSE THAT IS REASONABLY
13 RELATED TO A PERSON'S INTEREST AS A SHAREHOLDER OR MEMBER OF A
14 CORPORATION.

15 (B) "RIGHT TO INSPECT RECORDS" INCLUDES THE RIGHT TO COPY AND
16 MAKE EXTRACTS FROM THE RECORDS OF A CORPORATION AND, IF REASONABLE,
17 THE RIGHT TO REQUIRE THE CORPORATION TO SUPPLY COPIES MADE BY
18 PHOTOGRAPHIC, XEROGRAPHIC, OR OTHER MEANS. TO COVER THE COST OF
19 LABOR AND MATERIAL, THE CORPORATION MAY REQUIRE A SHAREHOLDER OR
20 MEMBER TO PAY A REASONABLE CHARGE FOR COPIES OF THE DOCUMENTS
21 PROVIDED TO THE SHAREHOLDER OR MEMBER.

22 SEC. 488. (1) SUBJECT TO SUBSECTION (11), AN AGREEMENT AMONG
23 THE MEMBERS OF A CORPORATION THAT IS ORGANIZED ON A MEMBERSHIP
24 BASIS, AMONG THE SHAREHOLDERS OF A CORPORATION THAT IS ORGANIZED ON
25 A STOCK BASIS, OR AMONG THE DIRECTORS OF A CORPORATION THAT IS
26 ORGANIZED ON A DIRECTORSHIP BASIS THAT COMPLIES WITH THIS SECTION
27 IS EFFECTIVE AMONG THE MEMBERS, SHAREHOLDERS, OR DIRECTORS AND THE

1 CORPORATION EVEN THOUGH IT IS INCONSISTENT WITH THIS ACT IN 1 OR
2 MORE OF THE FOLLOWING WAYS:

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

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

8 (C) IT ESTABLISHES WHO SHALL BE DIRECTORS OR OFFICERS OF THE
9 CORPORATION, OR THE TERMS OF OFFICE OR MANNER OF SELECTION OR
10 REMOVAL OF DIRECTORS OR OFFICERS OF THE CORPORATION.

11 (D) IN GENERAL OR IN REGARD TO SPECIFIC MATTERS, IT GOVERNS
12 THE EXERCISE OR DIVISION OF VOTING POWER BY OR BETWEEN THE MEMBERS
13 OR SHAREHOLDERS AND DIRECTORS OR BY OR AMONG ANY OF THE MEMBERS,
14 SHAREHOLDERS, OR DIRECTORS, INCLUDING, BUT NOT LIMITED TO, USE OF
15 WEIGHTED VOTING RIGHTS OR RESTRICTIONS ON THE VOTING RIGHTS OF
16 PARTICULAR MEMBERS, SHAREHOLDERS, OR DIRECTORS.

17 (E) IT ESTABLISHES THE TERMS AND CONDITIONS OF ANY AGREEMENT
18 FOR THE TRANSFER OR USE OF PROPERTY OR THE PROVISION OF SERVICES
19 BETWEEN THE CORPORATION AND ANY MEMBER, SHAREHOLDER, DIRECTOR,
20 OFFICER, OR EMPLOYEE OF THE CORPORATION OR AMONG THE MEMBERS,
21 SHAREHOLDERS, DIRECTORS, OFFICERS, OR EMPLOYEES OF THE CORPORATION.

22 (F) IT TRANSFERS TO 1 OR MORE MEMBERS, SHAREHOLDERS, OR OTHER
23 PERSONS ALL OR PART OF THE AUTHORITY TO EXERCISE THE CORPORATE
24 POWERS OR TO MANAGE THE BUSINESS AND AFFAIRS OF THE CORPORATION,
25 INCLUDING, BUT NOT LIMITED TO, THE RESOLUTION OF ANY ISSUE ABOUT
26 WHICH THERE EXISTS A DEADLOCK AMONG DIRECTORS, MEMBERS, OR
27 SHAREHOLDERS.

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

4 (H) IT ESTABLISHES THAT SHARES OR MEMBERSHIPS MAY BE
5 ASSESSABLE BY THE CORPORATION, INCLUDING THE PROCEDURES FOR AN
6 ASSESSMENT AND THE CONSEQUENCES OF A FAILURE BY A SHAREHOLDER OR
7 MEMBER TO PAY AN ASSESSMENT.

8 (I) IT OTHERWISE GOVERNS THE EXERCISE OF THE CORPORATE POWERS
9 OR THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF THE CORPORATION OR
10 THE RELATIONSHIP AMONG THE SHAREHOLDERS, THE MEMBERS, THE
11 DIRECTORS, AND THE CORPORATION, OR AMONG ANY OF THE SHAREHOLDERS,
12 MEMBERS, OR DIRECTORS, AND IS NOT CONTRARY TO PUBLIC POLICY.

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

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

16 (i) A PROVISION OF THE ARTICLES OF INCORPORATION OR BYLAWS THAT
17 IS APPROVED BY ALL MEMBERS OR SHAREHOLDERS OR ALL DIRECTORS OF A
18 CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS AT THE TIME
19 OF THE AGREEMENT.

20 (ii) A WRITTEN AGREEMENT THAT IS SIGNED BY ALL MEMBERS OR
21 SHAREHOLDERS OR ALL DIRECTORS OF A CORPORATION THAT IS ORGANIZED ON
22 A DIRECTORSHIP BASIS AT THE TIME OF THE AGREEMENT AND THAT IS
23 DISCLOSED TO THE CORPORATION.

24 (B) IS SUBJECT TO AMENDMENT ONLY BY ALL MEMBERS OR
25 SHAREHOLDERS OR BY ALL DIRECTORS OF A CORPORATION THAT IS ORGANIZED
26 ON A DIRECTORSHIP BASIS AT THE TIME OF THE AMENDMENT, UNLESS THE
27 AGREEMENT PROVIDES OTHERWISE OR THE AMENDMENT INVOLVES A PROVISION

1 OF THE ARTICLES OF INCORPORATION DESCRIBED IN SECTION 209(1)(F).

2 (3) A CORPORATION SHALL CONSPICUOUSLY NOTE THE EXISTENCE OF AN
3 AGREEMENT AUTHORIZED UNDER THIS SECTION ON THE FACE OR BACK OF ANY
4 CERTIFICATE OF MEMBERSHIP OR FOR SHARES ISSUED BY THE CORPORATION
5 OR ON THE INFORMATION STATEMENT REQUIRED UNDER SECTION 336. IF AT
6 THE TIME OF THE AGREEMENT THE CORPORATION HAS MEMBERSHIPS OR SHARES
7 OUTSTANDING REPRESENTED BY CERTIFICATES, THE CORPORATION SHALL
8 RECALL THE OUTSTANDING CERTIFICATES AND ISSUE SUBSTITUTE
9 CERTIFICATES THAT COMPLY WITH THIS SUBSECTION. A FAILURE TO NOTE
10 THE EXISTENCE OF THE AGREEMENT ON THE CERTIFICATE OR INFORMATION
11 STATEMENT DOES NOT AFFECT THE VALIDITY OF THE AGREEMENT OR ANY
12 ACTION TAKEN UNDER THE AGREEMENT.

13 (4) ANY PERSON THAT BECOMES A MEMBER OF A CORPORATION
14 ORGANIZED ON A MEMBERSHIP BASIS, A SHAREHOLDER OF A CORPORATION
15 ORGANIZED ON A STOCK BASIS, OR A DIRECTOR OF A CORPORATION
16 ORGANIZED ON A DIRECTORSHIP BASIS AND DID NOT HAVE KNOWLEDGE OF THE
17 EXISTENCE OF AN AGREEMENT AUTHORIZED UNDER THIS SECTION AT THE TIME
18 THE PERSON BECAME A MEMBER, SHAREHOLDER, OR DIRECTOR, MAY ELECT TO
19 RESIGN AS A MEMBER, SHAREHOLDER, OR DIRECTOR, MAY ELECT TO RESCIND
20 THE TRANSFER OF ANY MEMBERSHIP OR SHARES, OR MAY ELECT TO MAINTAIN
21 AN ACTION TO TERMINATE THE AGREEMENT. FOR PURPOSES OF THIS
22 SUBSECTION, A PERSON IS CONSIDERED TO HAVE KNOWLEDGE OF AN
23 AGREEMENT AUTHORIZED UNDER THIS SECTION IF AT THE TIME THE PERSON
24 BECOMES A MEMBER, SHAREHOLDER, OR DIRECTOR, THE AGREEMENT IS
25 INCLUDED IN THE ARTICLES OF INCORPORATION OR BYLAWS, THE
26 AGREEMENT'S EXISTENCE IS NOTED ON THE CERTIFICATE OR INFORMATION
27 STATEMENT PROVIDED UNDER SUBSECTION (3), OR A COPY OR A WRITTEN

1 SUMMARY OF THE AGREEMENT IS FURNISHED TO THE PERSON BEFORE THE
2 PERSON BECOMES A MEMBER, SHAREHOLDER, OR DIRECTOR. A PERSON MUST
3 COMMENCE AN ACTION TO ENFORCE A RIGHT OF RESCISSION OR TO TERMINATE
4 THE AGREEMENT WITHIN 90 DAYS AFTER DISCOVERY OF THE EXISTENCE OF
5 THE AGREEMENT OR 2 YEARS AFTER THE PERSON BECOMES A SHAREHOLDER,
6 MEMBER, OR DIRECTOR, WHICHEVER IS EARLIER. IN AN ACTION OR SUIT TO
7 TERMINATE THE AGREEMENT, THE COURT IN WHICH THE ACTION IS BROUGHT
8 SHALL TERMINATE THE AGREEMENT IF THE COURT DETERMINES THAT THE
9 AGREEMENT IS MATERIALLY INCONSISTENT WITH OR DETRIMENTAL TO
10 CARRYING OUT THE PURPOSES OF THE CORPORATION, MATERIALLY IMPAIRS
11 RIGHTS OR INTERESTS THE PERSON THAT BROUGHT THE ACTION OR SUIT
12 WOULD REASONABLY HAVE EXPECTED TO HAVE ACQUIRED IN BECOMING A
13 MEMBER, SHAREHOLDER, OR DIRECTOR, OR IS INCONSISTENT WITH 1 OR MORE
14 OF THE LIMITATIONS UNDER SUBSECTION (11).

15 (5) IF AN AGREEMENT AUTHORIZED IN THIS SECTION CEASES TO BE
16 EFFECTIVE FOR ANY REASON AND IS CONTAINED OR REFERRED TO IN THE
17 CORPORATION'S ARTICLES OF INCORPORATION OR BYLAWS, THE BOARD MAY
18 WITHOUT SHAREHOLDER OR MEMBER ACTION ADOPT AN AMENDMENT TO THE
19 ARTICLES OF INCORPORATION OR BYLAWS TO DELETE THE AGREEMENT AND ANY
20 REFERENCES TO IT.

21 (6) AN AGREEMENT AUTHORIZED UNDER THIS SECTION THAT LIMITS THE
22 DISCRETION OR POWERS OF THE BOARD SHALL RELIEVE THE DIRECTORS OF,
23 AND IMPOSE ON THE PERSON OR PERSONS IN WHICH THE DISCRETION OR
24 POWERS ARE VESTED, LIABILITY FOR ACTS OR OMISSIONS IMPOSED BY LAW
25 ON DIRECTORS TO THE EXTENT THAT THE DISCRETION OR POWERS OF THE
26 DIRECTORS ARE LIMITED BY THE AGREEMENT. THE PERSON OR PERSONS IN
27 WHICH THE DISCRETION OR POWERS ARE VESTED ARE TREATED AS A DIRECTOR

1 OR DIRECTORS FOR PURPOSES OF ANY INDEMNIFICATION AND ANY LIMITATION
2 ON LIABILITY UNDER SECTION 209.

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

10 (8) FILING A CERTIFICATE OF DISSOLUTION UNDER SECTION 805 IS
11 REQUIRED TO IMPLEMENT A DISSOLUTION UNDER AN AGREEMENT AUTHORIZED
12 UNDER SUBSECTION (1) (G) .

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

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

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

23 (A) TO AUTHORIZE DISTRIBUTIONS THAT ARE NOT PERMITTED UNDER
24 SECTION 301.

25 (B) TO ALLOW PROPERTY THAT IS HELD FOR CHARITABLE OR OTHER
26 PUBLIC PURPOSES TO BE USED FOR PRIVATE BENEFIT, THROUGH THE PAYMENT
27 OR EXCESSIVE COMPENSATION FOR GOODS OR SERVICES, OR IN ANY OTHER

1 MANNER.

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

5 SEC. 489. (1) A DIRECTOR OF A CORPORATION THAT IS ORGANIZED ON
6 A DIRECTORSHIP BASIS, A SHAREHOLDER OF A CORPORATION THAT IS
7 ORGANIZED ON A STOCK BASIS, OR A MEMBER OF A CORPORATION THAT IS
8 ORGANIZED ON A MEMBERSHIP BASIS MAY BRING AN ACTION IN THE CIRCUIT
9 COURT OF THE COUNTY IN WHICH THE PRINCIPAL PLACE OF BUSINESS OR
10 REGISTERED OFFICE OF THE CORPORATION IS LOCATED TO ESTABLISH THAT
11 THE ACTS OF THE DIRECTORS, SHAREHOLDERS, MEMBERS, OR OTHERS IN
12 CONTROL OF THE CORPORATION ARE ILLEGAL, FRAUDULENT, OR WILLFULLY
13 UNFAIR AND OPPRESSIVE TO THE CORPORATION OR TO THE DIRECTOR,
14 MEMBER, OR SHAREHOLDER. IF THE DIRECTOR, MEMBER, OR SHAREHOLDER
15 ESTABLISHES GROUNDS FOR RELIEF, THE CIRCUIT COURT MAY MAKE AN ORDER
16 OR GRANT RELIEF AS IT CONSIDERS APPROPRIATE INCLUDING, BUT NOT
17 LIMITED TO, AN ORDER THAT PROVIDES FOR ANY OF THE FOLLOWING:

18 (A) THE DISSOLUTION AND LIQUIDATION OF THE ASSETS AND AFFAIRS
19 OF THE CORPORATION.

20 (B) THE CANCELLATION OR ALTERATION OF A PROVISION CONTAINED IN
21 THE ARTICLES OF INCORPORATION, AN AMENDMENT OF THE ARTICLES OF
22 INCORPORATION, OR THE BYLAWS OF THE CORPORATION.

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

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

1 (E) THE PURCHASE AT FAIR VALUE OF THE SHARES OF A SHAREHOLDER
2 OR THE MEMBERSHIP OF A MEMBER, EITHER BY THE CORPORATION OR BY THE
3 OFFICERS, DIRECTORS, OR OTHER SHAREHOLDERS OR MEMBERS RESPONSIBLE
4 FOR THE WRONGFUL ACTS. IN ESTABLISHING THE FAIR VALUE OF THE SHARES
5 OR MEMBERSHIP FOR PURPOSES OF THIS SUBSECTION, A SHAREHOLDER OR
6 MEMBER IS NOT CONSIDERED TO HAVE ANY INTEREST IN CHARITABLE OR
7 OTHER ASSETS OF THE CORPORATION THAT WOULD NOT BE DISTRIBUTABLE TO
8 SHAREHOLDERS OR MEMBERS OF THE CORPORATION IN A DISSOLUTION UNDER
9 SECTION 855.

10 (F) AN AWARD OF DAMAGES TO THE CORPORATION OR A SHAREHOLDER OR
11 MEMBER. A PERSON MUST COMMENCE AN ACTION SEEKING AN AWARD OF
12 DAMAGES WITHIN 3 YEARS AFTER THE CAUSE OF ACTION UNDER THIS SECTION
13 HAS ACCRUED, OR WITHIN 2 YEARS AFTER THE SHAREHOLDER OR MEMBER
14 DISCOVERS OR REASONABLY SHOULD HAVE DISCOVERED THE CAUSE OF ACTION
15 UNDER THIS SECTION, WHICHEVER OCCURS FIRST. IN AWARDING DAMAGES
16 UNDER THIS SUBSECTION TO A SHAREHOLDER OR MEMBER, THE SHAREHOLDER
17 OR 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 (2) AS USED IN THIS SECTION, "WILLFULLY UNFAIR AND OPPRESSIVE
22 CONDUCT" WITH RESPECT TO A MEMBER OR SHAREHOLDER MEANS A CONTINUING
23 COURSE OF CONDUCT OR A SIGNIFICANT ACTION OR SERIES OF ACTIONS THAT
24 SUBSTANTIALLY INTERFERES WITH THE RIGHTS OR INTERESTS OF THE MEMBER
25 OR SHAREHOLDER AS A MEMBER OR SHAREHOLDER. THE TERM DOES NOT
26 INCLUDE CONDUCT OR ACTIONS THAT ARE PERMITTED BY AN AGREEMENT, THE
27 ARTICLES OF INCORPORATION, THE BYLAWS, OR A CONSISTENTLY APPLIED

1 WRITTEN CORPORATE POLICY OR PROCEDURE.

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

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

6 (B) "DIRECTOR" INCLUDES AN INDIVIDUAL WHO WAS SERVING ON THE
7 BOARD OF A CORPORATION ORGANIZED ON A DIRECTORSHIP BASIS AT THE
8 TIME OF THE ACT OR OMISSION COMPLAINED OF AND AN INDIVIDUAL WHO
9 BECOMES A MEMBER OF THE BOARD OF THAT CORPORATION AFTER THE ACT OR
10 OMISSION.

11 (C) "DISINTERESTED DIRECTOR" MEANS AN INDIVIDUAL WHO IS
12 CURRENTLY SERVING ON THE BOARD OF A CORPORATION AND IS NOT A PARTY
13 TO A DERIVATIVE PROCEEDING, OR AN INDIVIDUAL WHO IS CURRENTLY
14 SERVING ON THE BOARD OF A CORPORATION AND IS A PARTY TO A
15 DERIVATIVE PROCEEDING IF THE CORPORATION DEMONSTRATES THAT THE
16 CLAIM ASSERTED AGAINST THE DIRECTOR IS FRIVOLOUS OR INSUBSTANTIAL.

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

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

25 SEC. 492A. A SHAREHOLDER OR MEMBER MAY NOT COMMENCE OR
26 MAINTAIN A DERIVATIVE PROCEEDING UNLESS THE SHAREHOLDER OR MEMBER
27 MEETS ALL OF THE FOLLOWING CRITERIA:

1 (A) THE SHAREHOLDER OR MEMBER WAS A SHAREHOLDER OR MEMBER OF
2 THE CORPORATION AT THE TIME OF THE ACT OR OMISSION COMPLAINED OF OR
3 BECAME A SHAREHOLDER OR MEMBER THROUGH A PERMITTED TRANSFER BY
4 OPERATION OF LAW FROM A PERSON THAT WAS A SHAREHOLDER OR MEMBER AT
5 THAT TIME.

6 (B) THE SHAREHOLDER OR MEMBER FAIRLY AND ADEQUATELY REPRESENTS
7 THE INTERESTS OF THE CORPORATION IN ENFORCING THE RIGHT OF THE
8 CORPORATION.

9 (C) THE SHAREHOLDER OR MEMBER CONTINUES TO BE A SHAREHOLDER OR
10 MEMBER UNTIL THE TIME OF JUDGMENT, UNLESS THE FAILURE TO CONTINUE
11 TO BE A SHAREHOLDER OR MEMBER IS THE RESULT OF CORPORATE ACTION IN
12 WHICH THE FORMER SHAREHOLDER OR MEMBER DID NOT ACQUIESCE AND THE
13 DERIVATIVE PROCEEDING WAS COMMENCED BEFORE THE TERMINATION OF THE
14 FORMER SHAREHOLDER'S OR MEMBER'S STATUS AS A SHAREHOLDER OR MEMBER.

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

17 (A) A WRITTEN DEMAND IS MADE ON THE CORPORATION TO TAKE
18 SUITABLE ACTION.

19 (B) NINETY DAYS HAVE EXPIRED FROM THE DATE THE DEMAND WAS MADE
20 UNLESS THE SHAREHOLDER, MEMBER, OR DIRECTOR IS NOTIFIED THAT THE
21 CORPORATION HAS REJECTED THE DEMAND OR UNLESS IRREPARABLE INJURY TO
22 THE CORPORATION WOULD RESULT BY WAITING FOR THE EXPIRATION OF THE
23 90-DAY PERIOD.

24 SEC. 494. IF THE CORPORATION COMMENCES AN INVESTIGATION OF THE
25 ALLEGATIONS MADE IN A DEMAND UNDER SECTION 493 OR A COMPLAINT IN A
26 DERIVATIVE PROCEEDING, THE COURT MAY STAY THE DERIVATIVE PROCEEDING
27 FOR A PERIOD THAT THE COURT CONSIDERS APPROPRIATE.

1 SEC. 495. (1) ON A MOTION BY THE CORPORATION IN A DERIVATIVE
2 PROCEEDING, THE COURT SHALL DISMISS THE PROCEEDING IF THE COURT
3 FINDS THAT 1 OF THE GROUPS SPECIFIED IN SUBSECTION (2) HAS MADE A
4 DETERMINATION IN GOOD FAITH AFTER CONDUCTING A REASONABLE
5 INVESTIGATION ON WHICH ITS CONCLUSIONS ARE BASED, THAT THE
6 MAINTENANCE OF THE DERIVATIVE PROCEEDING IS NOT IN THE BEST
7 INTERESTS OF THE CORPORATION. IF THE DETERMINATION IS MADE UNDER
8 SUBSECTION (2) (A) OR (B), THE CORPORATION HAS THE BURDEN OF PROVING
9 THE GOOD FAITH OF THE GROUP MAKING THE DETERMINATION AND THE
10 REASONABLENESS OF THE INVESTIGATION. IF THE DETERMINATION IS MADE
11 UNDER SUBSECTION (2) (C) OR (D), THE PLAINTIFF HAS THE BURDEN OF
12 PROVING THAT THE DETERMINATION WAS NOT MADE IN GOOD FAITH OR THAT
13 THE INVESTIGATION WAS NOT REASONABLE.

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

16 (A) BY A MAJORITY VOTE OF THE DISINTERESTED DIRECTORS, IF THE
17 DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT A MEETING OF THE
18 BOARD.

19 (B) BY A MAJORITY VOTE OF A COMMITTEE THAT CONSISTS OF 2 OR
20 MORE DISINTERESTED DIRECTORS APPOINTED BY A MAJORITY VOTE OF
21 DISINTERESTED DIRECTORS PRESENT AT A MEETING OF THE BOARD, WHETHER
22 OR NOT THE DISINTERESTED DIRECTORS CONSTITUTE A QUORUM AT THE
23 MEETING.

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

26 (D) BY ALL DISINTERESTED DIRECTORS.

27 SEC. 496. A DERIVATIVE PROCEEDING SHALL NOT BE DISCONTINUED OR

1 SETTLED WITHOUT THE COURT'S APPROVAL. IF THE COURT DETERMINES THAT
2 A PROPOSED DISCONTINUANCE OR SETTLEMENT WILL SUBSTANTIALLY AFFECT
3 THE INTERESTS OF THE CORPORATION'S SHAREHOLDERS OR MEMBERS OR A
4 CLASS OF SHAREHOLDERS OR MEMBERS, THE COURT SHALL DIRECT THAT
5 NOTICE BE GIVEN TO THE SHAREHOLDERS OR MEMBERS AFFECTED AND THE
6 COURT MAY DETERMINE WHETHER 1 OR MORE OF THE PARTIES TO THE ACTION
7 SHALL BEAR THE EXPENSE OF GIVING THE NOTICE, IN THE AMOUNT AS THE
8 COURT DETERMINES AND FINDS TO BE REASONABLE UNDER THE
9 CIRCUMSTANCES. THE COURT SHALL AWARD THE COST OF THE NOTICE AS
10 SPECIAL COSTS OF THE ACTION, RECOVERABLE IN THE SAME MANNER AS
11 STATUTORY TAXABLE COSTS.

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

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

18 (B) THE CORPORATION TO PAY THE PLAINTIFF'S REASONABLE
19 EXPENSES, INCLUDING REASONABLE ATTORNEY FEES, INCURRED IN THE
20 PROCEEDING IF IT FINDS THAT THE PROCEEDING HAS RESULTED IN A
21 SUBSTANTIAL BENEFIT TO THE CORPORATION. THE COURT SHALL DIRECT THE
22 PLAINTIFF TO ACCOUNT TO THE CORPORATION FOR ANY PROCEEDS RECEIVED
23 BY THE PLAINTIFF IN EXCESS OF EXPENSES AWARDED BY THE COURT, UNLESS
24 THE JUDGMENT IS RENDERED FOR THE BENEFIT OF AN INJURED SHAREHOLDER
25 OR MEMBER ONLY AND LIMITED TO A RECOVERY OF THE LOSS OR DAMAGE
26 SUSTAINED BY THE SHAREHOLDER OR MEMBER.

27 Sec. 501. (1) The business and affairs of a corporation shall

1 be managed by **OR UNDER THE DIRECTION OF** its board, except as
2 otherwise provided in this act **OR IN ITS ARTICLES OF INCORPORATION**.

3 A director ~~need not~~ **IS NOT REQUIRED TO** be a shareholder or member
4 of the corporation unless the articles **OF INCORPORATION** or bylaws
5 so require. The articles **OF INCORPORATION** or bylaws may prescribe
6 qualifications for directors.

7 (2) The board of a corporation that is subject to the uniform
8 prudent management of institutional funds act, **2009 PA 87, MCL**
9 **451.921 TO 451.931**, has the powers granted under both that act and
10 this act. ~~However, in~~ **IN** the event of an inconsistency between the
11 2 acts, the uniform prudent management of institutional funds act,
12 **2009 PA 87, MCL 451.921 TO 451.931**, controls.

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

18 (A) **THE BOARD OF A PRIVATE FOUNDATION AND BOARD OF A**
19 **CORPORATION FORMED TO PROVIDE CARE TO A DENTALLY UNDERSERVED**
20 **POPULATION UNDER SECTION 16625 OF THE PUBLIC HEALTH CODE, 1978 PA**
21 **368, MCL 333.16625, SHALL CONSIST OF 1 OR MORE DIRECTORS.**

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

24 (2) The articles of incorporation or a bylaw adopted by the
25 shareholders, members, or incorporators of a corporation **THAT IS**
26 organized on a stock or membership basis may specify the term of
27 office and the manner of election or appointment of directors. If

1 the articles of incorporation or bylaws do not ~~so~~ specify the term
2 of office or manner of election or appointment of directors, the
3 first board of directors shall hold office until the first annual
4 meeting of shareholders or members. At the first annual meeting of
5 shareholders or members and at each subsequent annual meeting the
6 shareholders or members shall elect directors to hold office until
7 the succeeding annual meeting, except ~~in case of the classification~~
8 ~~of directors permitted under this act.~~ **AS PROVIDED IN SECTION 506.**

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

12 (4) A director shall hold office for the term for which he or
13 she is elected or appointed and until his or her successor is
14 elected or appointed and qualified, or until his or her resignation
15 or removal. A director may resign by written notice to the
16 corporation. A resignation of a director is effective when it is
17 received by the corporation or **AT** a later time if ~~set forth~~ **A LATER**
18 **TIME IS STATED** in the notice of resignation.

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

24 Sec. 506. (1) The articles of incorporation or a bylaw adopted
25 by the shareholders, ~~or members,~~ **OR INCORPORATORS** of a corporation
26 **THAT IS** organized ~~upon~~ **ON** a stock or membership basis may provide
27 that in lieu of annual election of all directors the directors ~~be~~

1 ARE divided into ~~2 or more~~ UP TO 5 classes, ~~to be~~ EACH OF WHICH IS
2 AS NEARLY EQUAL IN NUMBER AS POSSIBLE, AND elected or appointed for
3 such ~~THE~~ terms and in such ~~THE~~ manner as therein specified IN THE
4 ARTICLES OF INCORPORATION OR BYLAWS. If the articles of
5 incorporation or the bylaws do not ~~so~~ specify the term of office
6 for the classes of directors, the term of office of directors in
7 the first class shall expire at the first annual meeting of
8 shareholders or members after their election, and that of each
9 succeeding class shall expire at the next annual meeting after
10 their election corresponding with the number of their class. At
11 each annual meeting after ~~such classification,~~ CLASSES ARE
12 ESTABLISHED, THE SHAREHOLDERS OR MEMBERS SHALL ELECT a number of
13 directors equal to the number of the class whose term expires at
14 the time of the meeting ~~shall be elected to~~ hold office until the
15 next annual meeting corresponding with the number of their class.

16 (2) A corporation ~~having~~ THAT HAS more than 1 class of shares
17 or membership may provide in its articles of incorporation or a
18 bylaw adopted by each class of shareholders or members for the
19 election of 1 or more directors by shareholders or members of a
20 class, to the exclusion of other shareholders or members.

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

26 Sec. 511. (1) ~~Unless otherwise provided in the articles of~~
27 ~~incorporation or bylaws, a director or the entire board may be~~

1 ~~removed.~~THE SHAREHOLDERS OR MEMBERS OF A CORPORATION THAT IS
2 ORGANIZED ON A STOCK OR MEMBERSHIP BASIS MAY REMOVE 1 OR MORE
3 DIRECTORS WITH OR WITHOUT CAUSE UNLESS THE ARTICLES OF
4 INCORPORATION PROVIDE THAT DIRECTORS MAY BE REMOVED ONLY FOR CAUSE.
5 A VOTE OF A MAJORITY OF THE SHARES OR MEMBERS ENTITLED TO VOTE AT
6 AN ELECTION OF DIRECTORS IS REQUIRED FOR REMOVAL, EXCEPT THAT THE
7 ARTICLES OF INCORPORATION MAY REQUIRE A HIGHER VOTE FOR REMOVAL
8 WITHOUT CAUSE. THIS SUBSECTION DOES NOT INVALIDATE ANY BYLAW
9 ADOPTED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
10 THIS SENTENCE TO THE EXTENT THAT THE BYLAW APPLIES TO REMOVAL
11 WITHOUT CAUSE.

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

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

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

27 (3) ~~(2) In the case of~~IF a corporation having ~~HAS~~ cumulative

1 voting, ~~if~~ **AND** less than the entire board is to be removed, no 1 of
2 the directors may be removed if the votes cast against ~~the~~
3 ~~director's~~ **HIS OR HER** removal ~~would be~~ **ARE** sufficient to elect the
4 ~~director~~ **HIM OR HER** if ~~then~~ cumulatively voted at an election of
5 the entire board of directors, or, if there are classes of
6 directors, at an election of the class of directors of which ~~the~~
7 ~~director~~ **HE OR SHE** is a part.

8 (4) ~~(3) When shareholders~~ **IF HOLDERS OF A CLASS OF STOCK OR OF**
9 **BONDS** or members of a class are entitled by ~~by~~ **UNDER** the articles **OF**
10 **INCORPORATION** or a bylaw adopted ~~pursuant to~~ **UNDER** section 506(2)
11 to elect 1 or more directors, this section applies, with respect to
12 removal of a director so elected, to the vote of the holders of the
13 outstanding shares ~~or~~ **OF THAT CLASS OF STOCK, THE HOLDERS OF THOSE**
14 **BONDS, OR THE** members of that class. ~~and not to the vote of the~~
15 ~~outstanding shares or membership as a whole.~~

16 **SEC. 514. (1) THE CIRCUIT COURT FOR THE COUNTY IN WHICH THE**
17 **PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE OF A CORPORATION**
18 **IS LOCATED MAY REMOVE A DIRECTOR OF THE CORPORATION FROM OFFICE IN**
19 **A PROCEEDING COMMENCED BY THE CORPORATION, BY ITS SHAREHOLDERS**
20 **HOLDING AT LEAST 10% OF THE OUTSTANDING SHARES OF ANY CLASS, OR BY**
21 **10% OF THE MEMBERS IF THE COURT FINDS THAT THE DIRECTOR ENGAGED IN**
22 **FRAUDULENT, ILLEGAL, OR DISHONEST CONDUCT OR GROSS ABUSE OF**
23 **AUTHORITY OR DISCRETION WITH RESPECT TO THE CORPORATION, AND**
24 **REMOVAL IS IN THE BEST INTEREST OF THE CORPORATION.**

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

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

3 SEC. 515A. (1) UNLESS OTHERWISE LIMITED IN THE ARTICLES OF
4 INCORPORATION OR BYLAWS, IF A VACANCY, INCLUDING A VACANCY
5 RESULTING FROM AN INCREASE IN THE NUMBER OF DIRECTORS, OCCURS ON A
6 BOARD, THE CORPORATION MAY FILL THE VACANCY IN ANY OF THE FOLLOWING
7 MANNERS:

8 (A) THE SHAREHOLDERS OF A CORPORATION THAT IS ORGANIZED ON A
9 STOCK BASIS OR THE MEMBERS OF A CORPORATION THAT IS ORGANIZED ON A
10 MEMBERSHIP BASIS MAY FILL THE VACANCY.

11 (B) THE BOARD MAY FILL THE VACANCY.

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

15 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF INCORPORATION
16 OR BYLAWS, IF THE HOLDERS OF ANY CLASS OR CLASSES OF STOCK OR THE
17 MEMBERS OF ANY CLASS OR CLASSES ARE ENTITLED TO ELECT 1 OR MORE
18 DIRECTORS TO THE EXCLUSION OF OTHER SHAREHOLDERS OR MEMBERS,
19 VACANCIES OF THAT CLASS OR CLASSES MAY BE FILLED ONLY BY 1 OF THE
20 FOLLOWING:

21 (A) BY A MAJORITY OF THE DIRECTORS ELECTED BY THE HOLDERS OF
22 THAT CLASS OR CLASSES OF STOCK OR THE MEMBERS OF THAT CLASS OR
23 CLASSES THEN IN OFFICE, WHETHER OR NOT THOSE DIRECTORS CONSTITUTE A
24 QUORUM OF THE BOARD.

25 (B) BY THE HOLDERS OF SHARES OF THAT CLASS OR CLASSES OF
26 SHARES OR THE MEMBERS OF THAT CLASS OR CLASSES.

27 (3) UNLESS OTHERWISE LIMITED IN THE ARTICLES OF INCORPORATION

1 OR BYLAWS, IF A CORPORATION'S DIRECTORS ARE DIVIDED INTO CLASSES,
2 ANY DIRECTOR CHOSEN TO FILL A VACANCY SHALL HOLD OFFICE UNTIL THE
3 NEXT ELECTION OF THE CLASS FOR WHICH THE DIRECTOR WAS CHOSEN, AND
4 UNTIL HIS OR HER SUCCESSOR IS ELECTED AND QUALIFIED.

5 (4) IF BECAUSE OF DEATH, RESIGNATION, OR OTHER CAUSE, A
6 CORPORATION HAS NO DIRECTORS IN OFFICE, AN OFFICER, A SHAREHOLDER,
7 A MEMBER OF A CORPORATION THAT IS ORGANIZED ON A MEMBERSHIP BASIS,
8 A PERSONAL REPRESENTATIVE, ADMINISTRATOR, TRUSTEE, OR GUARDIAN OF A
9 SHAREHOLDER OR MEMBER, OR OTHER FIDUCIARY ENTRUSTED WITH THE SAME
10 RESPONSIBILITY FOR THE PERSON OR ESTATE OF A SHAREHOLDER OR MEMBER,
11 MAY CALL A SPECIAL MEETING OF SHAREHOLDERS OR MEMBERS IN ACCORDANCE
12 WITH THE ARTICLES OR THE BYLAWS.

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

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

21 (2) A BOARD MAY HOLD A regular meeting ~~may be held~~ with or
22 without notice as prescribed in the bylaws. A BOARD MAY HOLD A
23 special meeting ~~shall be held upon~~ AFTER GIVING notice as
24 prescribed in the bylaws. ~~Attendance of a director at a meeting~~
25 ~~constitutes a waiver of notice of the meeting, except where a~~
26 ~~director attends a meeting for the express purpose of objecting to~~
27 ~~the transaction of any business because the meeting is not lawfully~~

1 ~~called or convened. Neither~~ **A DIRECTOR'S ATTENDANCE AT OR**
 2 **PARTICIPATION IN A MEETING WAIVES ANY REQUIRED NOTICE TO HIM OR HER**
 3 **OF THE MEETING UNLESS HE OR SHE AT THE BEGINNING OF THE MEETING, OR**
 4 **WHEN HE OR SHE ARRIVES, OBJECTS TO THE MEETING OR THE TRANSACTING**
 5 **OF BUSINESS AT THE MEETING AND AFTER OBJECTING DOES NOT VOTE FOR OR**
 6 **ASSENT TO ANY ACTION TAKEN AT THE MEETING. UNLESS REQUIRED UNDER**
 7 **THE BYLAWS, NOTICE OR A WAIVER OF NOTICE OF A MEETING DOES NOT HAVE**
 8 **TO SPECIFY** the business to be transacted at, ~~nor~~ **OR** the purpose of,
 9 ~~a~~ **THE** regular or special meeting. ~~need be specified in the notice~~
 10 ~~or waiver of notice of the meeting unless required by the bylaws.~~

11 (3) Unless otherwise restricted ~~by~~ **IN** the articles of
 12 incorporation or bylaws, a member of the board or of a committee
 13 designated by the board may participate in a meeting by means of
 14 conference telephone or other means of remote communication ~~by~~
 15 ~~which~~ **IF** all persons **INDIVIDUALS WHO ARE** participating in the
 16 meeting can communicate with ~~each other.~~ **THE OTHER PARTICIPANTS.**
 17 Participation in a meeting ~~pursuant to~~ **UNDER** this subsection
 18 constitutes ~~presence~~ **ATTENDANCE** in person at the meeting.

19 Sec. 523. (1) A majority of the members of ~~the~~ **A** board **WHO ARE**
 20 then in office, or of the members of a committee ~~thereof,~~ **OF THE**
 21 **BOARD,** constitutes a quorum for the transaction of business,
 22 ~~provided that the articles of incorporation or bylaws may provide~~
 23 ~~for a larger number, and provided further that in any corporation~~
 24 ~~where there are more than 7 directors, the articles of~~
 25 ~~incorporation or bylaws may provide that less than a majority, but~~
 26 ~~in no event less than 1/3 of the directors, may constitute a quorum~~
 27 ~~of the board.~~ **UNLESS THE ARTICLES OF INCORPORATION OR BYLAWS, OR IN**

1 THE CASE OF A COMMITTEE, THE BOARD RESOLUTION THAT ESTABLISHES THE
2 COMMITTEE, PROVIDE FOR A LARGER OR SMALLER NUMBER. HOWEVER, A
3 QUORUM OF THE BOARD MAY NOT BE LESS THAN 1/3 OF THE MEMBERS OF THE
4 BOARD WHO ARE THEN IN OFFICE AND A QUORUM OF AN EXECUTIVE COMMITTEE
5 ACTING ON BEHALF OF THE BOARD UNDER SECTION 527 MAY NOT BE LESS
6 THAN 1/3 OF MEMBERS OF THE EXECUTIVE COMMITTEE. The vote of the
7 majority of members present at a meeting at which a quorum is
8 present constitutes the action of the board or of the committee,
9 unless the vote of a larger number is required ~~by~~ **UNDER** this act,
10 the articles **OF INCORPORATION**, or the bylaws, **OR IN THE CASE OF A**
11 **COMMITTEE, THE BOARD RESOLUTION THAT ESTABLISHES THE COMMITTEE.**

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

16 Sec. 527. (1) Unless otherwise provided in the articles of
17 incorporation or bylaws, the board may designate 1 or more
18 **EXECUTIVE** committees, each **EXECUTIVE** committee to consist of 1 or
19 more of the directors of the corporation. The board may designate 1
20 or more directors as alternate members of ~~a~~ **AN EXECUTIVE** committee,
21 who may replace an absent or disqualified member at a meeting of
22 the **EXECUTIVE** committee. The bylaws may provide that in the absence
23 or disqualification of a member of ~~a~~ **AN EXECUTIVE** committee, the
24 members ~~thereof~~ present at a meeting and not disqualified from
25 voting, whether or not they constitute a quorum, may unanimously
26 appoint another member of the board to act at the meeting in place
27 of ~~such an~~ **THE** absent or disqualified member.

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

4 (3) The articles of incorporation or bylaws may provide for
5 the election or appointment of 1 or more **EXECUTIVE** committees ~~to~~
6 **THAT** consist of 1 or more shareholders or members, ~~or~~ 1 or more
7 directors, or a combination of shareholders or members and
8 directors.

9 (4) **UNLESS OTHERWISE PROHIBITED IN THE ARTICLES OF**
10 **INCORPORATION OR BYLAWS, THE BOARD OR AN INDIVIDUAL OR INDIVIDUALS**
11 **DESIGNATED IN THE BYLAWS OR BY THE BOARD MAY APPOINT 1 OR MORE**
12 **COMMITTEES THAT ARE NOT EXECUTIVE COMMITTEES TO ASSIST IN THE**
13 **CONDUCT OF ITS AFFAIRS AND MAY PROVIDE OF THE CREATION OF 1 OR MORE**
14 **SUBCOMMITTEES OF ANY COMMITTEE APPOINTED UNDER THIS SUBSECTION. THE**
15 **BYLAWS, OR A RESOLUTION THAT ESTABLISHES THE COMMITTEE AND IS**
16 **APPROVED BY THE BOARD IN THE ABSENCE OF A BYLAW PROVISION, SHALL**
17 **STATE THE PURPOSES OF THE COMMITTEES APPOINTED UNDER THIS**
18 **SUBSECTION, THE TERMS AND QUALIFICATIONS OF COMMITTEE MEMBERS, AND**
19 **THE WAYS IN WHICH MEMBERS OF THE COMMITTEES ARE SELECTED AND**
20 **REMOVED. THE BOARD OR AUTHORIZED INDIVIDUALS MAY DESIGNATE 1 OR**
21 **MORE INDIVIDUALS AS ALTERNATE MEMBERS OF A COMMITTEE APPOINTED**
22 **UNDER THIS SUBSECTION WHO MAY REPLACE AN ABSENT OR DISQUALIFIED**
23 **COMMITTEE MEMBER IN A MEETING OF THE COMMITTEE. SOME OR ALL OF THE**
24 **MEMBERS OF A COMMITTEE APPOINTED UNDER THIS SUBSECTION MAY BE**
25 **INDIVIDUALS WHO ARE DIRECTORS, OFFICERS, MEMBERS, OR SHAREHOLDERS**
26 **OF THE CORPORATION AND SOME OR ALL OF THE MEMBERS OF A COMMITTEE**
27 **APPOINTED UNDER THIS SUBSECTION MAY BE INDIVIDUALS WHO ARE NOT**

1 DIRECTORS, OFFICERS, MEMBERS, OR SHAREHOLDERS OF THE CORPORATION,
2 AS PROVIDED IN THE BYLAWS OR IN THE ACTION OR RESOLUTION OR
3 RESOLUTIONS OF THE BOARD THAT ESTABLISH THE COMMITTEE. A COMMITTEE
4 THAT IS APPOINTED UNDER THIS SUBSECTION IS NOT AN EXECUTIVE
5 COMMITTEE AND MAY NOT EXECUTE THE POWER OR AUTHORITY OF THE BOARD
6 IN THE MANAGEMENT OF THE BUSINESS AND AFFAIRS OF THE CORPORATION,
7 BUT MAY PERFORM UNDER THE DIRECTION OF THE BOARD THOSE FUNCTIONS
8 DESCRIBED IN THE BYLAWS OR DETERMINED FROM TIME TO TIME BY THE
9 BOARD.

10 Sec. 528. (1) ~~A~~ **AN EXECUTIVE** committee **THAT IS** designated
11 ~~pursuant to~~ **UNDER** section 527, ~~527(1) OR (3),~~ to the extent
12 provided in the resolution of the board, ~~in the case of a committee~~
13 ~~designated in section 527(1), or to the extent provided in the~~
14 articles **OF INCORPORATION**, or in the bylaws, ~~in the case of a~~
15 ~~committee designated in section 527(3),~~ may exercise any or all
16 powers and authority of the board in management of the business and
17 affairs of the corporation. ~~However, such a~~ **AN EXECUTIVE** committee
18 does not have power or authority to **DO ANY OF THE FOLLOWING:**

19 (a) Amend the articles of incorporation.

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

21 (c) Recommend to shareholders or members the sale, lease, or
22 exchange of all or substantially all of the corporation's property
23 and assets.

24 (d) Recommend to shareholders or members a dissolution of the
25 corporation or a revocation of a dissolution.

26 (e) Amend the bylaws of the corporation.

27 (f) Fill vacancies in the board.

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

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

4 (2) UNLESS THE RESOLUTION, ARTICLES OF INCORPORATION, OR
5 BYLAWS EXPRESSLY PROVIDE THE POWER OR AUTHORITY, AN EXECUTIVE
6 COMMITTEE DOES NOT HAVE POWER OR AUTHORITY TO DECLARE A
7 DISTRIBUTION AUTHORIZED UNDER SECTION 301 OR TO AUTHORIZE THE
8 ISSUANCE OF SHARES OR MEMBERSHIPS.

9 (3) UNLESS OTHERWISE PROVIDED IN THE RESOLUTION, ARTICLES OF
10 INCORPORATION, OR BYLAWS, AN EXECUTIVE COMMITTEE MAY CREATE 1 OR
11 MORE SUBCOMMITTEES. EACH SUBCOMMITTEE SHALL CONSIST OF 1 OR MORE
12 MEMBERS OF THE COMMITTEE. AN EXECUTIVE COMMITTEE OR THE BOARD MAY
13 DELEGATE TO A SUBCOMMITTEE ANY OR ALL OF THE POWERS AND AUTHORITY
14 OF THE COMMITTEE.

15 SEC. 529. A CORPORATION MAY AGREE TO SUBMIT A MATTER TO A VOTE
16 OF ITS SHAREHOLDERS OR MEMBERS EVEN IF, AFTER APPROVING THE MATTER,
17 THE BOARD OF DIRECTORS LATER DETERMINES THAT IT NO LONGER
18 RECOMMENDS THE MATTER OR RECOMMENDS AGAINST APPROVAL OF THE MATTER
19 BY THE SHAREHOLDERS OR MEMBERS.

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

27 (2) ~~Two~~ **ONE INDIVIDUAL MAY HOLD 2** or more offices, ~~may be held~~

1 ~~by the same person,~~ but an officer shall not execute, acknowledge,
2 or verify an instrument in more than 1 capacity if the instrument
3 is required by law or the articles **OF INCORPORATION** or bylaws to be
4 executed, acknowledged, or verified by 2 or more officers.

5 (3) An officer ~~elected or appointed as herein provided~~ shall
6 hold office for the term for which ~~the officer~~ **HE OR SHE** is elected
7 or appointed and until a **HIS OR HER** successor is elected or
8 appointed and qualified, or until ~~the~~ **HIS OR HER** resignation or
9 removal. ~~of the officer.~~

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

16 Sec. 541. (1) ~~A director or an officer shall discharge the~~
17 ~~duties of that position in good faith and with the degree of~~
18 ~~diligence, care, and skill that an ordinarily prudent person would~~
19 ~~exercise under similar circumstances in a like position. In~~
20 ~~discharging the duties, a director or an officer, when acting in~~
21 ~~good faith, may rely upon the opinion of counsel for the~~
22 ~~corporation, upon the report of an independent appraiser selected~~
23 ~~with reasonable care by the board, or upon financial statements of~~
24 ~~the corporation represented to the director or officer as correct~~
25 ~~by the president or the officer of the corporation who has charge~~
26 ~~of its books or account, or as stated in a written report by an~~
27 ~~independent public or certified public accountant or firm of~~

1 ~~accountants fairly to reflect the financial condition of the~~
2 ~~corporation.~~ A DIRECTOR OR OFFICER SHALL DISCHARGE HIS OR HER DUTIES
3 AS A DIRECTOR OR OFFICER INCLUDING HIS OR HER DUTIES AS A MEMBER OF
4 A COMMITTEE IN THE FOLLOWING MANNER:

5 (A) IN GOOD FAITH.

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

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

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

14 (A) ONE OR MORE DIRECTORS, OFFICERS, OR EMPLOYEES OF THE
15 CORPORATION, OR OF A DOMESTIC OR FOREIGN CORPORATION OR A BUSINESS
16 ORGANIZATION UNDER JOINT CONTROL OR COMMON CONTROL, WHOM THE
17 DIRECTOR OR OFFICER REASONABLY BELIEVES TO BE RELIABLE AND
18 COMPETENT IN THE MATTERS PRESENTED.

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

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

25 (3) A DIRECTOR OR OFFICER IS NOT ENTITLED TO RELY ON THE
26 INFORMATION DESCRIBED IN SUBSECTION (2) IF HE OR SHE HAS KNOWLEDGE
27 CONCERNING THE MATTER IN QUESTION THAT MAKES RELIANCE OTHERWISE

1 **PERMITTED UNDER SUBSECTION (2) UNWARRANTED.**

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

9 (5) ~~(3)~~—If the corporation's articles of incorporation contain
10 a provision authorized under section ~~209(e)~~, **209(1)(C)**, a volunteer
11 director of the corporation is only personally liable for monetary
12 damages for a breach of fiduciary duty as a director to the
13 corporation, its shareholders, or its members to the extent set
14 forth in the provision.

15 (6) ~~(4)~~—If the corporation's articles of incorporation contain
16 a provision authorized under section ~~209(d)~~, **209(1)(D)**, a claim for
17 monetary damages for a breach of a volunteer director's duty to any
18 person other than the corporation, its shareholders, or its members
19 shall not be brought or maintained against the volunteer director.
20 ~~The claim shall~~ **HOWEVER, THAT CLAIM MAY** be brought or maintained
21 ~~instead against the corporation, which shall be~~ **AND THE CORPORATION**
22 **IS** liable for any breach of the volunteer director's duty.

23 (7) ~~(5)~~—An action against a director or officer for failure to
24 perform the duties imposed ~~by~~ **UNDER** this section shall be commenced
25 within 3 years after the cause of action has accrued, or within 2
26 years after the time when the cause of action is discovered ~~—or~~
27 should reasonably have been discovered, by the complainant,

1 whichever occurs first.

2 SEC. 545A. (1) A TRANSACTION IN WHICH A DIRECTOR OR OFFICER IS
3 DETERMINED TO HAVE AN INTEREST SHALL NOT BE ENJOINED, SET ASIDE, OR
4 GIVE RISE TO AN AWARD OF DAMAGES OR OTHER SANCTIONS BECAUSE OF THE
5 INTEREST, IN A PROCEEDING BY A SHAREHOLDER, A MEMBER, OR A DIRECTOR
6 OF A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS OR BY OR
7 IN THE RIGHT OF THE CORPORATION, IF THE PERSON INTERESTED IN THE
8 TRANSACTION ESTABLISHES ANY OF THE FOLLOWING:

9 (A) THE TRANSACTION WAS FAIR TO THE CORPORATION AT THE TIME IT
10 WAS ENTERED INTO.

11 (B) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S
12 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE BOARD OR AN
13 EXECUTIVE COMMITTEE OF THE BOARD AND THE BOARD OR EXECUTIVE
14 COMMITTEE AUTHORIZED, APPROVED, OR RATIFIED THE TRANSACTION.

15 (C) THE MATERIAL FACTS OF THE TRANSACTION AND THE DIRECTOR'S
16 OR OFFICER'S INTEREST WERE DISCLOSED OR KNOWN TO THE SHAREHOLDERS
17 OR MEMBERS WHO ARE ENTITLED TO VOTE AND THEY AUTHORIZED, APPROVED,
18 OR RATIFIED THE TRANSACTION.

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

26 (3) FOR PURPOSES OF SUBSECTION (1)(C), A TRANSACTION IS
27 AUTHORIZED, APPROVED, OR RATIFIED IF IT RECEIVED THE MAJORITY OF

1 VOTES THAT WERE CAST BY THE HOLDERS OF SHARES OR MEMBERS THAT DID
2 NOT HAVE AN INTEREST IN THE TRANSACTION. A MAJORITY OF THE VOTES
3 HELD BY SHAREHOLDERS OR MEMBERS THAT DID NOT HAVE AN INTEREST IN
4 THE TRANSACTION CONSTITUTES A QUORUM FOR THE PURPOSE OF TAKING
5 ACTION UNDER SUBSECTION (1) (C) .

6 (4) SATISFYING THE REQUIREMENTS OF SUBSECTION (1) DOES NOT
7 PRECLUDE OTHER CLAIMS RELATING TO A TRANSACTION IN WHICH A DIRECTOR
8 OR OFFICER IS DETERMINED TO HAVE AN INTEREST. THOSE CLAIMS SHALL BE
9 EVALUATED UNDER PRINCIPLES APPLICABLE TO A TRANSACTION IN WHICH A
10 DIRECTOR OR OFFICER DOES NOT HAVE AN INTEREST.

11 (5) UNLESS THE COMPENSATION IS PROHIBITED BY THE ARTICLES OF
12 INCORPORATION OR THE BYLAWS, THE BOARD, BY AFFIRMATIVE VOTE OF A
13 MAJORITY OF DIRECTORS IN OFFICE AND IRRESPECTIVE OF ANY PERSONAL
14 INTEREST OF ANY OF THEM, MAY, SUBJECT TO ANY LIMITATIONS IN THE
15 ARTICLES OF INCORPORATION OR BYLAWS, ESTABLISH REASONABLE
16 COMPENSATION OF DIRECTORS FOR SERVICES TO THE CORPORATION AS
17 DIRECTORS OR OFFICERS, BUT APPROVAL OF THE SHAREHOLDERS OR MEMBERS
18 IS REQUIRED IF THE ARTICLES OF INCORPORATION, BYLAWS, OR OTHER
19 PROVISIONS OF THIS ACT REQUIRE THAT APPROVAL. TRANSACTIONS
20 PERTAINING TO THE COMPENSATION OF DIRECTORS FOR SERVICES TO THE
21 CORPORATION AS DIRECTORS OR OFFICERS SHALL NOT BE ENJOINED, SET
22 ASIDE, OR GIVE RISE TO AN AWARD OF DAMAGES OR OTHER SANCTIONS IN A
23 PROCEEDING BY A SHAREHOLDER OR MEMBER OR BY OR IN THE RIGHT OF THE
24 CORPORATION UNLESS IT IS SHOWN THAT THE COMPENSATION WAS
25 UNREASONABLE AT THE TIME IT WAS ESTABLISHED OR EXCEEDED AMOUNTS
26 PERMITTED UNDER THE ARTICLES OF INCORPORATION OR BYLAWS.

27 Sec. 548. (1) ~~Except as provided in subsection (4) and unless~~

1 UNLESS otherwise prohibited by law OR PROHIBITED IN THE ARTICLES OF
2 INCORPORATION OR BYLAWS, a corporation may lend money to, ~~or~~
3 guarantee an obligation of, or otherwise assist an officer or
4 employee of the corporation or a subsidiary, including an officer
5 or employee who is a director of the corporation or subsidiary, if
6 in the judgment of the board, the loan, guaranty, or assistance is
7 reasonably expected to benefit the corporation, OR THE LOAN,
8 GUARANTY, OR ASSISTANCE IS PROVIDED UNDER A PLAN AUTHORIZING LOANS,
9 GUARANTIES, OR ASSISTANCE THAT THE BOARD HAS REASONABLY DETERMINED
10 WILL BENEFIT THE CORPORATION.

11 (2) A loan, guaranty, or assistance described in subsection
12 (1) may be with or without interest, and may be unsecured, or
13 secured in a manner that the board approves, INCLUDING A PLEDGE OF
14 SHARES OF STOCK OF A CORPORATION THAT IS ORGANIZED ON A STOCK BASIS
15 OR PLEDGE OF A MEMBERSHIP IN A CORPORATION THAT IS ORGANIZED ON A
16 MEMBERSHIP BASIS.

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

20 ~~—— (4) If a corporation is a charitable purpose corporation, the~~
21 ~~corporation shall not provide loans to or guarantee an obligation~~
22 ~~of an officer or director of the corporation or a subsidiary of a~~
23 ~~corporation, unless the officer or director is also a client of the~~
24 ~~corporation and the loan or guaranty is necessary to carry out the~~
25 ~~corporation's charitable purposes.~~

26 Sec. 551. (1) ~~In addition to any other liability imposed by~~
27 ~~this act or other law upon directors of a corporation, directors~~

1 **DIRECTORS** who vote for ~~or~~ concur in ~~any~~ of the following
 2 corporate actions are jointly and severally liable to the
 3 corporation for **ITS BENEFIT OR FOR** the benefit of its creditors,
 4 shareholders, or members, ~~to the extent of~~ **FOR** any legally
 5 recoverable injury suffered by ~~such persons~~ **THE CORPORATION OR**
 6 **THOSE CREDITORS, SHAREHOLDERS, OR MEMBERS** as a result of the action
 7 ~~but not to exceed the amount unlawfully~~ **IN AN AMOUNT THAT DOES NOT**
 8 **EXCEED THE DIFFERENCE BETWEEN THE AMOUNT PAID OR DISTRIBUTED AND**
 9 **THE AMOUNT THAT LAWFULLY COULD HAVE BEEN** paid or distributed:

10 (a) ~~Distribution of assets~~ **DECLARING A SHARE DIVIDEND OR**
 11 **DISTRIBUTION** to shareholders or members **THAT IS** contrary to this
 12 act or contrary to any restriction in the articles of incorporation
 13 or bylaws.

14 ~~—— (b) Purchase of shares or memberships of the corporation~~
 15 ~~contrary to this act or contrary to any restriction in the articles~~
 16 ~~or bylaws.~~

17 (B) ~~(c) Distribution of assets~~ **MAKING A DISTRIBUTION** to
 18 shareholders or members during or after dissolution of the
 19 corporation without paying ~~or adequately providing for~~ **all**
 20 ~~known~~ debts, obligations, and liabilities of the corporation **AS**
 21 **REQUIRED UNDER SECTION 855.**

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

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

27 (3) A shareholder or member ~~who~~ **THAT** accepts or receives a

1 **SHARE DIVIDEND OR** distribution with knowledge of facts ~~indicating~~
 2 **THAT INDICATE THAT** it is ~~not authorized by~~ **CONTRARY TO** this act, OR
 3 **ANY RESTRICTION IN THE ARTICLES OF INCORPORATION OR BYLAWS,** is
 4 liable to the corporation in the amount accepted or received ~~by the~~
 5 ~~shareholder or member.~~ **IN EXCESS OF THE SHAREHOLDER'S OR MEMBER'S**
 6 **SHARE OF THE AMOUNT THAT THE CORPORATION COULD LAWFULLY DISTRIBUTE.**

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

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

15 (a) ~~Upon payment to~~ **IF THE DIRECTOR PAYS** the corporation of
 16 any amount of an improper **SHARE DIVIDEND OR** distribution, to be
 17 subrogated to the rights of the corporation against shareholders or
 18 members ~~who~~ **THAT** received the **SHARE DIVIDEND OR** distribution in
 19 proportion to the amounts received by them. ~~respectively.~~

20 (b) ~~Upon payment to~~ **IF THE DIRECTOR PAYS** the corporation of
 21 any amount of the purchase price of an improper purchase of shares
 22 or memberships, ~~-(i)-~~ to have the corporation rescind the purchase
 23 and recover for ~~the director's~~ **HIS OR HER** benefit, but at ~~the~~
 24 ~~director's~~ **HIS OR HER** expense, the amount of the purchase price
 25 from any seller ~~who~~ **THAT** sold ~~such~~ **THE** shares or memberships with
 26 knowledge of facts indicating that ~~such~~ **THE** purchase of shares or
 27 memberships by the corporation was not authorized by this act, ~~+-or~~

1 ~~(ii)~~ OR to have the corporation assign to ~~such~~ **THE** director any
 2 claim against the seller and, if consistent with its articles of
 3 incorporation and bylaws, ~~such~~ **THE** shares or memberships.

4 (c) ~~Upon payment to~~ **IF THE DIRECTOR PAYS** the corporation ~~of~~
 5 the claim of a creditor because of a violation of section
 6 ~~551(1)(e),~~ **551(1)(B)**, to be subrogated to the rights of the
 7 corporation against shareholders or members ~~who~~ **THAT** received an
 8 improper distribution of assets.

9 (d) ~~Upon payment to~~ **IF THE DIRECTOR PAYS** the corporation ~~of~~
 10 the amount of a loan made improperly to ~~an~~ **A DIRECTOR**, officer,
 11 ~~director,~~ or employee, to be subrogated to the rights of the
 12 corporation against ~~an~~ **THE DIRECTOR**, officer, ~~director,~~ or employee
 13 who received the improper loan.

14 Sec. 553. (1) ~~A~~ **IF A** director ~~who~~ is present at a meeting of
 15 the board, or ~~a~~ **AN EXECUTIVE** committee thereof of which the
 16 ~~director~~ **HE OR SHE** is a member, at ~~which~~ **AND** action on a corporate
 17 matter ~~referred to~~ **DESCRIBED** in section 551 is taken ~~,~~ **AT THAT**
 18 **MEETING, THE DIRECTOR** is presumed to have ~~concurred~~ **CONCUR** in that
 19 action unless ~~a~~ **HIS OR HER** dissent is entered in the minutes of the
 20 meeting or unless ~~the director~~ **HE OR SHE** files ~~a~~ **HIS OR HER** written
 21 dissent to the action with the ~~person~~ **INDIVIDUAL WHO IS** acting as
 22 secretary of the meeting before or promptly after the adjournment
 23 ~~thereof.~~ **OF THE MEETING.** The right to dissent does not apply to a
 24 director who voted in favor of the action. A

25 (2) **IF A** director who is absent from a meeting of the board,
 26 or ~~a~~ **AN EXECUTIVE** committee thereof of which ~~the director~~ **HE OR SHE**
 27 is a member, at ~~which any such action is taken~~ **AND ACTION ON A**

1 CORPORATE MATTER DESCRIBED IN SECTION 551 IS TAKEN AT THAT MEETING,
2 **THE DIRECTOR** is presumed to ~~have concurred~~ **CONCUR** in the action
3 unless ~~the director~~ **HE OR SHE** files a ~~HIS OR HER~~ dissent with the
4 secretary of the corporation within a reasonable time after
5 ~~obtaining~~ **HE OR SHE HAS** knowledge of the action.

6 Sec. 561. Unless otherwise provided by law or ~~its~~ **THE** articles
7 of incorporation or bylaws **OF THE CORPORATION**, a corporation has
8 the power to indemnify a person ~~who~~ **THAT** was or is a party or is
9 threatened to be made a party to ~~any~~ **A** threatened, pending, or
10 completed action, suit, or proceeding, whether civil, criminal,
11 administrative, or investigative and whether formal or informal,
12 other than an action by or in the right of the corporation, by
13 reason of the fact that the person is or was a director, officer,
14 employee, nondirector volunteer, or agent of the corporation, or is
15 or was serving at the request of the corporation as a director,
16 officer, partner, trustee, employee, nondirector volunteer, or
17 agent of another foreign or domestic corporation, business
18 corporation, partnership, joint venture, trust, or other
19 enterprise, whether for profit or not, ~~for profit, against~~ **FOR**
20 expenses, including attorneys' fees, judgments, penalties, fines,
21 and amounts paid in settlement actually and reasonably incurred by
22 the person in connection with the action, suit, or proceeding if
23 the person acted in good faith and in a manner the person
24 reasonably believed to be in or not opposed to the best interests
25 of the corporation or its shareholders or members, and with respect
26 to ~~any~~ **A** criminal action or proceeding, if the person had no
27 reasonable cause to believe that **THE** conduct was unlawful. The

1 termination of ~~any~~**AN** action, suit, or proceeding by judgment,
 2 order, settlement, conviction, or upon a plea of nolo contendere or
 3 its equivalent, ~~shall~~**DOES** not, of itself, create a presumption
 4 that the person did not act in good faith and in a manner ~~which~~
 5 **THAT** the person reasonably believed to be in or not opposed to the
 6 best interests of the corporation or its shareholders or members
 7 and, with respect to any criminal action or proceeding, had
 8 reasonable cause to believe that the conduct was unlawful.

9 Sec. 562. Unless otherwise provided by law or ~~its~~**IN THE**
 10 articles of incorporation or bylaws **OF THE CORPORATION**, a
 11 corporation has the power to indemnify a person ~~who~~**THAT** was or is
 12 a party ~~to~~ or is threatened to be made a party to a threatened,
 13 pending, or completed action or suit by or in the right of the
 14 corporation to procure a judgment in its favor by reason of the
 15 fact that the person is or was a director, officer, employee,
 16 nondirector volunteer, or agent of the corporation, or is or was
 17 serving at the request of the corporation as a director, officer,
 18 partner, trustee, employee, nondirector volunteer, or agent of
 19 another foreign or domestic corporation, business corporation,
 20 partnership, joint venture, trust, or other enterprise, whether for
 21 profit or not, ~~against~~**FOR** expenses, including ~~actual and~~
 22 ~~reasonable~~ attorneys' fees ~~—~~and amounts paid in settlement
 23 **ACTUALLY AND REASONABLY** incurred by the person in connection with
 24 the action or suit if the person acted in good faith and in a
 25 manner the person reasonably believed to be in or not opposed to
 26 the best interests of the corporation or its shareholders or
 27 members. ~~However, indemnification shall not be made~~**A CORPORATION**

1 **SHALL NOT INDEMNIFY A PERSON** for a claim, issue, or matter in which
 2 the person ~~has been~~ **IS** found liable to the corporation ~~unless and~~
 3 ~~only to the extent that the court in which the action or suit was~~
 4 ~~brought has determined upon application that, despite the~~
 5 ~~adjudication of liability but in view of all circumstances of the~~
 6 ~~case, the person is fairly and reasonably entitled to~~
 7 ~~indemnification for expenses which the court considers~~
 8 ~~proper.~~ **EXCEPT TO THE EXTENT AUTHORIZED UNDER SECTION 564C.**

9 Sec. 563. ~~(1) Unless otherwise provided by law or its~~ **UNDER**
 10 **THE** articles of incorporation or bylaws **OF THE CORPORATION**, to the
 11 extent that a director, officer, ~~employee,~~ **OR** nondirector volunteer
 12 ~~, or agent of a corporation has been~~ **IS** successful on the merits or
 13 otherwise in defense of an action, suit, or proceeding referred to
 14 in section 561 or 562, or in defense of a claim, issue, or matter
 15 in the action, suit, or proceeding, ~~the successful party shall be~~
 16 ~~indemnified against~~ **OR HAS ESTABLISHED THAT THE CORPORATION IS**
 17 **REQUIRED TO ASSUME THE PERSON'S LIABILITIES UNDER SECTION 209(1) (D)**
 18 **OR (E), THE CORPORATION SHALL INDEMNIFY THE PERSON FOR ACTUAL AND**
 19 **REASONABLE** expenses, including ~~actual and reasonable attorneys'~~
 20 ~~fees, incurred in connection with the action, suit, or proceeding~~
 21 ~~and in any~~ **AN** action, suit, or proceeding brought to enforce the
 22 mandatory indemnification provided in this ~~subsection.~~ **SECTION.**

23 ~~—— (2) An indemnification under section 561 or 562, unless~~
 24 ~~ordered by a court, shall be made by the corporation only as~~
 25 ~~authorized in the specific case upon a determination that~~
 26 ~~indemnification of the director, officer, employee, nondirector~~
 27 ~~volunteer, or agent is proper in the circumstances because the~~

~~person has met the applicable standard of conduct set forth in sections 561 and 562. This determination shall be made in any of the following ways:~~

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

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

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

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

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

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

1 REASONABLE. A CORPORATION SHALL MAKE A DETERMINATION AND EVALUATION
2 UNDER THIS SUBSECTION IN 1 OF THE FOLLOWING WAYS:

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

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

11 (C) BY INDEPENDENT LEGAL COUNSEL IN A WRITTEN OPINION. THE
12 CORPORATION MUST SELECT COUNSEL TO PREPARE THE OPINION IN 1 OF THE
13 FOLLOWING WAYS:

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

16 (ii) IF THE BOARD IS UNABLE TO OBTAIN A QUORUM UNDER
17 SUBDIVISION (A) AND THE BOARD IS UNABLE TO DESIGNATE A COMMITTEE
18 UNDER SUBDIVISION (B), BY THE BOARD.

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

23 (2) ALL DIRECTORS MAY PARTICIPATE IN DESIGNATING A COMMITTEE
24 UNDER SUBSECTION (1) (B) OR IN SELECTING INDEPENDENT LEGAL COUNSEL
25 UNDER SUBSECTION (1) (C) (ii).

26 (3) IF A PERSON IS ENTITLED TO INDEMNIFICATION UNDER SECTION
27 561 OR 562 FOR A PORTION OF EXPENSES, INCLUDING REASONABLE

1 ATTORNEYS' FEES, JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN
2 SETTLEMENT, BUT NOT FOR THE TOTAL AMOUNT, THE CORPORATION MAY
3 INDEMNIFY THE PERSON FOR THE PORTION OF THE EXPENSES, JUDGMENTS,
4 PENALTIES, FINES, OR AMOUNTS PAID IN SETTLEMENT FOR WHICH THE
5 PERSON IS ENTITLED TO BE INDEMNIFIED.

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

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

9 (i) IF THERE ARE 2 OR MORE DIRECTORS WHO ARE NOT PARTIES OR
10 THREATENED TO BE MADE PARTIES TO THE ACTION, SUIT, OR PROCEEDING,
11 BY A MAJORITY VOTE OF ALL DIRECTORS WHO ARE NOT PARTIES OR
12 THREATENED TO BE MADE PARTIES, A MAJORITY OF WHOM SHALL CONSTITUTE
13 A QUORUM FOR THIS PURPOSE.

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

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

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

26 (5) TO THE EXTENT THAT THE ARTICLES OF INCORPORATION ELIMINATE
27 OR LIMIT THE LIABILITY OF A DIRECTOR UNDER SECTION 209(1)(C), A

1 CORPORATION MAY INDEMNIFY A DIRECTOR FOR THE EXPENSES AND
2 LIABILITIES DESCRIBED IN THIS SUBSECTION WITHOUT A DETERMINATION
3 THAT THE DIRECTOR HAS MET THE STANDARD OF CONDUCT SET FORTH IN
4 SECTIONS 561 AND 562, BUT SHALL NOT INDEMNIFY THE DIRECTOR FOR
5 OBLIGATIONS IMPOSED UNDER SECTION 497(A) OR, EXCEPT TO THE EXTENT
6 AUTHORIZED IN SECTION 564C, IF THE DIRECTOR RECEIVED A FINANCIAL
7 BENEFIT TO WHICH HE OR SHE WAS NOT ENTITLED, INTENTIONALLY
8 INFLECTED HARM ON THE CORPORATION OR ITS SHAREHOLDERS OR MEMBERS,
9 VIOLATED SECTION 551, OR INTENTIONALLY COMMITTED A CRIMINAL ACT. IN
10 CONNECTION WITH AN ACTION OR SUIT BY OR IN THE RIGHT OF THE
11 CORPORATION DESCRIBED IN SECTION 562, INDEMNIFICATION UNDER THIS
12 SUBSECTION MAY BE FOR EXPENSES, INCLUDING ATTORNEYS' FEES, ACTUALLY
13 AND REASONABLY INCURRED. IN CONNECTION WITH AN ACTION, SUIT, OR
14 PROCEEDING OTHER THAN AN ACTION, SUIT, OR PROCEEDING BY OR IN THE
15 RIGHT OF THE CORPORATION, DESCRIBED IN SECTION 561, A CORPORATION
16 MAY INDEMNIFY A DIRECTOR UNDER THIS SUBSECTION FOR EXPENSES,
17 INCLUDING ATTORNEYS' FEES, ACTUALLY AND REASONABLY INCURRED, AND
18 FOR JUDGMENTS, PENALTIES, FINES, AND AMOUNTS PAID IN SETTLEMENT
19 THAT ARE ACTUALLY AND REASONABLY INCURRED.

20 SEC. 564B. (1) A CORPORATION MAY PAY OR REIMBURSE THE
21 REASONABLE EXPENSES INCURRED BY A DIRECTOR, OFFICER, EMPLOYEE,
22 NONDIRECTOR VOLUNTEER, OR AGENT OF THE CORPORATION OR A PERSON THAT
23 IS OR WAS SERVING AT THE REQUEST OF THE CORPORATION AS A DIRECTOR,
24 OFFICER, PARTNER, TRUSTEE, EMPLOYEE, OR AGENT OF ANOTHER DOMESTIC
25 CORPORATION, FOREIGN CORPORATION, DOMESTIC BUSINESS CORPORATION,
26 FOREIGN BUSINESS CORPORATION, PARTNERSHIP, LIMITED LIABILITY
27 COMPANY, JOINT VENTURE, TRUST, OR OTHER ENTERPRISE, WHETHER FOR

1 PROFIT OR NOT, THAT IS A PARTY OR THREATENED TO BE MADE A PARTY TO
2 AN ACTION, SUIT, OR PROCEEDING IN ADVANCE OF FINAL DISPOSITION OF
3 THE PROCEEDING IF THE PERSON FURNISHES THE CORPORATION A WRITTEN
4 AGREEMENT, EXECUTED PERSONALLY OR ON THE PERSON'S BEHALF, TO REPAY
5 THE ADVANCE IF IT IS ULTIMATELY DETERMINED THAT THE PERSON DID NOT
6 MEET THE STANDARD OF CONDUCT, IF ANY, REQUIRED BY THIS ACT FOR THE
7 INDEMNIFICATION OF A PERSON UNDER THE CIRCUMSTANCES.

8 (2) AN AGREEMENT REQUIRED UNDER SUBSECTION (1) MUST BE AN
9 UNLIMITED GENERAL OBLIGATION OF THE DIRECTOR, OFFICER, EMPLOYEE,
10 NONDIRECTOR VOLUNTEER, OR AGENT, BUT MAY BE UNSECURED. A
11 CORPORATION MAY ACCEPT AN AGREEMENT THAT IS REQUIRED UNDER
12 SUBSECTION (1) WITHOUT REFERENCE TO THE FINANCIAL ABILITY OF THE
13 PERSON TO MAKE REPAYMENT.

14 (3) A CORPORATION SHALL EVALUATE THE REASONABLENESS OF
15 ADVANCES UNDER THIS SECTION IN THE MANNER DESCRIBED IN SECTION
16 564A(1) FOR EVALUATING THE REASONABLENESS OF EXPENSES, AND MAKE AN
17 AUTHORIZATION IN THE MANNER DESCRIBED IN SECTION 564A(4) UNLESS AN
18 ADVANCE IS MANDATORY. A CORPORATION MAY AUTHORIZE ADVANCES WITH
19 RESPECT TO A PROCEEDING AND DETERMINE THE REASONABLENESS OF
20 ADVANCES OR APPROVE A METHOD FOR DETERMINING THE REASONABLENESS OF
21 ADVANCES IN A SINGLE RESOLUTION COVERING THE ENTIRE PROCEEDING.
22 HOWEVER, UNLESS THE ACTION OR RESOLUTION PROVIDES OTHERWISE, AN
23 AUTHORIZING OR DETERMINING AUTHORITY OF THE CORPORATION MAY
24 SUBSEQUENTLY TERMINATE OR AMEND THE AUTHORIZATION OR DETERMINATION
25 WITH RESPECT TO ADVANCES THAT ARE NOT YET MADE.

26 (4) A PROVISION IN THE ARTICLES OF INCORPORATION OR BYLAWS, A
27 RESOLUTION OF THE BOARD OR SHAREHOLDERS OR MEMBERS, OR AN AGREEMENT

1 THAT MAKES INDEMNIFICATION MANDATORY SHALL ALSO MAKE THE
2 ADVANCEMENT OF EXPENSES MANDATORY UNLESS THE PROVISION, RESOLUTION,
3 OR AGREEMENT SPECIFICALLY PROVIDES OTHERWISE.

4 SEC. 564C. A DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR
5 VOLUNTEER, OR AGENT OF THE CORPORATION THAT IS A PARTY OR
6 THREATENED TO BE MADE A PARTY TO AN ACTION, SUIT, OR PROCEEDING MAY
7 APPLY FOR INDEMNIFICATION TO THE COURT THAT IS CONDUCTING THE
8 PROCEEDING OR TO ANOTHER COURT OF COMPETENT JURISDICTION. AFTER
9 RECEIVING AN APPLICATION, THE COURT AFTER GIVING ANY NOTICE IT
10 CONSIDERS NECESSARY MAY ORDER INDEMNIFICATION IF IT DETERMINES THAT
11 ALL OF THE FOLLOWING ARE MET:

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

15 (B) THE PERSON IS FAIRLY AND REASONABLY ENTITLED TO
16 INDEMNIFICATION IN VIEW OF ALL THE RELEVANT CIRCUMSTANCES, WHETHER
17 OR NOT THE PERSON MET THE APPLICABLE STANDARD OF CONDUCT SET FORTH
18 IN SECTION 561 OR 562 OR WAS ADJUDGED LIABLE AS DESCRIBED IN
19 SECTION 562. HOWEVER, IF THE PERSON IS FOUND LIABLE,
20 INDEMNIFICATION IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE
21 PERSON.

22 Sec. 565. (1) ~~The~~ ~~AN~~ indemnification or ~~advancement~~ **ADVANCE** of
23 expenses provided under sections 561 to ~~564~~ **564C** is not exclusive
24 of other rights to which a person seeking indemnification or
25 ~~advancement~~ **ADVANCE** of expenses may be entitled under the articles
26 of incorporation, bylaws, or a contractual agreement. ~~However, the~~
27 **THE** total amount of expenses advanced or indemnified from all

1 sources combined shall not exceed the amount of actual expenses
2 incurred by the person **THAT IS** seeking indemnification or
3 ~~advancement~~ **ADVANCE** of expenses.

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

10 (3) **A RIGHT OF INDEMNIFICATION OR TO ADVANCEMENT OF EXPENSES**
11 **UNDER A PROVISION OF THE ARTICLES OF INCORPORATION OR THE BYLAWS IS**
12 **NOT ELIMINATED OR IMPAIRED BY AN AMENDMENT TO THE PROVISION AFTER**
13 **THE OCCURRENCE OF THE ACT OR OMISSION THAT IS THE SUBJECT OF THE**
14 **FORMAL OR INFORMAL, ADMINISTRATIVE OR INVESTIGATIVE ACTION, SUIT,**
15 **OR PROCEEDING FOR WHICH INDEMNIFICATION OR ADVANCEMENT OF EXPENSES**
16 **IS SOUGHT UNLESS THE PROVISION IN EFFECT AT THE TIME OF THE ACT OR**
17 **OMISSION EXPLICITLY AUTHORIZES THAT ELIMINATION OR IMPAIRMENT AFTER**
18 **THE ACTION OR OMISSION HAS OCCURRED.**

19 Sec. 567. (1) A corporation ~~shall have power to~~ **MAY** purchase
20 and maintain insurance on behalf of any person ~~who~~ **THAT** is or was a
21 director, officer, employee, nondirector volunteer, or agent of the
22 corporation, or **THAT** is or was serving at the request of the
23 corporation as a director, officer, **PARTNER, TRUSTEE**, employee,
24 nondirector volunteer, or agent of another **FOREIGN OR DOMESTIC**
25 corporation, **FOREIGN OR DOMESTIC** business corporation, **LIMITED**
26 **LIABILITY COMPANY**, partnership, joint venture, trust, or other
27 enterprise **FOR PROFIT OR NONPROFIT** against any liability asserted

1 against the person and incurred by the person in ~~any such~~ **THAT**
 2 capacity or arising out of the person's status as such, whether or
 3 not the corporation ~~would have~~ **HAS THE** power to indemnify the
 4 person against ~~such~~ liability under sections 561 to 565.

5 (2) IF THE ARTICLES OF INCORPORATION INCLUDE A PROVISION THAT
 6 ELIMINATES OR LIMITS THE LIABILITY OF A DIRECTOR UNDER SECTION
 7 209(1)(C), THE CORPORATION MAY PURCHASE INSURANCE ON BEHALF OF A
 8 DIRECTOR UNDER SUBSECTION (1) FROM AN INSURER OWNED BY THE
 9 CORPORATION, BUT INSURANCE PURCHASED FROM THAT INSURER MAY INSURE A
 10 DIRECTOR AGAINST MONETARY LIABILITY TO THE CORPORATION OR ITS
 11 SHAREHOLDERS OR MEMBERS ONLY TO THE EXTENT TO WHICH THE CORPORATION
 12 COULD INDEMNIFY THE DIRECTOR UNDER SECTION 564A(5).

13 Sec. 569. For purposes of sections 561 to 567, "corporation"
 14 includes all constituent corporations absorbed in a consolidation
 15 or merger, **ANY CORPORATION CONVERTED INTO ANOTHER BUSINESS ENTITY,**
 16 and the resulting or surviving **FOREIGN OR DOMESTIC** corporation, ~~or~~
 17 **FOREIGN OR DOMESTIC** business corporation **OR OTHER BUSINESS ENTITY,**
 18 so that a person ~~who~~ **THAT** is or was a director, officer, employee,
 19 nondirector volunteer, or agent of the constituent corporation or
 20 is or was serving at the request of the constituent corporation as
 21 a director, officer, partner, trustee, employee, nondirector
 22 volunteer, or agent of another foreign or domestic corporation,
 23 **FOREIGN OR DOMESTIC** business corporation, partnership, **LIMITED**
 24 **LIABILITY COMPANY,** joint venture, trust, or other **PROFIT OR**
 25 **NONPROFIT** enterprise ~~whether for profit or not~~ shall stand in the
 26 same position under the provisions of this section with respect to
 27 the resulting or surviving corporation or business corporation as

1 the person would if the person had served the resulting or
2 surviving corporation, ~~or~~ business corporation, **OR OTHER BUSINESS**
3 **ENTITY** in the same capacity.

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

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

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

8 (C) "SERVING AT THE REQUEST OF THE CORPORATION" INCLUDES ANY
9 SERVICE AS A DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR VOLUNTEER, OR
10 AGENT OF THE CORPORATION THAT IMPOSES DUTIES ON, OR INVOLVES
11 SERVICES BY, THE DIRECTOR, OFFICER, EMPLOYEE, NONDIRECTOR
12 VOLUNTEER, OR AGENT WITH RESPECT TO AN EMPLOYEE BENEFIT PLAN, ITS
13 PARTICIPANTS, OR ITS BENEFICIARIES.

14 (D) A PERSON THAT ACTED IN GOOD FAITH AND IN A MANNER THE
15 PERSON REASONABLY BELIEVED TO BE IN THE INTEREST OF THE
16 PARTICIPANTS AND BENEFICIARIES OF AN EMPLOYEE BENEFIT PLAN IS
17 CONSIDERED TO HAVE ACTED IN A MANNER "NOT OPPOSED TO THE BEST
18 INTERESTS OF THE CORPORATION OR ITS SHAREHOLDERS OR MEMBERS" AS
19 REFERRED TO IN SECTIONS 561 AND 562.

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

25 (2) Subject to section ~~301(5),~~ **301(6)**, a corporation may amend
26 its articles of incorporation to become a business corporation by
27 adopting restated articles of incorporation ~~in accordance with~~

1 ~~UNDER~~ section 641 ~~which shall so amend the articles that they shall~~
2 **IF THE RESTATED ARTICLES OF INCORPORATION** contain only ~~such~~ **THOSE**
3 provisions ~~as might be lawfully contained in~~ **THAT** original articles
4 of incorporation of a business corporation ~~organized~~ **FORMED** under
5 ~~Act No. 284 of the Public Acts of 1972, as amended, being sections~~
6 ~~450.1101 to 450.2099 of the Michigan Compiled Laws.~~ **THE BUSINESS**
7 **CORPORATION ACT MIGHT CONTAIN. THE ADOPTION AND FILING OF RESTATED**
8 **ARTICLES OF INCORPORATION UNDER THIS SUBSECTION DOES NOT CONSTITUTE**
9 **A DISSOLUTION OF THE CORPORATION.**

10 (3) SUBJECT TO SECTION 301(6), A CORPORATION MAY AMEND ITS
11 ARTICLES OF INCORPORATION TO BECOME A PROFESSIONAL CORPORATION BY
12 ADOPTING RESTATED ARTICLES OF INCORPORATION UNDER SECTION 641 IF
13 THE RESTATED ARTICLES OF INCORPORATION CONTAIN ONLY THOSE
14 PROVISIONS THAT ORIGINAL ARTICLES OF INCORPORATION OF A
15 PROFESSIONAL CORPORATION FORMED UNDER CHAPTER 2A OF THE BUSINESS
16 CORPORATION ACT, MCL 450.1281 TO 450.1289, MIGHT CONTAIN. THE
17 ADOPTION AND FILING OF RESTATED ARTICLES OF INCORPORATION UNDER
18 THIS SUBSECTION DOES NOT CONSTITUTE A DISSOLUTION OF THE
19 CORPORATION.

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

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

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

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

27 (d) ~~To increase~~ **INCREASE** or decrease the aggregate number of

1 shares, or shares of any class ~~which~~ **THAT** the corporation has
2 authority to issue.

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

5 (f) ~~To change~~ **CHANGE** the designation of any of its issued or
6 unissued shares, ~~and to~~ **OR** change the qualifications, preferences,
7 limitations, and relative rights ~~in respect of~~ any of its issued or
8 unissued shares or of its members.

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

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

16 (I) **CANCEL OR OTHERWISE AFFECT THE RIGHT OF THE HOLDERS OF THE**
17 **SHARES OR MEMBERSHIPS OF ANY CLASS TO RECEIVE DISTRIBUTIONS WHICH**
18 **HAVE ACCRUED BUT HAVE NOT BEEN DECLARED.**

19 (J) **LIMIT, DENY, OR GRANT TO SHAREHOLDERS OR MEMBERS OF A**
20 **CLASS THE PREEMPTIVE RIGHT TO ACQUIRE SHARES OR MEMBERSHIPS OF THE**
21 **CORPORATION.**

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

24 (L) ~~(j) To strike~~ **STRIKE** out, change, or add any provision for
25 management of ~~the business~~ and conduct of the affairs of the
26 corporation, or creating, defining, limiting, and regulating the
27 powers of the corporation, its ~~director and~~ **DIRECTORS,**

1 shareholders, ~~or members~~, or any class of shareholders or members,
 2 including any provision ~~which~~ **THAT** under this act is required or
 3 permitted to be set forth in the bylaws.

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

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

11 **(A)** Before the first meeting of the board, the incorporators
 12 ~~may amend the articles of incorporation by~~ complying with section
 13 631(1).

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

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

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

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

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

27 **(D) DELETE DESCRIPTIONS OF THE PROPERTY OF THE CORPORATION OR**

1 ITS VALUE.

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

5 (F) CHANGE THE CORPORATE NAME BY ADDING, DELETING, OR CHANGING
6 THE WORD "CORPORATION", "INCORPORATED", "COMPANY", "LIMITED",
7 "ASSOCIATION", OR "SOCIETY" OR THE ABBREVIATION "CORP.", "INC.",
8 "CO.", "LTD.", OR "ASSN.", OR A SIMILAR WORD OR ABBREVIATION IN THE
9 CORPORATE NAME, OR BY ADDING DELETING OR CHANGING A GEOGRAPHICAL
10 ATTRIBUTION FOR THE CORPORATE NAME.

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

13 (3) ~~(2)~~ Except for an amendment described in ~~subsection~~
14 **SUBSECTIONS (1) AND (2)** and except as otherwise provided in this
15 act, a corporation must adopt any amendment to the articles of
16 incorporation in 1 of the following manners: ~~as provided in this~~
17 ~~section.~~

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

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

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

26 (4) ~~(3)~~ A corporation **OR A MEMBER, SHAREHOLDER, OR DIRECTOR**
27 **THAT PROPOSES AN AMENDMENT TO THE ARTICLES OF INCORPORATION** shall

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

14 (5) ~~(4)~~ At a meeting to consider an amendment to the articles
 15 of incorporation, a vote of shareholders, members, or directors
 16 entitled to vote shall be taken on the proposed amendment. The
 17 proposed amendment is ~~adopted~~ **APPROVED** if ~~it receives the~~
 18 ~~affirmative vote of a majority of the outstanding shares~~ **VOTES THAT**
 19 **ARE HELD BY SHAREHOLDERS** or members entitled to vote on the
 20 proposed amendment **ARE CAST IN FAVOR OF THE AMENDMENT** or, **IN THE**
 21 **CASE OF A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS, IF**
 22 **IT RECEIVES THE AFFIRMATIVE VOTE OF** a majority of the directors
 23 then in office. If any class of shares or members is entitled to
 24 vote on the proposed amendment as a class, ~~the affirmative vote of~~
 25 a majority of the ~~outstanding shares~~ **VOTES THAT ARE HELD BY**
 26 **SHAREHOLDERS** or members of that class ~~is also required~~ **MUST ALSO BE**
 27 **CAST IN FAVOR OF THE AMENDMENT** to ~~adopt the amendment.~~ **APPROVE IT.**

1 The voting requirements of this section are subject to **ANY** greater
2 requirements ~~as prescribed by~~ **UNDER** this act for specific
3 amendments, or as provided in the articles of incorporation or
4 bylaws. In addition, unless a greater vote is required in the
5 articles of incorporation, or in a bylaw adopted by the
6 shareholders, members, or directors **OF A CORPORATION THAT IS**
7 **ORGANIZED ON A DIRECTORSHIP BASIS**, the proposed amendment is
8 ~~adopted~~ **APPROVED** if ~~it receives an affirmative vote of a~~ majority
9 of **THE VOTES CAST BY** members or ~~shares of~~ shareholders present in
10 person, by proxy, or by electronic transmission at the meeting **ARE**
11 **CAST IN FAVOR OF THE AMENDMENT AND, IF ANY CLASS OF SHARES OR**
12 **MEMBERS IS ENTITLED TO VOTE ON THE PROPOSED AMENDMENT AS A CLASS, A**
13 **MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF EACH OF**
14 **THOSE CLASSES THAT ARE PRESENT IN PERSON, BY PROXY, OR BY**
15 **ELECTRONIC TRANSMISSION AT THE MEETING ARE CAST IN FAVOR OF THE**
16 **AMENDMENT, OR A MAJORITY OF A QUORUM OF THE BOARD OF DIRECTORS OF A**
17 **CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS VOTE IN FAVOR**
18 **OF THE AMENDMENT**, if due notice of the time, place, and object of
19 the meeting was given by mail, at the last known address, to each
20 shareholder, member, or director entitled to vote at least 20 days
21 before the date of the meeting or by publication in a publication
22 distributed by the corporation to its shareholders or members at
23 least 20 days before the date of the meeting.

24 (6) ~~(5)~~—The shareholders, members, or directors may act on any
25 number of amendments at 1 meeting.

26 (7) ~~(6)~~—If an amendment to the articles of incorporation is
27 adopted, the corporation shall file a certificate of amendment as

1 provided in section 631.

2 Sec. 615. (1) The holders **OF A CLASS** of ~~the~~ outstanding shares
3 **OF A CORPORATION THAT IS ORGANIZED ON A STOCK BASIS** or the ~~member~~
4 **MEMBERS** of a class **OF A CORPORATION THAT IS ORGANIZED ON A**
5 **MEMBERSHIP BASIS** may vote as a class ~~upon~~ **ON** a proposed amendment,
6 whether or not entitled to vote ~~thereon by~~ **ON THE AMENDMENT UNDER**
7 the articles of incorporation, if the amendment would increase or
8 decrease the aggregate number of authorized shares of the class or
9 alter or change the powers, preferences, or special rights of the
10 shares or members of the class or other classes so as to affect the
11 class adversely.

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

14 Sec. 631. (1) If ~~the~~ **AN** amendment **TO THE ARTICLES OF**
15 **INCORPORATION** is ~~made as provided in~~ **APPROVED UNDER** section ~~611(1),~~
16 **611(1) (A), A MAJORITY OF THE INCORPORATORS SHALL SIGN AND FILE** a
17 certificate of amendment ~~shall be signed by all the incorporators~~
18 ~~and filed on behalf of the corporation , setting~~ **THAT SETS** forth
19 the amendment and ~~certifying~~ **CERTIFIES** that the amendment ~~is~~ **WAS**
20 adopted by unanimous consent of the incorporators before the first
21 meeting of the board.

22 (2) **IF AN AMENDMENT TO THE ARTICLES OF INCORPORATION IS**
23 **APPROVED UNDER SECTION 611(1) (A) OR SECTION 611(2), AN OFFICER OF**
24 **THE CORPORATION SHALL EXECUTE AND FILE A CERTIFICATE OF AMENDMENT**
25 **ON BEHALF OF THE CORPORATION THAT SETS FORTH THE AMENDMENT AND**
26 **CERTIFIES THAT IT WAS ADOPTED BY THE BOARD OF DIRECTORS.**

27 (3) ~~(2) In case of any other amendment, except~~ **EXCEPT FOR AN**

1 AMENDMENT TO THE ARTICLES OF INCORPORATION DESCRIBED IN SUBSECTION
 2 (1) OR (2) OR as otherwise provided in this act, IF AN AMENDMENT IS
 3 APPROVED, AN OFFICER OF THE CORPORATION SHALL EXECUTE AND FILE a
 4 certificate of amendment ~~shall be executed and filed on behalf of~~
 5 the corporation ~~setting~~ **THAT SETS** forth the amendment and
 6 ~~certifying~~ **CERTIFIES** that the amendment ~~has been~~ **WAS** adopted in
 7 ~~accordance with~~ **IN THE MANNER REQUIRED UNDER** section ~~611(2)-611(3)~~.

8 (4) IF A CORPORATION AMENDS AN ARTICLE IN ITS ARTICLES OF
 9 INCORPORATION THAT IS DIVIDED INTO SEPARATELY IDENTIFIED SECTIONS,
 10 THE CERTIFICATE OF AMENDMENT MAY ONLY SET FORTH THE SECTION OF THE
 11 ARTICLE THAT WAS AMENDED. OTHERWISE, THE CERTIFICATE OF AMENDMENT
 12 MUST SET FORTH THE ENTIRE ARTICLE THAT WAS AMENDED.

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

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

21 (3) ~~(2)~~ **OTHER RESTATED ARTICLES OF INCORPORATION SHALL BE**
 22 **APPROVED AS FOLLOWS:**

23 (A) If the restated articles of incorporation merely restate
 24 and integrate, but do not further amend the articles **OF**
 25 **INCORPORATION** as ~~theretofore~~ **PREVIOUSLY** amended, ~~they may be~~
 26 ~~adopted by the board~~ **THE BOARD MAY ADOPT THE RESTATED ARTICLES OF**
 27 **INCORPORATION** without a vote of the shareholders or members, or ~~by~~

1 the shareholders or members **MAY ADOPT THEM**, in which case the
 2 procedure and vote required ~~by UNDER~~ section ~~611(2) is~~ **611(3) ARE**
 3 applicable.

4 **(B) IF THE RESTATED ARTICLES OF INCORPORATION RESTATE,**
 5 **INTEGRATE, AND ALSO FURTHER AMEND THE ARTICLES OF INCORPORATION,**
 6 **BUT THOSE AMENDMENTS INCLUDE ONLY AMENDMENTS ADOPTED UNDER SECTION**
 7 **611(1) (B) OR (2), THE BOARD MAY ADOPT THE RESTATED ARTICLES OF**
 8 **INCORPORATION WITHOUT A VOTE OF THE SHAREHOLDERS OR MEMBERS.**

9 **(C) If the restated articles of incorporation restate and**
 10 **integrate and also further amend in any material respect the**
 11 **articles of incorporation, as ~~theretofore~~ PREVIOUSLY amended, they**
 12 **~~shall be adopted by~~ IN A WAY THAT IS NOT PREVIOUSLY ADDRESSED UNDER**
 13 **THIS SECTION, A VOTE OF** the shareholders, members, or directors
 14 ~~pursuant to UNDER~~ section ~~611(2).~~ **611(3) IS REQUIRED TO ADOPT**
 15 **RESTATED ARTICLES OF INCORPORATION.**

16 **(4) ~~(3)~~ An amendment effected THAT IS ADOPTED** in connection
 17 with the ~~reinstatement and integration~~ **RESTATEMENT** of the articles
 18 of incorporation is subject to any other provision of this act, not
 19 inconsistent with this section, ~~which~~ **THAT** would apply if a
 20 certificate of amendment were filed to effect ~~such~~ **THAT** amendment.

21 **Sec. 642. (1) Restated THE HEADING OF RESTATED** articles of
 22 incorporation shall ~~be specifically designated~~ **DESIGNATE THEM** as
 23 ~~such. in the heading thereof.~~ They shall state, either in the
 24 heading or in an introductory paragraph, the corporation's present
 25 name, and, if it has been changed, all of its former names and the
 26 date of filing of its original articles **OF INCORPORATION**. Restated
 27 articles **OF INCORPORATION** shall state that they were duly adopted

1 by **THE INCORPORATORS**, directors, shareholders, or members ~~in~~
2 ~~accordance with this~~ **UNDER** section 641.

3 (2) IF ADOPTED BY THE INCORPORATORS UNDER SECTION 641(2),
4 **RESTATED ARTICLES OF INCORPORATION SHALL STATE THAT THEY WERE DULY**
5 **ADOPTED BY UNANIMOUS CONSENT OF THE INCORPORATORS BEFORE THE FIRST**
6 **MEETING OF THE BOARD UNDER SECTION 611(1)(A).** If adopted by the
7 board without a vote of the shareholders ~~—OR~~ members ~~—or~~
8 ~~directors~~ according to the procedure and vote required by **UNDER**
9 ~~section 641(2), they 641(3),~~ **THE RESTATED ARTICLES OF INCORPORATION**
10 shall state ~~that~~ **ALL OF THE FOLLOWING:**

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

16 (B) **THAT** there is no material discrepancy between those
17 provisions and the provisions of the restated articles **OF**
18 **INCORPORATION.**

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

25 Sec. 643. (1) ~~Restated~~ **A MAJORITY OF INCORPORATORS SHALL SIGN**
26 **AND FILE RESTATED ARTICLES OF INCORPORATION ADOPTED UNDER SECTION**
27 **641(3) AS PROVIDED IN SECTION 131.**

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

4 (3) When ~~such a~~ filing **OF RESTATED ARTICLES OF INCORPORATION**
 5 becomes effective, the corporation's original articles of
 6 incorporation ~~, as amended,~~ **AND PREVIOUS AMENDMENTS** are superseded,
 7 ~~and thenceforth~~ the restated articles **OF INCORPORATION**, including
 8 any ~~further amendments made thereby, shall be~~ **THAT ARE INCLUDED IN**
 9 **THE RESTATED ARTICLES OF INCORPORATION, ARE** the articles of
 10 incorporation of the corporation.

11 Sec. 701. (1) Two or more domestic corporations may merge into
 12 1 of the corporations ~~or consolidate into a new corporation~~
 13 pursuant to a plan of merger ~~or consolidation~~ approved in the
 14 manner provided in this act.

15 (2) The board of each corporation ~~proposing~~ **THAT PROPOSES** to
 16 participate in a merger ~~or consolidation~~ shall adopt a plan of
 17 merger ~~or consolidation, setting forth~~ **THAT CONTAINS ALL OF THE**
 18 **FOLLOWING:**

19 (a) The name of each constituent corporation and the name of
 20 the **CONSTITUENT CORPORATION THAT WILL BE THE** surviving ~~or~~
 21 ~~consolidated~~ corporation.

22 (b) ~~As to~~ **FOR** each constituent corporation ~~which~~ **THAT** is a
 23 stock corporation, the designation and number of outstanding shares
 24 of each class, specifying the classes **THAT ARE** entitled to vote;
 25 ~~and each class, if any,~~ **THAT IS** entitled to vote as a class; and,
 26 if the number of ~~any such~~ shares is subject to change before the
 27 effective date of the merger, ~~or consolidation,~~ the manner in which

1 the change may occur.

2 (c) ~~As to~~ **FOR** each constituent corporation ~~which~~ **THAT** is a
3 ~~nonstock~~ **MEMBERSHIP** corporation, a description of the members, in
4 ~~the case of a membership corporation,~~ including the number,
5 classification, and voting rights of members. ~~;~~ ~~or~~

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

10 (E) ~~(d)~~ The terms and conditions of the proposed merger, ~~or~~
11 ~~consolidation,~~ including the manner and basis of converting the
12 shares of or membership or other interest in each constituent
13 corporation into shares, ~~bonds,~~ **OBLIGATIONS**, or other securities **OF**
14 or membership or other interest in the surviving ~~or consolidated~~
15 corporation, or into cash or other consideration, ~~which~~ **IF ANY,**
16 **THAT** may include shares, bonds, rights, or other property or
17 securities of **OR MEMBERSHIP OR OTHER INTERESTS IN** a corporation
18 whether or not a party to the merger, or into a combination
19 ~~thereof.~~ **OF THOSE SECURITIES, INTERESTS, AND PROPERTY.**

20 (F) ~~(e)~~ In a merger, ~~a~~ **A** statement of ~~an~~ **ANY** amendment to the
21 articles of incorporation of the surviving corporation to ~~be~~
22 ~~effected by~~ **RESULT FROM** the merger or ~~a~~ **ANY** restatement of the
23 articles of incorporation ~~as provided in~~ **UNDER** section 641(1),
24 ~~which shall be in the form of~~ **FOR** restated articles of
25 incorporation ~~as provided in~~ **REQUIRED UNDER** section 642. ~~;~~ ~~and in a~~
26 ~~consolidation, all statements required to be included in articles~~
27 ~~of incorporation formed under this act.~~

1 (G) ~~(f)~~ Other provisions with respect to the proposed merger
2 ~~or consolidation as~~ THAT the board considers necessary or
3 desirable.

4 (3) NOTWITHSTANDING THE PROVISIONS OF THIS SECTION AND OTHER
5 PROVISIONS OF THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO
6 SHAREHOLDERS OR MEMBERS OF ANY CORPORATION OR TO ANY OTHER PERSON
7 IN CONNECTION WITH A MERGER ONLY IN CONFORMITY WITH SECTION 301 AND
8 WITH LIMITATIONS ON DISTRIBUTIONS IN THE ARTICLES OF INCORPORATION
9 OF THAT CORPORATION.

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

15 (2) FOR APPROVAL OF A PLAN OF MERGER UNDER SUBSECTION (1), ALL
16 OF THE FOLLOWING APPLY:

17 (A) THE BOARD MUST RECOMMEND THE PLAN OF MERGER TO THE
18 SHAREHOLDERS OR MEMBERS, UNLESS SECTION 529 APPLIES OR THE BOARD
19 DETERMINES THAT BECAUSE OF CONFLICT OF INTEREST, EVENTS THAT OCCUR
20 AFTER THE BOARD ADOPTS THE PLAN, CONTRACTUAL OBLIGATIONS, OR OTHER
21 SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO RECOMMENDATION. IF 1 OR
22 MORE OF THE EXCEPTIONS DESCRIBED IN THIS SUBDIVISION APPLY, THE
23 BOARD MUST COMMUNICATE THE BASIS FOR NOT MAKING A RECOMMENDATION TO
24 THE SHAREHOLDERS OR MEMBERS.

25 (B) THE BOARD MAY CONDITION ITS SUBMISSION OF THE PROPOSED
26 MERGER ON ANY BASIS.

27 (C) THE CORPORATION SHALL GIVE NOTICE OF THE SHAREHOLDER OR

1 MEMBERSHIP MEETING TO EACH SHAREHOLDER OR MEMBER OF RECORD, WHETHER
2 OR NOT ENTITLED TO VOTE AT THE MEETING, WITHIN THE TIME AND IN THE
3 MANNER PROVIDED IN THIS ACT FOR GIVING NOTICE OF MEETINGS OF
4 SHAREHOLDERS OR MEMBERS. THE NOTICE SHALL INCLUDE OR BE ACCOMPANIED
5 BY A COPY OR SUMMARY OF THE PLAN OF MERGER. IF A SUMMARY OF THE
6 PLAN IS GIVEN, THE NOTICE SHALL STATE THAT A COPY OF THE PLAN IS
7 AVAILABLE ON REQUEST.

8 (D) AT THE MEETING OF THE SHAREHOLDERS OR MEMBERS, THE
9 SHAREHOLDERS OR MEMBERS SHALL VOTE ON THE PROPOSED PLAN OF MERGER.
10 SUBJECT TO SUBDIVISION (E), THE PLAN IS APPROVED IF ALL OF THE
11 FOLLOWING ARE MET:

12 (i) A MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF
13 THE CORPORATION THAT ARE ENTITLED TO VOTE ON THE PLAN ARE CAST IN
14 FAVOR OF THE PLAN.

15 (ii) IF A CLASS OF MEMBERS OR SHAREHOLDERS IS ENTITLED TO VOTE
16 ON THE PLAN AS A CLASS, A MAJORITY OF THE VOTES HELD BY
17 SHAREHOLDERS OR MEMBERS OF THE CLASS ARE CAST IN FAVOR OF THE PLAN.
18 A CLASS OF SHARES OR OF MEMBERS IS ENTITLED TO VOTE AS A CLASS IN
19 THE CASE OF A MERGER IF THE PLAN OF MERGER CONTAINS A PROVISION
20 THAT, IF CONTAINED IN A PROPOSED AMENDMENT TO THE ARTICLES OF
21 INCORPORATION, WOULD ENTITLE THE CLASS OF SHARES OR MEMBERS TO VOTE
22 AS A CLASS.

23 (E) NOTWITHSTANDING SUBDIVISION (D), UNLESS A GREATER VOTE IS
24 REQUIRED IN THE ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY
25 THE SHAREHOLDERS OR MEMBERS, IF THERE ARE MORE THAN 20 SHAREHOLDERS
26 OR MEMBERS THAT ARE ENTITLED TO VOTE AT THE MEETING, THE PLAN OF
27 MERGER IS ADOPTED IF A MAJORITY OF THE VOTES HELD BY SHAREHOLDERS

1 OR THE MEMBERS PRESENT IN PERSON OR BY PROXY AT THE MEETING ARE
2 CAST IN FAVOR OF THE PLAN AND, IF A CLASS OF SHAREHOLDERS OR
3 MEMBERS IS ENTITLED TO VOTE ON THE PROPOSED MERGER AS A CLASS, A
4 MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS OF THAT CLASS
5 PRESENT IN PERSON OR BY PROXY AT THE MEETING ARE CAST IN FAVOR OF
6 THE PLAN.

7 (F) EXCEPT AS PROVIDED IN SECTION 754 OR UNLESS REQUIRED IN
8 THE ARTICLES OF INCORPORATION OR BYLAWS, ACTION ON A PLAN OF MERGER
9 BY THE SHAREHOLDERS OR MEMBERS OF A SURVIVING CORPORATION THAT IS
10 ORGANIZED ON A STOCK OR MEMBERSHIP BASIS IS NOT REQUIRED IF ALL OF
11 THE FOLLOWING APPLY:

12 (i) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORATION
13 WILL NOT DIFFER FROM ITS ARTICLES OF INCORPORATION BEFORE THE
14 MERGER.

15 (ii) EACH SHAREHOLDER OF THE SURVIVING CORPORATION WHOSE SHARES
16 WERE OUTSTANDING IMMEDIATELY BEFORE THE EFFECTIVE DATE OF THE
17 MERGER WILL HOLD THE SAME NUMBER OF SHARES, WITH IDENTICAL
18 DESIGNATIONS, VOTING RIGHTS, PREFERENCES, LIMITATIONS, AND RELATIVE
19 RIGHTS, IMMEDIATELY AFTER THE MERGER OR EACH MEMBER OF THE
20 SURVIVING CORPORATION WHOSE MEMBERSHIP WAS OUTSTANDING IMMEDIATELY
21 BEFORE THE EFFECTIVE DATE OF THE MERGER WILL BE A MEMBER WITH
22 IDENTICAL DESIGNATIONS, VOTING RIGHTS, PREFERENCES, LIMITATIONS,
23 AND RELATIVE RIGHTS, IMMEDIATELY AFTER THE MERGER.

24 (G) A PLAN OF MERGER MAY PROVIDE FOR DIFFERING FORMS OF
25 CONSIDERATION FOR HOLDERS OF SHARES OR MEMBERSHIPS WITHIN THE SAME
26 CLASS BASED ON THE ELECTION OF THE HOLDERS OR MEMBERS, THE AMOUNT
27 OF SHARES OR MEMBERSHIPS HELD, OR ANOTHER REASONABLE BASIS.

1 (3) IF ANY MERGING CORPORATION IS ORGANIZED ON A DIRECTORSHIP
2 BASIS, THE BOARD SHALL APPROVE A PLAN OF MERGER BY AN AFFIRMATIVE
3 VOTE OF A MAJORITY OF THE DIRECTORS WHO ARE THEN IN OFFICE OR A
4 HIGHER NUMBER OF DIRECTORS IF SPECIFIED IN THE ARTICLES OF
5 INCORPORATION OR BYLAWS. THE CORPORATION SHALL GIVE NOTICE OF THE
6 MEETING TO AUTHORIZE THE MERGER TO EACH DIRECTOR WHO IS THEN IN
7 OFFICE AT LEAST 20 DAYS BEFORE THE MEETING. THE NOTICE SHALL
8 INCLUDE OR BE ACCOMPANIED BY A COPY OR A SUMMARY OF THE PLAN OF
9 MERGER.

10 SEC. 706. (1) IF A DOMESTIC CORPORATION HAS NOT COMMENCED
11 BUSINESS, HAS NOT ISSUED ANY SHARES OR MEMBERSHIPS, AND HAS NOT
12 ELECTED A BOARD, THE CORPORATION MAY MERGE WITH ANY DOMESTIC OR
13 FOREIGN CORPORATION BY UNANIMOUS CONSENT OF ITS INCORPORATORS.

14 (2) IF INCORPORATORS UNANIMOUSLY CONSENT TO A MERGER UNDER
15 SUBSECTION (1), A MAJORITY OF INCORPORATORS SHALL EXECUTE A
16 CERTIFICATE OF MERGER UNDER SECTION 707.

17 (3) THE OTHER DOMESTIC OR FOREIGN CORPORATIONS THAT
18 PARTICIPATE IN THE MERGER WITH A DOMESTIC CORPORATION UNDER
19 SUBSECTION (1) SHALL COMPLY WITH THE PROVISIONS OF THIS ACT DEALING
20 WITH MERGERS THAT ARE APPLICABLE TO THEM.

21 Sec. 707. (1) After ~~approval of a plan of merger or~~
22 ~~consolidation,~~ IS APPROVED UNDER THIS ACT, EACH CONSTITUENT
23 CORPORATION SHALL SIGN AND FILE a certificate of merger ~~or a~~
24 ~~certificate of consolidation shall be executed and filed on behalf~~
25 ~~of each~~ THAT corporation. The certificate shall set forth ~~the plan~~
26 ~~of merger or the plan of consolidation and either~~ ALL of the
27 following:

1 (a) ~~A statement that the plan of merger or consolidation has~~
2 ~~been adopted by the board and approved by the shareholders or~~
3 ~~members in accordance with sections 701 to 703(1) and (2).~~THE
4 STATEMENTS REQUIRED UNDER SECTION 701(2) (A), (B), AND (D), AND THE
5 MANNER AND BASIS OF CONVERTING THE SHARES OR MEMBERSHIPS OF EACH
6 CONSTITUENT CORPORATION THAT IS ORGANIZED ON A STOCK OR MEMBERSHIP
7 BASIS AS SET FORTH IN THE PLAN OF MERGER.

8 (b) ~~A statement that the plan of merger or consolidation has~~
9 ~~been adopted by the board in accordance with section 703(3).~~A
10 STATEMENT THAT THE BOARDS HAVE ADOPTED THE PLAN OF MERGER UNDER
11 SECTION 701.

12 (C) A STATEMENT THAT THE SURVIVING CORPORATION WILL FURNISH
13 THE PLAN OF MERGER, ON REQUEST AND WITHOUT COST, TO ANY SHAREHOLDER
14 OR MEMBER OF ANY CONSTITUENT CORPORATION.

15 (D) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF 1 OR MORE
16 CORPORATIONS THAT ARE PARTIES TO THE MERGER WAS REQUIRED, A
17 STATEMENT THAT THE PLAN WAS APPROVED BY THE SHAREHOLDERS OR MEMBERS
18 UNDER SECTION 703A.

19 (E) IF SECTION 706 APPLIES TO THE MERGER, A STATEMENT THAT THE
20 MERGING CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
21 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD AND THAT THE
22 PLAN OF MERGER WAS APPROVED BY THE UNANIMOUS CONSENT OF THE
23 INCORPORATORS.

24 (F) A STATEMENT OF ANY ASSUMED NAMES OF MERGING CORPORATIONS
25 THAT ARE TRANSFERRED TO THE SURVIVING CORPORATION UNDER SECTION
26 217(3), SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF
27 THE CORPORATION FROM WHICH IT IS TRANSFERRED. THE CERTIFICATE MAY

1 INCLUDE A STATEMENT OF CORPORATE NAMES OR ASSUMED NAMES OF MERGING
2 CORPORATIONS THAT ARE TO BE TREATED AS NEWLY FILED ASSUMED NAMES OF
3 THE SURVIVING CORPORATION UNDER SECTION 217(4).

4 (2) ~~The SECTION 131 APPLIES IN DETERMINING WHEN A certificate~~
5 ~~of merger or consolidation shall become~~ UNDER THIS SECTION BECOMES
6 effective. ~~in accordance with section 131.~~

7 SEC. 711. (1) A DOMESTIC CORPORATION MAY MERGE 1 OR MORE
8 SUBSIDIARY CORPORATIONS INTO ITSELF, OR MAY MERGE ITSELF, OR ITSELF
9 AND ANY 1 OR MORE SUBSIDIARY CORPORATIONS, INTO ANY OTHER
10 SUBSIDIARY CORPORATION, WITHOUT APPROVAL OF THE SHAREHOLDERS OR
11 MEMBERS OF ANY OF THE CORPORATIONS, EXCEPT AS PROVIDED IN SECTION
12 713. THE BOARD OF THE PARENT CORPORATION SHALL APPROVE A PLAN OF
13 MERGER THAT SETS FORTH THOSE MATTERS REQUIRED TO BE SET FORTH IN A
14 PLAN OF MERGER UNDER SECTION 701. APPROVAL BY THE BOARD OF A
15 SUBSIDIARY CORPORATION DESCRIBED IN THIS SUBSECTION IS NOT
16 REQUIRED.

17 (2) IF THE PARENT CORPORATION OWNS LESS THAN 100% OF THE
18 OUTSTANDING SHARES OR MEMBERSHIPS OF ANY SUBSIDIARY CORPORATION
19 THAT IS A CONSTITUENT CORPORATION, THE PARENT CORPORATION SHALL
20 PROMPTLY AFTER THE FILING OF THE CERTIFICATE OF MERGER MAIL A COPY
21 OR SUMMARY OF THE PLAN OF MERGER TO EACH MINORITY SHAREHOLDER OR
22 MEMBER OF RECORD OF EACH SUBSIDIARY CORPORATION, UNLESS THE
23 SHAREHOLDER OR MEMBER WAIVES THE REQUIREMENT IN WRITING.

24 (3) THE AUTHORITY OF A CORPORATION TO MERGE UNDER THIS SECTION
25 DOES NOT PREVENT THE CORPORATION FROM USING OTHER PROVISIONS OF
26 THIS ACT TO COMPLETE A MERGER.

27 (4) AS USED IN THIS SECTION AND IN SECTIONS 712 AND 713:

1 (A) "CONSTITUENT CORPORATION" MEANS A CORPORATION THAT IS A
2 PARTY TO THE MERGER DESCRIBED IN SUBSECTION (1).

3 (B) A DOMESTIC CORPORATION IS A "SUBSIDIARY CORPORATION" IF
4 ANOTHER DOMESTIC CORPORATION HOLDS AT LEAST 90% OF ITS SHAREHOLDER
5 OR MEMBER VOTES.

6 SEC. 712. (1) AFTER A PLAN OF MERGER IS ADOPTED UNDER SECTION
7 711, THE PARENT CORPORATION SHALL EXECUTE AND FILE A CERTIFICATE OF
8 MERGER THAT SETS FORTH ALL OF THE FOLLOWING:

9 (A) THE STATEMENTS REQUIRED UNDER SECTION 701(2)(A) AND (D),
10 AND THE MANNER AND BASIS OF CONVERTING SHARES OR MEMBERSHIPS OF
11 EACH CONSTITUENT CORPORATION AS SET FORTH IN THE PLAN OF MERGER.

12 (B) THE NUMBER OF OUTSTANDING SHARES OR MEMBERSHIPS OF EACH
13 CLASS OF EACH SUBSIDIARY CORPORATION THAT IS A PARTY TO THE MERGER
14 AND THE NUMBER OF SHARES OR MEMBERSHIPS OF EACH CLASS OWNED BY THE
15 PARENT CORPORATION.

16 (C) A STATEMENT OF ANY ASSUMED NAMES OF MERGING CORPORATIONS
17 TRANSFERRED TO THE SURVIVING CORPORATION AS UNDER SECTION 217(3),
18 SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF THE
19 CORPORATION FROM WHICH IT IS TRANSFERRED. THE CERTIFICATE MAY
20 INCLUDE A STATEMENT OF CORPORATE NAMES OR ASSUMED NAMES OF MERGING
21 CORPORATIONS THAT ARE TO BE TREATED AS NEWLY FILED ASSUMED NAMES OF
22 THE SURVIVING CORPORATION UNDER SECTION 217(4).

23 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
24 MERGER BECOMES EFFECTIVE UNDER THIS SECTION.

25 SEC. 713. (1) A SUBSIDIARY CORPORATION THAT IS A CONSTITUENT
26 CORPORATION IN A MERGER UNDER SECTION 711 SHALL OBTAIN THE APPROVAL
27 OF ITS SHAREHOLDERS OR MEMBERS IF ITS ARTICLES OF INCORPORATION

1 REQUIRE APPROVAL OF A MERGER BY THE AFFIRMATIVE VOTE OF HOLDERS OF
2 MORE THAN THE PERCENTAGE OF SHAREHOLDER OR MEMBER VOTES OF ANY
3 CLASS OF THE CORPORATION THEN HELD BY THE PARENT CORPORATION.

4 (2) A PARENT CORPORATION SHALL OBTAIN APPROVAL OF ITS
5 SHAREHOLDERS OR MEMBERS FOR A MERGER UNDER SECTION 711 IF EITHER OF
6 THE FOLLOWING APPLIES:

7 (A) ITS ARTICLES OR INCORPORATION REQUIRE SHAREHOLDER OR
8 MEMBER APPROVAL OF THE MERGER.

9 (B) PURSUANT TO SECTION 703A, THE PLAN OF MERGER CONTAINS A
10 PROVISION THAT WOULD AMEND ANY PART OF THE ARTICLES OF
11 INCORPORATION OF THE PARENT CORPORATION INTO WHICH A SUBSIDIARY
12 CORPORATION IS BEING MERGED, OR A SUBSIDIARY CORPORATION IS TO BE
13 THE SURVIVING CORPORATION OF THE MERGER.

14 SEC. 724. ALL OF THE FOLLOWING APPLY WHEN A MERGER, OTHER THAN
15 A MERGER UNDER SECTION 736A, TAKES EFFECT:

16 (A) EVERY OTHER CORPORATION THAT IS A PARTY TO THE MERGER
17 MERGES INTO THE SURVIVING CORPORATION AND THE SEPARATE EXISTENCE OF
18 EVERY CORPORATION THAT IS A PARTY TO THE MERGER EXCEPT THE
19 SURVIVING CORPORATION CEASES. A MERGER IN WHICH A DOMESTIC
20 CORPORATION IS THE SURVIVING CORPORATION IS NOT CONSIDERED A
21 DISSOLUTION OF ANY CONSTITUENT DOMESTIC CORPORATION OR DOMESTIC
22 BUSINESS CORPORATION.

23 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
24 OWNED BY EACH CORPORATION THAT IS A PARTY TO THE MERGER IS VESTED
25 IN THE SURVIVING CORPORATION WITHOUT REVERSION OR IMPAIRMENT.

26 (C) THE SURVIVING CORPORATION MAY USE THE CORPORATE NAME AND
27 THE ASSUMED NAMES OF ANY MERGING CORPORATION, IF THE FILINGS

1 REQUIRED UNDER SECTION 217(3) AND (4) ARE MADE.

2 (D) THE SURVIVING CORPORATION HAS ALL OF THE LIABILITIES OF
3 EACH CORPORATION THAT IS A PARTY TO THE MERGER.

4 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
5 AGAINST ANY CORPORATION THAT IS A PARTY TO THE MERGER AS IF THE
6 MERGER DID NOT OCCUR OR THE SURVIVING CORPORATION MAY BE
7 SUBSTITUTED IN THE PROCEEDING FOR THE CORPORATION WHOSE EXISTENCE
8 CEASED.

9 (F) THE ARTICLES OF INCORPORATION OF THE SURVIVING CORPORATION
10 ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF MERGER.

11 (G) THE SHARES OR MEMBERSHIPS OF EACH CORPORATION PARTY TO THE
12 MERGER THAT ARE TO BE CONVERTED INTO SHARES, OBLIGATIONS, OR OTHER
13 SECURITIES OF OR MEMBERSHIP OR OTHER INTERESTS IN THE SURVIVING OR
14 ANY OTHER CORPORATION OR INTO CASH OR OTHER PROPERTY ARE CONVERTED.

15 SEC. 735. (1) ONE OR MORE DOMESTIC BUSINESS CORPORATIONS,
16 FOREIGN CORPORATIONS, OR FOREIGN BUSINESS CORPORATIONS MAY MERGE
17 WITH 1 OR MORE DOMESTIC CORPORATIONS IF ALL OF THE FOLLOWING ARE
18 MET:

19 (A) IN A MERGER INVOLVING A FOREIGN CORPORATION OR A FOREIGN
20 BUSINESS CORPORATION, THE MERGER IS PERMITTED UNDER THE LAW OF THE
21 STATE OR COUNTRY UNDER WHOSE LAW EACH FOREIGN CORPORATION AND EACH
22 FOREIGN BUSINESS CORPORATION IS INCORPORATED AND EACH FOREIGN
23 CORPORATION OR FOREIGN BUSINESS CORPORATION COMPLIES WITH THAT LAW
24 IN EFFECTING THE MERGER. IF THE PARENT CORPORATION IN A MERGER
25 CONDUCTED UNDER SECTION 711 IS A FOREIGN CORPORATION OR A FOREIGN
26 BUSINESS CORPORATION, IT SHALL COMPLY WITH ALL OF THE FOLLOWING,
27 NOTWITHSTANDING THE PROVISIONS OF THE LAWS OF ITS JURISDICTION OF

1 INCORPORATION:

2 (i) SECTION 711(2) WITH RESPECT TO NOTICE TO SHAREHOLDERS OR
3 MEMBERS OF A DOMESTIC SUBSIDIARY CORPORATION THAT IS A PARTY TO THE
4 MERGER.

5 (ii) SECTION 712 WITH RESPECT TO THE CERTIFICATE OF MERGER.

6 (B) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO CONDUCT
7 AFFAIRS OR TRANSACT BUSINESS IN THIS STATE IS A PARTY TO THE
8 MERGER, IT SHALL COMPLY WITH THE APPLICABLE PROVISION OF SECTIONS
9 1021 AND 1035.

10 (C) IN A MERGER INVOLVING 1 OR MORE DOMESTIC BUSINESS
11 CORPORATIONS, THE MERGER IS PERMITTED UNDER THE BUSINESS
12 CORPORATION ACT, AND EACH DOMESTIC BUSINESS CORPORATION COMPLIES
13 WITH THAT LAW IN EFFECTING THE MERGER. HOWEVER, IF THE PARENT
14 CORPORATION IN A MERGER THAT IS CONDUCTED UNDER SECTION 711 IS A
15 DOMESTIC BUSINESS CORPORATION, IT SHALL ALSO COMPLY WITH ALL OF THE
16 FOLLOWING:

17 (i) SECTION 711(2) WITH RESPECT TO NOTICE TO SHAREHOLDERS OR
18 MEMBERS OF A DOMESTIC SUBSIDIARY CORPORATION THAT IS A PARTY TO THE
19 MERGER.

20 (ii) SECTION 712 WITH RESPECT TO THE CERTIFICATE OF MERGER.

21 (D) EACH DOMESTIC CORPORATION COMPLIES WITH THE APPLICABLE
22 PROVISIONS OF SECTIONS 701 TO 713.

23 (2) IF THE SURVIVING CORPORATION OF A MERGER IS A FOREIGN
24 CORPORATION TO BE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN
25 THIS STATE, IT SHALL COMPLY WITH THE PROVISIONS OF THIS ACT WITH
26 RESPECT TO FOREIGN CORPORATIONS IF IT IS TO CONDUCT AFFAIRS IN THIS
27 STATE. IF THE SURVIVING CORPORATION IN A MERGER IS A FOREIGN

1 BUSINESS CORPORATION TO BE GOVERNED BY THE LAWS OF A JURISDICTION
2 OTHER THAN THIS STATE, IT SHALL COMPLY WITH THE PROVISIONS OF THE
3 BUSINESS CORPORATION ACT WITH RESPECT TO FOREIGN BUSINESS
4 CORPORATIONS IF IT IS TO TRANSACT BUSINESS IN THIS STATE.

5 (3) THE SURVIVING CORPORATION IN A MERGER IS LIABLE, AND IS
6 SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN THIS STATE, FOR
7 THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC CORPORATION THAT IS
8 PARTY TO THE MERGER.

9 (4) THIS SECTION DOES NOT LIMIT THE POWER OF A DOMESTIC
10 BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS
11 CORPORATION TO ACQUIRE ALL OR PART OF THE SHARES OR MEMBERSHIPS OF
12 1 OR MORE CLASSES OF A DOMESTIC CORPORATION THROUGH A VOLUNTARY
13 EXCHANGE OR OTHERWISE.

14 (5) NOTWITHSTANDING THIS SECTION OR ANY OTHER PROVISIONS OF
15 THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO ITS
16 SHAREHOLDERS OR MEMBERS OR TO ANY OTHER PERSON IN CONNECTION WITH A
17 MERGER WITH A DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION,
18 OR FOREIGN BUSINESS CORPORATION UNDER THIS SECTION ONLY IN
19 CONFORMITY WITH SECTION 301 AND WITH ANY LIMITATIONS ON
20 DISTRIBUTIONS IN THE ARTICLES OF THE CORPORATION.

21 SEC. 736A. (1) EXCEPT AS PROVIDED IN SUBSECTION (2) AND
22 SUBJECT TO SUBSECTION (8), 1 OR MORE DOMESTIC CORPORATIONS MAY
23 MERGE WITH 1 OR MORE BUSINESS ORGANIZATIONS IF ALL OF THE FOLLOWING
24 REQUIREMENTS ARE MET:

25 (A) THE MERGER IS PERMITTED UNDER THE LAW OF THE JURISDICTION
26 IN WHICH EACH CONSTITUENT BUSINESS ORGANIZATION IS ORGANIZED AND
27 EACH CONSTITUENT BUSINESS ORGANIZATION COMPLIES WITH THAT LAW IN

1 EFFECTING THE MERGER, AND EACH FOREIGN CONSTITUENT BUSINESS
2 ORGANIZATION TRANSACTING BUSINESS IN THIS STATE COMPLIES WITH THE
3 APPLICABLE LAWS OF THIS STATE.

4 (B) THE BOARD OF EACH DOMESTIC CORPORATION THAT IS
5 PARTICIPATING IN THE MERGER ADOPTS A PLAN OF MERGER THAT SETS FORTH
6 ALL OF THE FOLLOWING:

7 (i) THE NAME OF EACH CONSTITUENT ENTITY, THE NAME OF THE
8 CONSTITUENT ENTITY THAT WILL BE THE SURVIVING ENTITY, THE STREET
9 ADDRESS OF THE SURVIVING ENTITY'S PRINCIPAL PLACE OF BUSINESS, AND
10 THE TYPE OF ORGANIZATION OF THE SURVIVING ENTITY.

11 (ii) IF A DOMESTIC CORPORATION THAT IS A PARTY TO THE MERGER IS
12 A STOCK CORPORATION, THE DESIGNATION AND NUMBER OF OUTSTANDING
13 SHARES OF EACH CLASS, SPECIFYING THE CLASSES ENTITLED TO VOTE, EACH
14 CLASS ENTITLED TO VOTE AS A CLASS, AND, IF THE NUMBER OF SHARES IS
15 SUBJECT TO CHANGE BEFORE THE EFFECTIVE DATE OF THE MERGER, THE
16 MANNER IN WHICH THE CHANGE MAY OCCUR.

17 (iii) IF A DOMESTIC CORPORATION THAT IS A PARTY TO THE MERGER IS
18 A MEMBERSHIP CORPORATION, A DESCRIPTION OF THE MEMBERS, INCLUDING
19 THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF MEMBERS.

20 (iv) IF A DOMESTIC CORPORATION THAT IS A PARTY TO A MERGER IS A
21 DIRECTORSHIP CORPORATION, A DESCRIPTION OF THE ORGANIZATION OF THE
22 BOARD, INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF
23 DIRECTORS.

24 (v) THE TERMS AND CONDITIONS OF THE PROPOSED MERGER, INCLUDING
25 THE MANNER AND BASIS OF CONVERTING THE SHARES, PARTNERSHIP
26 INTERESTS, MEMBERSHIP INTERESTS, OR OTHER OWNERSHIP INTERESTS OF
27 EACH CONSTITUENT ENTITY INTO OWNERSHIP INTERESTS, OBLIGATIONS, OR

1 OTHER SECURITIES OF OR MEMBERSHIP OR OTHER INTERESTS IN THE
2 SURVIVING ENTITY, OR INTO CASH OR OTHER CONSIDERATION, IF ANY, THAT
3 MAY INCLUDE OWNERSHIP INTERESTS, OBLIGATIONS, OR OTHER SECURITIES
4 OF OR MEMBERSHIP OR OTHER INTERESTS IN AN ENTITY THAT IS NOT A
5 PARTY TO THE MERGER, OR INTO A COMBINATION OF THOSE SECURITIES,
6 INTERESTS, OR PROPERTY.

7 (vi) IF THE SURVIVING ENTITY IS TO BE A DOMESTIC CORPORATION, A
8 STATEMENT OF ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE
9 SURVIVING CORPORATION THAT WILL RESULT FROM THE MERGER OR ANY
10 RESTATEMENT OF THE ARTICLES UNDER SECTION 641(1), IN THE FORM FOR
11 RESTATED ARTICLES REQUIRED UNDER SECTION 642.

12 (vii) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED MERGER
13 THAT THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

14 (C) A PLAN OF MERGER ADOPTED BY THE BOARD OF EACH CONSTITUENT
15 DOMESTIC CORPORATION SHALL BE SUBMITTED FOR APPROVAL AT A MEETING
16 OF THE SHAREHOLDERS OR MEMBERS UNDER SECTION 703A(1) OR, IF THE
17 CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, FOR APPROVAL BY
18 THE BOARD OF DIRECTORS UNDER SECTION 703A(3).

19 (2) IF A DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS, HAS
20 NOT ISSUED ANY SHARES, AND HAS NOT ELECTED A BOARD, THE CORPORATION
21 MAY MERGE WITH ANY DOMESTIC OR FOREIGN ENTITY BY UNANIMOUS CONSENT
22 OF ITS INCORPORATORS. IF THE INCORPORATORS UNANIMOUSLY CONSENT TO A
23 MERGER UNDER THIS SUBSECTION, A MAJORITY OF THE INCORPORATORS MUST
24 EXECUTE AND FILE A CERTIFICATE OF MERGER UNDER SUBSECTION (3).

25 (3) AFTER A PLAN OF MERGER IS APPROVED UNDER SUBSECTION (1) OR
26 THE MERGER IS APPROVED UNDER SUBSECTION (2), EACH DOMESTIC
27 CORPORATION THAT IS A PARTY TO THE MERGER SHALL EXECUTE AND FILE A

1 CERTIFICATE OF MERGER. THE CERTIFICATE SHALL SET FORTH ALL OF THE
2 FOLLOWING:

3 (A) A STATEMENT OF THE APPLICABLE REQUIREMENTS SET FORTH IN
4 SUBSECTION (1) (B) (i), (ii), (iii), (iv), (v), (vi), AND (vii), AND THE
5 MANNER AND BASIS OF CONVERTING THE OWNERSHIP, MEMBERSHIP, OR OTHER
6 INTERESTS OF EACH CONSTITUENT ENTITY INCLUDED IN THE PLAN OF
7 MERGER.

8 (B) A STATEMENT THAT THE PLAN OF MERGER HAS BEEN ADOPTED BY
9 THE BOARD UNDER SUBSECTION (1) (B).

10 (C) A STATEMENT THAT THE SURVIVING ENTITY WILL FURNISH THE
11 PLAN OF MERGER, ON REQUEST AND WITHOUT COST, TO ANY SHAREHOLDER OR
12 MEMBER OF THE DOMESTIC CORPORATION.

13 (D) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF THE DOMESTIC
14 CORPORATION IS REQUIRED, A STATEMENT THAT THE PLAN WAS APPROVED BY
15 THE SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (1) (C) OR, IF THE
16 CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, A STATEMENT THAT
17 THE PLAN WAS APPROVED BY THE BOARD OF DIRECTORS UNDER SUBSECTION
18 (1) (C).

19 (E) IF SUBSECTION (2) APPLIES TO THE MERGER, A STATEMENT THAT
20 THE CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
21 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD, AND THAT THE
22 MERGER WAS APPROVED BY THE UNANIMOUS CONSENT OF THE INCORPORATORS.

23 (F) A STATEMENT OF ANY ASSUMED NAMES OF MERGING ENTITIES THAT
24 ARE TRANSFERRED TO THE SURVIVING ENTITY UNDER SECTION 217(3),
25 SPECIFYING EACH TRANSFERRED ASSUMED NAME AND THE NAME OF THE ENTITY
26 FROM WHICH IT IS TRANSFERRED. IF THE SURVIVING ENTITY IS A DOMESTIC
27 CORPORATION OR A FOREIGN CORPORATION AUTHORIZED TO CONDUCT AFFAIRS

1 IN THIS STATE, THE CERTIFICATE MAY INCLUDE A STATEMENT OF THE NAMES
2 OR ASSUMED NAMES OF MERGING ENTITIES THAT ARE TO BE TREATED AS
3 NEWLY FILED ASSUMED NAMES OF THE SURVIVING CORPORATION UNDER
4 SECTION 217(4).

5 (4) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
6 MERGER UNDER SUBSECTION (3) BECOMES EFFECTIVE.

7 (5) WHEN A MERGER UNDER THIS SECTION TAKES EFFECT, ALL OF THE
8 FOLLOWING APPLY:

9 (A) EVERY OTHER ENTITY THAT IS A PARTY TO THE MERGER MERGES
10 INTO THE SURVIVING ENTITY AND THE SEPARATE EXISTENCE OF EVERY
11 ENTITY THAT IS A PARTY TO THE MERGER EXCEPT THE SURVIVING ENTITY
12 CEASES.

13 (B) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
14 OWNED BY EACH ENTITY THAT IS A PARTY TO THE MERGER IS VESTED IN THE
15 SURVIVING ENTITY WITHOUT REVERSION OR IMPAIRMENT.

16 (C) THE SURVIVING ENTITY MAY USE THE NAME AND THE ASSUMED
17 NAMES OF ANY ENTITY THAT IS A PARTY TO THE MERGER, IF THE FILINGS
18 REQUIRED UNDER SECTION 217(3) OR (4) OR ANY OTHER APPLICABLE
19 STATUTE ARE MADE.

20 (D) THE SURVIVING ENTITY HAS ALL OF THE LIABILITIES OF EACH
21 ENTITY THAT IS A PARTY TO THE MERGER. THIS SUBDIVISION DOES NOT
22 AFFECT THE LIABILITY, IF ANY, OF A PERSON THAT WAS AN OBLIGATED
23 PERSON WITH RESPECT TO AN ENTITY THAT IS A PARTY TO THE MERGER FOR
24 ACTS OR OMISSIONS THAT OCCURRED BEFORE THE MERGER.

25 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
26 AGAINST ANY ENTITY THAT WAS A PARTY TO THE MERGER AS IF THE MERGER
27 DID NOT OCCUR, OR THE SURVIVING ENTITY MAY BE SUBSTITUTED IN THE

1 PROCEEDING FOR THE ENTITY WHOSE EXISTENCE CEASED.

2 (F) THE ARTICLES OF INCORPORATION OF A SURVIVING DOMESTIC
3 CORPORATION ARE AMENDED TO THE EXTENT PROVIDED IN THE PLAN OF
4 MERGER.

5 (G) THE OWNERSHIP INTERESTS, SHARES, OR MEMBERSHIPS OF EACH
6 ENTITY THAT IS A PARTY TO THE MERGER THAT ARE TO BE CONVERTED INTO
7 OWNERSHIP INTERESTS OR OBLIGATIONS OF OR MEMBERSHIP OR OTHER
8 INTERESTS IN THE SURVIVING ENTITY OR INTO CASH OR OTHER PROPERTY
9 ARE CONVERTED.

10 (6) IF THE SURVIVING ENTITY IN A MERGER UNDER THIS SECTION IS
11 A FOREIGN BUSINESS ORGANIZATION, IT IS SUBJECT TO THE LAWS OF THIS
12 STATE PERTAINING TO THE TRANSACTION OF BUSINESS IN THIS STATE IF IT
13 TRANSACTS BUSINESS IN THIS STATE. THE SURVIVING ENTITY IS LIABLE,
14 AND IS SUBJECT TO SERVICE OF PROCESS IN A PROCEEDING IN THIS STATE,
15 FOR THE ENFORCEMENT OF AN OBLIGATION OF A DOMESTIC CORPORATION THAT
16 IS A PARTY TO THE MERGER.

17 (7) NOTWITHSTANDING THIS SECTION OR ANY OTHER PROVISIONS OF
18 THIS ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO ITS
19 SHAREHOLDERS OR MEMBERS OR TO ANY OTHER PERSON IN CONNECTION WITH A
20 MERGER WITH A BUSINESS ORGANIZATION UNDER THIS SECTION ONLY IN
21 CONFORMITY WITH SECTION 301 AND WITH ANY LIMITATIONS ON
22 DISTRIBUTIONS IN ITS ARTICLES OF INCORPORATION.

23 (8) SECTION 735, AND NOT THIS SECTION, APPLIES TO A MERGER IF
24 ALL OF THE BUSINESS ORGANIZATIONS MERGING WITH 1 OR MORE DOMESTIC
25 CORPORATIONS ARE FOREIGN CORPORATIONS, DOMESTIC BUSINESS
26 CORPORATIONS, OR FOREIGN BUSINESS CORPORATIONS.

27 (9) AS USED IN THIS SECTION:

1 (A) "BUSINESS ORGANIZATION" MEANS A DOMESTIC OR FOREIGN
2 LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP, GENERAL
3 PARTNERSHIP, OR ANY OTHER TYPE OF DOMESTIC OR FOREIGN BUSINESS
4 ENTERPRISE, INCORPORATED OR UNINCORPORATED, EXCEPT A DOMESTIC
5 BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS
6 CORPORATION.

7 (B) "ENTITY" MEANS A BUSINESS ORGANIZATION, DOMESTIC
8 CORPORATION, FOREIGN CORPORATION, OR FOREIGN BUSINESS CORPORATION.

9 (C) "OBLIGATED PERSON" MEANS A GENERAL PARTNER OF A LIMITED
10 PARTNERSHIP, A PARTNER OF A GENERAL PARTNERSHIP, OR A PARTICIPANT
11 IN OR AN OWNER OF AN INTEREST IN ANY OTHER TYPE OF BUSINESS
12 ENTERPRISE THAT, UNDER APPLICABLE LAW, IS GENERALLY LIABLE FOR THE
13 OBLIGATIONS OF THE BUSINESS ENTERPRISE.

14 Sec. 741. At any time before the effective date of a ~~THE~~
15 certificate of merger, ~~or consolidation, the merger or~~
16 ~~consolidation may be abandoned pursuant to provisions therefor, if~~
17 ~~any,~~ SUBJECT TO ANY CONTRACTUAL RIGHTS, A CORPORATION MAY ABANDON A
18 MERGER WITHOUT FURTHER SHAREHOLDER OR MEMBER ACTION, UNDER A
19 PROCEDURE set forth in the plan of merger ~~or consolidation.~~ OR, IF
20 THE PLAN OF MERGER DOES NOT INCLUDE AN ABANDONMENT PROCEDURE, IN
21 THE MANNER DETERMINED BY THE BOARD. If a certificate of merger ~~or~~
22 ~~consolidation has been~~ WAS filed by a corporation THAT ABANDONS A
23 MERGER, it shall file a certificate of abandonment within 10 days
24 after the abandonment, but not later than the proposed effective
25 ~~day.~~ DATE.

26 SEC. 745. (1) A DOMESTIC CORPORATION MAY CONVERT INTO A
27 BUSINESS ORGANIZATION IF ALL OF THE FOLLOWING REQUIREMENTS ARE

1 SATISFIED:

2 (A) THE CONVERSION IS PERMITTED UNDER THE LAW THAT WILL GOVERN
3 THE INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION AFTER CONVERSION
4 AND THE SURVIVING BUSINESS ORGANIZATION COMPLIES WITH THAT LAW IN
5 CONVERTING.

6 (B) UNLESS SUBDIVISION (D) APPLIES, THE BOARD OF THE DOMESTIC
7 CORPORATION THAT IS PROPOSING TO CONVERT ADOPTS A PLAN OF
8 CONVERSION THAT INCLUDES ALL OF THE FOLLOWING:

9 (i) THE NAME OF THE DOMESTIC CORPORATION, THE NAME OF THE
10 BUSINESS ORGANIZATION INTO WHICH THE DOMESTIC CORPORATION IS
11 CONVERTING, THE TYPE OF BUSINESS ORGANIZATION INTO WHICH THE
12 DOMESTIC CORPORATION IS CONVERTING, IDENTIFICATION OF THE STATUTE
13 THAT WILL GOVERN THE INTERNAL AFFAIRS OF THE SURVIVING BUSINESS
14 ORGANIZATION, THE STREET ADDRESS OF THE SURVIVING BUSINESS
15 ORGANIZATION, THE STREET ADDRESS OF THE DOMESTIC CORPORATION IF IT
16 IS DIFFERENT FROM THE STREET ADDRESS OF THE SURVIVING BUSINESS
17 ORGANIZATION, AND THE PRINCIPAL PLACE OF BUSINESS OF THE SURVIVING
18 BUSINESS ORGANIZATION.

19 (ii) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A STOCK
20 BASIS, THE DESIGNATION AND NUMBER OF OUTSTANDING SHARES OF EACH
21 CLASS, SPECIFYING THE CLASSES THAT ARE ENTITLED TO VOTE, EACH CLASS
22 THAT IS ENTITLED TO VOTE AS A CLASS, AND, IF THE NUMBER OF SHARES
23 IS SUBJECT TO CHANGE BEFORE THE EFFECTIVE DATE OF THE CONVERSION,
24 THE MANNER IN WHICH THE CHANGE MAY OCCUR.

25 (iii) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A
26 MEMBERSHIP BASIS, A DESCRIPTION OF THE MEMBERS, INCLUDING THE
27 NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF MEMBERS.

1 (iv) FOR A DOMESTIC CORPORATION THAT IS ORGANIZED ON A
2 DIRECTORSHIP BASIS, A DESCRIPTION OF THE ORGANIZATION OF THE BOARD,
3 INCLUDING THE NUMBER, CLASSIFICATION, AND VOTING RIGHTS OF
4 DIRECTORS.

5 (v) THE TERMS AND CONDITIONS OF THE PROPOSED CONVERSION,
6 INCLUDING THE MANNER AND BASIS OF CONVERTING THE SHARES OR
7 MEMBERSHIPS INTO OWNERSHIP INTERESTS, OR OBLIGATIONS OF THE
8 SURVIVING BUSINESS ORGANIZATION, INTO CASH, INTO OTHER
9 CONSIDERATION THAT MAY INCLUDE OWNERSHIP INTERESTS OR OBLIGATIONS
10 OF AN ENTITY THAT IS NOT A PARTY TO THE CONVERSION, OR INTO A
11 COMBINATION OF CASH AND OTHER CONSIDERATION.

12 (vi) THE TERMS AND CONDITIONS OF THE ORGANIZATIONAL DOCUMENTS
13 THAT ARE TO GOVERN THE SURVIVING BUSINESS ORGANIZATION.

14 (vii) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED
15 CONVERSION THAT THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

16 (C) IF THE BOARD ADOPTS THE PLAN OF CONVERSION UNDER
17 SUBDIVISION (B), THE PLAN OF CONVERSION IS SUBMITTED FOR APPROVAL
18 IN THE MANNER REQUIRED FOR A MERGER UNDER SECTION 703A(2).

19 (D) IF THE DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS,
20 HAS NOT ISSUED ANY SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A
21 BOARD, SUBDIVISIONS (B) AND (C) DO NOT APPLY AND THE INCORPORATORS
22 MAY APPROVE THE CONVERSION OF THE CORPORATION INTO A BUSINESS
23 ORGANIZATION BY UNANIMOUS CONSENT. TO EFFECT THE CONVERSION, A
24 MAJORITY OF THE INCORPORATORS MUST EXECUTE AND FILE A CERTIFICATE
25 OF CONVERSION UNDER SUBDIVISION (E).

26 (E) AFTER THE PLAN OF CONVERSION IS APPROVED UNDER
27 SUBDIVISIONS (B) AND (C) OR THE CONVERSION IS APPROVED UNDER

1 SUBDIVISION (D), THE DOMESTIC CORPORATION FILES ANY FORMATION
2 DOCUMENTS REQUIRED TO BE FILED UNDER THE LAWS THAT GOVERN THE
3 INTERNAL AFFAIRS OF THE SURVIVING BUSINESS ORGANIZATION, IN THE
4 MANNER REQUIRED BY THOSE LAWS, AND FILES A CERTIFICATE OF
5 CONVERSION WITH THE ADMINISTRATOR. THE CERTIFICATE OF CONVERSION
6 SHALL INCLUDE ALL OF THE FOLLOWING:

7 (i) UNLESS SUBDIVISION (D) APPLIES, ALL OF THE INFORMATION
8 DESCRIBED IN SUBDIVISION (B) (i), (ii), (iii), AND (iv) AND THE MANNER
9 AND BASIS FOR CONVERTING THE SHARES OR MEMBERSHIPS, IF ANY, OF THE
10 DOMESTIC CORPORATION INCLUDED IN THE PLAN OF CONVERSION.

11 (ii) UNLESS SUBDIVISION (D) APPLIES, A STATEMENT THAT THE BOARD
12 HAS ADOPTED THE PLAN OF CONVERSION UNDER SUBDIVISION (C), OR IF
13 SUBDIVISION (D) APPLIES TO THE CONVERSION, A STATEMENT THAT THE
14 DOMESTIC CORPORATION HAS NOT COMMENCED BUSINESS, HAS NOT ISSUED ANY
15 SHARES OR MEMBERSHIPS, AND HAS NOT ELECTED A BOARD AND THAT THE
16 CONVERSION WAS APPROVED BY THE UNANIMOUS CONSENT OF THE
17 INCORPORATORS.

18 (iii) A STATEMENT THAT THE SURVIVING BUSINESS ORGANIZATION WILL
19 FURNISH A COPY OF THE PLAN OF CONVERSION, ON REQUEST AND WITHOUT
20 COST, TO ANY SHAREHOLDER OR MEMBER OF THE DOMESTIC CORPORATION.

21 (iv) IF APPROVAL OF THE SHAREHOLDERS OR MEMBERS OF THE DOMESTIC
22 CORPORATION IS REQUIRED, A STATEMENT THAT THE PLAN WAS APPROVED BY
23 THE SHAREHOLDERS OR MEMBERS UNDER SUBDIVISION (C).

24 (v) A STATEMENT SPECIFYING EACH ASSUMED NAME OF THE DOMESTIC
25 CORPORATION TO BE USED BY THE SURVIVING BUSINESS ORGANIZATION AND
26 AUTHORIZED UNDER SECTION 217(5).

27 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF

1 CONVERSION UNDER THIS SECTION BECOMES EFFECTIVE.

2 (3) WHEN A CONVERSION UNDER THIS SECTION TAKES EFFECT, ALL OF
3 THE FOLLOWING APPLY:

4 (A) THE DOMESTIC CORPORATION CONVERTS INTO THE SURVIVING
5 BUSINESS ORGANIZATION, AND THE ARTICLES OF INCORPORATION OF THE
6 DOMESTIC CORPORATION ARE CANCELED. EXCEPT AS OTHERWISE PROVIDED IN
7 THIS SECTION, THE SURVIVING BUSINESS ORGANIZATION IS ORGANIZED
8 UNDER AND SUBJECT TO THE ORGANIZATIONAL LAWS OF THE JURISDICTION OF
9 THE SURVIVING BUSINESS ORGANIZATION AS STATED IN THE CERTIFICATE OF
10 CONVERSION.

11 (B) THE SURVIVING BUSINESS ORGANIZATION HAS ALL OF THE
12 LIABILITIES OF THE DOMESTIC CORPORATION. THE CONVERSION OF THE
13 DOMESTIC CORPORATION INTO A BUSINESS ORGANIZATION UNDER THIS
14 SECTION DOES NOT AFFECT ANY OBLIGATIONS OR LIABILITIES OF THE
15 DOMESTIC CORPORATION BEFORE CONVERSION OR THE PERSONAL LIABILITY OF
16 ANY PERSON THAT IS INCURRED BEFORE THE CONVERSION, AND THE
17 CONVERSION SHALL NOT BE CONSIDERED TO AFFECT THE CHOICE OF LAW
18 APPLICABLE TO THE DOMESTIC CORPORATION WITH RESPECT TO MATTERS THAT
19 ARISE BEFORE THE CONVERSION.

20 (C) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
21 OWNED BY THE DOMESTIC CORPORATION IS VESTED IN THE SURVIVING
22 BUSINESS ORGANIZATION WITHOUT REVERSION OR IMPAIRMENT. THE RIGHTS,
23 PRIVILEGES, POWERS, AND INTERESTS IN PROPERTY OF THE DOMESTIC
24 CORPORATION, AND THE DEBTS, LIABILITIES, AND DUTIES OF THE DOMESTIC
25 CORPORATION, SHALL NOT BE CONSIDERED, AS A CONSEQUENCE OF THE
26 CONVERSION, AS TRANSFERRED TO THE SURVIVING BUSINESS CORPORATION TO
27 WHICH THE DOMESTIC CORPORATION HAS CONVERTED FOR ANY PURPOSES OF

1 THE LAWS OF THIS STATE.

2 (D) THE SURVIVING BUSINESS ORGANIZATION MAY USE THE NAME AND
3 ASSUMED NAMES OF THE DOMESTIC CORPORATION IF THE FILINGS REQUIRED
4 UNDER SECTION 217(5) OR ANY OTHER APPLICABLE STATUTE ARE MADE AND
5 THE LAWS REGARDING USE AND FORM OF NAMES ARE FOLLOWED.

6 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
7 AGAINST THE DOMESTIC CORPORATION AS IF THE CONVERSION HAD NOT
8 OCCURRED, OR THE SURVIVING BUSINESS ORGANIZATION MAY BE SUBSTITUTED
9 IN THE PROCEEDING FOR THE DOMESTIC CORPORATION.

10 (F) THE SURVIVING BUSINESS ORGANIZATION IS CONSIDERED TO BE
11 THE SAME ENTITY THAT EXISTED BEFORE THE CONVERSION AND IS
12 CONSIDERED TO BE ORGANIZED ON THE DATE THAT THE DOMESTIC
13 CORPORATION WAS ORIGINALLY INCORPORATED.

14 (G) THE SHARES OR MEMBERSHIPS OF THE DOMESTIC CORPORATION THAT
15 ARE TO BE CONVERTED INTO OWNERSHIP INTERESTS OR OBLIGATIONS OF THE
16 SURVIVING BUSINESS ORGANIZATION OR INTO CASH OR OTHER PROPERTY ARE
17 CONVERTED.

18 (H) UNLESS OTHERWISE PROVIDED IN THE PLAN OF CONVERSION, THE
19 DOMESTIC CORPORATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY
20 ITS LIABILITIES AND DISTRIBUTE ITS ASSETS ON ACCOUNT OF THE
21 CONVERSION, AND THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OF
22 THE DOMESTIC CORPORATION.

23 (4) IF THE SURVIVING BUSINESS ORGANIZATION OF A CONVERSION
24 UNDER THIS SECTION IS A FOREIGN BUSINESS ORGANIZATION, IT IS
25 SUBJECT TO THE LAWS OF THIS STATE PERTAINING TO THE TRANSACTION OF
26 BUSINESS AND THE CONDUCT OF AFFAIRS IN THIS STATE IF IT TRANSACTS
27 BUSINESS OR CONDUCTS AFFAIRS IN THIS STATE. THE SURVIVING BUSINESS

1 ORGANIZATION IS LIABLE, AND IS SUBJECT TO SERVICE OF PROCESS IN A
2 PROCEEDING IN THIS STATE, FOR THE ENFORCEMENT OF AN OBLIGATION OF
3 THE DOMESTIC CORPORATION.

4 (5) NOTWITHSTANDING THIS SECTION AND OTHER PROVISIONS OF THIS
5 ACT, A CORPORATION SHALL MAKE DISTRIBUTIONS TO SHAREHOLDERS OR
6 MEMBERS OF ANY CORPORATION OR TO ANY OTHER PERSON IN CONNECTION
7 WITH A CONVERSION UNDER THIS SECTION ONLY IN CONFORMITY WITH
8 SECTION 301 AND WITH LIMITATIONS ON DISTRIBUTIONS IN ITS ARTICLES
9 OF INCORPORATION.

10 (6) AS USED IN THIS SECTION AND SECTION 746, "BUSINESS
11 ORGANIZATION" AND "ENTITY" MEAN THOSE TERMS AS DEFINED IN SECTION
12 736A(9).

13 SEC. 746. (1) A BUSINESS ORGANIZATION MAY CONVERT INTO A
14 DOMESTIC CORPORATION IF ALL OF THE FOLLOWING REQUIREMENTS ARE
15 SATISFIED:

16 (A) THE CONVERSION IS PERMITTED UNDER THE LAW THAT GOVERNS THE
17 INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION AND THE BUSINESS
18 ORGANIZATION COMPLIES WITH THAT LAW IN CONVERTING.

19 (B) THE BUSINESS ORGANIZATION THAT IS PROPOSING TO CONVERT
20 INTO A DOMESTIC CORPORATION ADOPTS A PLAN OF CONVERSION THAT
21 INCLUDES ALL OF THE FOLLOWING:

22 (i) THE NAME OF THE BUSINESS ORGANIZATION, THE TYPE OF BUSINESS
23 ORGANIZATION THAT IS CONVERTING, IDENTIFICATION OF THE STATUTE THAT
24 GOVERNS THE INTERNAL AFFAIRS OF THE BUSINESS ORGANIZATION, THE NAME
25 OF THE SURVIVING DOMESTIC CORPORATION INTO WHICH THE BUSINESS
26 ORGANIZATION IS CONVERTING, THE STREET ADDRESS OF THE SURVIVING
27 DOMESTIC CORPORATION, AND THE PRINCIPAL PLACE OF BUSINESS OF THE

1 SURVIVING DOMESTIC CORPORATION.

2 (ii) A DESCRIPTION OF ALL OF THE OWNERSHIP INTERESTS IN THE
3 BUSINESS ORGANIZATION, SPECIFYING THE INTERESTS THAT ARE ENTITLED
4 TO VOTE, ANY RIGHT THOSE INTERESTS HAVE TO VOTE COLLECTIVELY OR AS
5 A CLASS, AND, IF THE OWNERSHIP INTERESTS ARE SUBJECT TO CHANGE
6 BEFORE THE EFFECTIVE DATE OF THE CONVERSION, THE MANNER IN WHICH
7 THE CHANGE MAY OCCUR.

8 (iii) THE TERMS AND CONDITIONS OF THE PROPOSED CONVERSION,
9 INCLUDING THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP
10 INTERESTS OF THE BUSINESS ORGANIZATION INTO SHARES, MEMBERSHIPS, OR
11 OBLIGATIONS OF THE SURVIVING DOMESTIC CORPORATION, INTO CASH, INTO
12 OTHER CONSIDERATION THAT MAY INCLUDE OWNERSHIP INTERESTS OR
13 OBLIGATIONS OF AN ENTITY THAT IS NOT A PARTY TO THE CONVERSION, OR
14 INTO A COMBINATION OF CASH AND OTHER CONSIDERATION.

15 (iv) THE TERMS AND CONDITIONS OF THE ARTICLES AND BYLAWS THAT
16 ARE TO GOVERN THE SURVIVING DOMESTIC CORPORATION.

17 (v) ANY OTHER PROVISIONS WITH RESPECT TO THE PROPOSED
18 CONVERSION THAT THE BUSINESS ORGANIZATION CONSIDERS NECESSARY OR
19 DESIRABLE.

20 (C) IF THE PLAN OF CONVERSION IS ADOPTED BY THE BUSINESS
21 ORGANIZATION UNDER SUBDIVISION (B), THE PLAN OF CONVERSION IS
22 SUBMITTED FOR APPROVAL IN THE MANNER REQUIRED UNDER THE LAW
23 GOVERNING THE INTERNAL AFFAIRS OF THAT BUSINESS ORGANIZATION.

24 (D) AFTER THE PLAN OF CONVERSION IS APPROVED UNDER
25 SUBDIVISIONS (B) AND (C), THE BUSINESS ORGANIZATION FILES A
26 CERTIFICATE OF CONVERSION WITH THE ADMINISTRATOR. THE CERTIFICATE
27 OF CONVERSION SHALL INCLUDE ALL OF THE FOLLOWING:

1 (i) ALL OF THE INFORMATION DESCRIBED IN SUBDIVISION (B) (i) AND
2 (ii) AND THE MANNER AND BASIS OF CONVERTING THE OWNERSHIP INTERESTS
3 OF THE BUSINESS ORGANIZATION INCLUDED IN THE PLAN OF CONVERSION.

4 (ii) A STATEMENT THAT THE BUSINESS ORGANIZATION HAS ADOPTED THE
5 PLAN OF CONVERSION UNDER SUBDIVISION (C) .

6 (iii) A STATEMENT THAT THE SURVIVING CORPORATION WILL FURNISH A
7 COPY OF THE PLAN OF CONVERSION, ON REQUEST AND WITHOUT COST, TO ANY
8 OWNER OF THE BUSINESS ORGANIZATION.

9 (iv) A STATEMENT SPECIFYING EACH ASSUMED NAME OF THE BUSINESS
10 ORGANIZATION TO BE USED BY THE SURVIVING DOMESTIC CORPORATION AND
11 AUTHORIZED UNDER SECTION 217(6) .

12 (v) ARTICLES OF INCORPORATION OF THE SURVIVING DOMESTIC
13 CORPORATION THAT MEET ALL OF THE REQUIREMENTS OF THIS ACT
14 APPLICABLE TO ARTICLES OF INCORPORATION.

15 (2) SECTION 131 APPLIES IN DETERMINING WHEN A CERTIFICATE OF
16 CONVERSION UNDER THIS SECTION BECOMES EFFECTIVE.

17 (3) WHEN A BUSINESS ORGANIZATION CONVERTS INTO A SURVIVING
18 DOMESTIC CORPORATION UNDER THIS SECTION, ALL OF THE FOLLOWING
19 APPLY:

20 (A) THE BUSINESS ORGANIZATION CONVERTS TO THE SURVIVING
21 DOMESTIC CORPORATION. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,
22 THE SURVIVING DOMESTIC CORPORATION IS ORGANIZED UNDER AND SUBJECT
23 TO THIS ACT.

24 (B) THE SURVIVING DOMESTIC CORPORATION HAS ALL OF THE
25 LIABILITIES OF THE BUSINESS ORGANIZATION. THE CONVERSION OF THE
26 BUSINESS ORGANIZATION INTO A DOMESTIC CORPORATION UNDER THIS
27 SECTION DOES NOT AFFECT ANY OBLIGATIONS OR LIABILITIES OF THE

1 BUSINESS ORGANIZATION THAT ARE INCURRED BEFORE THE CONVERSION OR
2 THE PERSONAL LIABILITY OF ANY PERSON THAT IS INCURRED BEFORE THE
3 CONVERSION AND THE CONVERSION SHALL NOT BE CONSIDERED TO AFFECT THE
4 CHOICE OF LAW APPLICABLE TO THE BUSINESS ORGANIZATION WITH RESPECT
5 TO MATTERS THAT ARISE BEFORE CONVERSION.

6 (C) THE TITLE TO ALL REAL ESTATE AND OTHER PROPERTY AND RIGHTS
7 OWNED BY THE BUSINESS ORGANIZATION IS VESTED IN THE SURVIVING
8 DOMESTIC CORPORATION WITHOUT REVERSION OR IMPAIRMENT. THE RIGHTS,
9 PRIVILEGES, POWERS, AND INTERESTS IN PROPERTY OF THE BUSINESS
10 ORGANIZATION, AND THE DEBTS, LIABILITIES, AND DUTIES OF THE
11 BUSINESS ORGANIZATION, SHALL NOT BE CONSIDERED, AS A CONSEQUENCE OF
12 THE CONVERSION, AS TRANSFERRED TO THE SURVIVING DOMESTIC
13 CORPORATION TO WHICH THE BUSINESS ORGANIZATION HAS CONVERTED FOR
14 ANY PURPOSE UNDER THE LAWS OF THIS STATE.

15 (D) THE SURVIVING DOMESTIC CORPORATION MAY USE THE NAME AND
16 THE ASSUMED NAMES OF THE BUSINESS ORGANIZATION IF THE FILINGS
17 REQUIRED UNDER SECTION 217(6) OR ANY OTHER APPLICABLE STATUTE ARE
18 MADE AND THE LAWS REGARDING THE USE AND FORM OF NAMES ARE FOLLOWED.

19 (E) A PERSON MAY CONTINUE ANY PROCEEDING THAT IS PENDING
20 AGAINST THE BUSINESS ORGANIZATION AS IF THE CONVERSION HAD NOT
21 OCCURRED, OR THE SURVIVING DOMESTIC CORPORATION MAY BE SUBSTITUTED
22 IN THE PROCEEDING FOR THE BUSINESS ORGANIZATION.

23 (F) THE SURVIVING DOMESTIC CORPORATION IS CONSIDERED TO BE THE
24 SAME ENTITY THAT EXISTED BEFORE THE CONVERSION AND IS CONSIDERED TO
25 BE ORGANIZED ON THE DATE THAT THE BUSINESS ORGANIZATION WAS
26 ORIGINALLY ORGANIZED.

27 (G) THE OWNERSHIP INTERESTS OF THE BUSINESS ORGANIZATION THAT

1 WERE CONVERTED INTO SHARES, MEMBERSHIPS, OR OBLIGATIONS OF THE
2 SURVIVING DOMESTIC CORPORATION OR INTO CASH OR OTHER PROPERTY ARE
3 CONVERTED.

4 (H) UNLESS OTHERWISE PROVIDED IN THE PLAN OF CONVERSION, THE
5 BUSINESS ORGANIZATION IS NOT REQUIRED TO WIND UP ITS AFFAIRS OR PAY
6 ITS LIABILITIES AND DISTRIBUTE ITS ASSETS ON ACCOUNT OF THE
7 CONVERSION, AND THE CONVERSION DOES NOT CONSTITUTE A DISSOLUTION OF
8 THE BUSINESS ORGANIZATION.

9 SEC. 751. (1) A CORPORATION MAY TAKE ANY OF THE FOLLOWING
10 ACTIONS ON THE TERMS AND CONDITIONS AND FOR A CONSIDERATION
11 AUTHORIZED BY ITS BOARD OF DIRECTORS:

12 (A) SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR
13 SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS IN THE USUAL AND
14 REGULAR COURSE OF ITS BUSINESS.

15 (B) SELL, LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR
16 SUBSTANTIALLY ALL, OF ITS PROPERTY AND ASSETS FOLLOWING APPROVAL OF
17 A DISSOLUTION UNDER SECTION 804.

18 (C) TRANSFER ANY OR ALL OF ITS PROPERTY AND ASSETS TO ANOTHER
19 CORPORATION OF WHICH IT OWNS ALL OF THE SHARES, OR TO ANOTHER
20 ENTITY THAT IT CONTROLS OR WHOLLY OWNS, WHETHER OR NOT IN THE USUAL
21 AND REGULAR COURSE OF BUSINESS.

22 (D) MORTGAGE OR PLEDGE ANY OR ALL OF ITS PROPERTY AND ASSETS,
23 WHETHER OR NOT IN THE USUAL AND REGULAR COURSE OF BUSINESS.

24 (2) UNLESS OTHERWISE PROVIDED IN THE ARTICLES OF
25 INCORPORATION, APPROVAL BY THE SHAREHOLDERS OR MEMBERS OF A
26 TRANSACTION DESCRIBED IN SUBSECTION (1) IS NOT REQUIRED.

27 (3) AS USED IN SUBSECTION (1), "CONSIDERATION" MAY CONSIST IN

1 WHOLE OR IN PART OF CASH OR OTHER PROPERTY, INCLUDING SHARES,
2 BONDS, OR OTHER SECURITIES OF ANY OTHER DOMESTIC CORPORATION,
3 DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN
4 BUSINESS CORPORATION.

5 Sec. 753. (1) ~~A sale, lease, exchange, or other disposition of~~
6 ~~all, or substantially all, the property and assets, with or without~~
7 ~~the goodwill, of a corporation, may be made upon such terms and~~
8 ~~conditions and for a consideration, which may consist in whole or~~
9 ~~in part of cash or other property, including shares, bonds, or~~
10 ~~other securities of any other corporation or business corporation,~~
11 ~~domestic or foreign, as authorized as provided in this~~

12 ~~section.~~EXCEPT AS PROVIDED IN SECTION 751, A CORPORATION MAY SELL,
13 LEASE, EXCHANGE, OR OTHERWISE DISPOSE OF ALL, OR SUBSTANTIALLY ALL,
14 OF ITS PROPERTY AND ASSETS, WITH OR WITHOUT THE GOODWILL, IN A
15 TRANSACTION THAT IS NOT IN THE USUAL AND REGULAR COURSE OF ITS
16 BUSINESS, ON ANY TERMS AND CONDITIONS AND FOR ANY CONSIDERATION
17 THAT IS AUTHORIZED UNDER THIS SECTION. A CORPORATION HAS NOT
18 DISPOSED OF ALL OR SUBSTANTIALLY ALL OF ITS PROPERTY AND ASSETS
19 UNDER THIS SUBSECTION IF IT RETAINS A SIGNIFICANT CONTINUING
20 BUSINESS ACTIVITY. FOR PURPOSES OF THIS SUBSECTION, IT IS
21 CONCLUSIVELY PRESUMED THAT A CORPORATION HAS RETAINED A SIGNIFICANT
22 CONTINUING BUSINESS ACTIVITY IF THE CORPORATION AND ITS
23 SUBSIDIARIES REPORTED ON A CONSOLIDATED BASIS CONTINUE TO CONDUCT
24 AN ACTIVITY THAT REPRESENTED AT LEAST 25% OF TOTAL REVENUES OR 25%
25 OF TOTAL ASSETS AT THE END OF THE MOST RECENTLY COMPLETED FISCAL
26 YEAR OR AT LEAST 25% OF TOTAL PROGRAM EXPENDITURES FOR THAT FISCAL
27 YEAR. AS USED IN THIS SUBSECTION, "CONSIDERATION" MAY CONSIST IN

1 WHOLE OR IN PART OF CASH OR OTHER PROPERTY, INCLUDING SHARES,
2 BONDS, OR OTHER SECURITIES OF ANY OTHER DOMESTIC CORPORATION,
3 DOMESTIC BUSINESS CORPORATION, FOREIGN CORPORATION, OR FOREIGN
4 BUSINESS CORPORATION.

5 ~~(2) The board shall approve a proposal for the sale, lease,~~
6 ~~exchange, or other disposition.~~ THE BOARD OF A STOCK OR MEMBERSHIP
7 CORPORATION MUST RECOMMEND A PROPOSED TRANSACTION DESCRIBED IN
8 SUBSECTION (1) TO THE SHAREHOLDERS OR MEMBERS, UNLESS ANY OF THE
9 FOLLOWING APPLY:

10 (A) THE BOARD DETERMINES THAT BECAUSE OF A CONFLICT OF
11 INTEREST, EVENTS THAT OCCUR AFTER THE BOARD ADOPTS THE PLAN,
12 CONTRACTUAL OBLIGATIONS, OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD
13 MAKE NO RECOMMENDATION.

14 (B) THE POWER TO INITIATE THE TRANSACTION IS RESERVED TO THE
15 SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES
16 OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488.

17 (C) SECTION 529 APPLIES.

18 (3) IF 1 OR MORE OF THE EXCEPTIONS IN SUBSECTION (2) APPLY,
19 THE BOARD MUST COMMUNICATE THE BASIS FOR NOT MAKING A
20 RECOMMENDATION TO THE SHAREHOLDERS OR MEMBERS.

21 (4) THE BOARD MAY CONDITION ITS SUBMISSION TO SHAREHOLDERS OR
22 MEMBERS UNDER SUBSECTION (2) ON ANY BASIS.

23 (5) ~~(3) In the case of~~ IF A CORPORATION IS ORGANIZED ON a
24 stock or membership corporation, ~~BASIS,~~ the CORPORATION MUST SUBMIT
25 A proposed transaction ~~shall be submitted~~ DESCRIBED IN SUBSECTION
26 (1) for approval at a meeting of shareholders or members. ~~Notice~~
27 THE CORPORATION SHALL GIVE NOTICE of the meeting ~~shall be given to~~

1 each shareholder or member of record, whether or not **THAT PERSON IS**
2 entitled to vote at the meeting, ~~not less than 20 days before the~~
3 ~~meeting,~~ **WITHIN THE TIME AND** in the manner provided in ~~UNDER~~ this
4 act for the giving of notice of meetings of shareholders or
5 members. The notice shall include or be accompanied by a statement
6 ~~summarizing~~ **THAT SUMMARIZES** the principal terms of the proposed
7 transaction or a copy of any documents ~~containing~~ **THAT CONTAIN** the
8 principal terms.

9 (6) ~~(4)~~ At the ~~A~~ meeting **DESCRIBED IN SUBSECTION (5)**, the
10 shareholders or members may authorize the sale, lease, exchange, or
11 other disposition and may fix, or may authorize the board to fix,
12 any term or condition ~~thereof~~ and the consideration to be received
13 by the corporation ~~therefor~~. ~~The authorization requires the~~
14 ~~affirmative vote of the holders of~~ **FOR THAT TRANSACTION. SUBJECT TO**
15 **SUBSECTIONS (8) AND (9), THE TRANSACTION IS APPROVED IF** a majority
16 of the ~~outstanding shares~~ **VOTES HELD BY SHAREHOLDERS** or members of
17 the corporation entitled to vote ~~thereon, and if a class is~~
18 ~~entitled to vote thereon as a class, the affirmative vote of a~~
19 ~~majority of the outstanding shares or members of each such~~
20 ~~class.~~ **ARE CAST IN FAVOR OF THE SALE, LEASE, EXCHANGE, OR OTHER**
21 **DISPOSITION.**

22 (7) NOTWITHSTANDING SUBSECTION (6), UNLESS A GREATER VOTE IS
23 REQUIRED IN THE ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY
24 THE SHAREHOLDERS OR MEMBERS, IF THERE ARE MORE THAN 20 SHAREHOLDERS
25 OR MEMBERS THAT ARE ENTITLED TO VOTE AT THE MEETING, THE SALE,
26 LEASE, EXCHANGE, OR OTHER DISPOSITION IS APPROVED IF A MAJORITY OF
27 THE VOTES HELD BY SHAREHOLDERS OR MEMBERS THAT ARE PRESENT IN

1 PERSON OR BY PROXY AT THE MEETING ARE CAST IN FAVOR OF THE SALE,
2 LEASE, EXCHANGE, OR OTHER DISPOSITION.

3 (8) ~~(5)~~Notwithstanding authorization by the shareholders or
4 members UNDER SUBSECTION (5) OR (6), UNLESS THE POWER TO INITIATE
5 THE TRANSACTION IS RESERVED TO THE SHAREHOLDERS OR MEMBERS WITHOUT
6 ACTION OF THE BOARD IN THE ARTICLES OF INCORPORATION OR IN AN
7 AGREEMENT UNDER SECTION 488, the board may abandon ~~the~~A sale,
8 lease, exchange, or other disposition UNDER SUBSECTION (1), subject
9 to the rights of third parties under any contracts ~~relating thereto~~
10 THAT RELATE TO THE SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION,
11 without further action or approval by shareholders or members.

12 (9) ~~(6)~~~~In the case of~~IF a corporation IS organized ~~upon~~ON a
13 directorship basis, a sale, lease, exchange, or other disposition
14 of all, or substantially all, OF the property and assets, with or
15 without goodwill, of a corporation, ~~shall be~~IN A TRANSACTION THAT
16 IS NOT IN THE USUAL AND REGULAR COURSE OF ITS BUSINESS, IS
17 authorized ~~upon receiving~~IF IT RECEIVES the affirmative vote of a
18 majority of the directors WHO ARE then in office. ~~Notice~~A
19 CORPORATION SHALL GIVE NOTICE of the meeting to authorize ~~the~~A
20 sale, lease, exchange, or other disposition ~~shall be given~~UNDER
21 THIS SUBSECTION to each director WHO IS then in office ~~not less~~
22 ~~than~~AT LEAST 20 days before the meeting, and THE NOTICE shall
23 include a statement ~~summarizing~~THAT SUMMARIZES the principal terms
24 of the proposed transaction or a copy of any documents ~~containing~~
25 THAT CONTAIN the principal terms.

26 (10) A SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ALL, OR
27 SUBSTANTIALLY ALL, OF THE PROPERTY AND ASSETS OF A CORPORATION OR

1 OTHER ENTITY OF WHICH A SECOND CORPORATION OWNS A MAJORITY OF THE
2 SHARES OR BENEFICIAL INTERESTS, INCLUDING A CHANGE IN SHARES OF THE
3 CORPORATION OR BENEFICIAL INTEREST IN ANOTHER ENTITY HELD BY THE
4 SECOND CORPORATION BECAUSE OF A MERGER, IS A DISPOSITION BY THE
5 SECOND CORPORATION OF ITS PRO RATA SHARE OF THE PROPERTY AND ASSETS
6 OF THE CORPORATION OR OTHER ENTITY ON A CONSOLIDATED BASIS FOR
7 PURPOSES OF THIS SECTION.

8 (11) A TRANSACTION THAT IS A DISTRIBUTION PERMITTED UNDER
9 SECTION 301 IS GOVERNED BY SECTION 545, AND THIS SECTION AND
10 SECTION 751 DO NOT APPLY TO THAT TRANSACTION.

11 SEC. 754. SHAREHOLDERS OR MEMBERS OF A CORPORATION THAT
12 PROPOSES TO ISSUE, DIRECTLY OR THROUGH A SUBSIDIARY, ITS SHARES,
13 MEMBERSHIPS, OBLIGATIONS, OR SECURITIES IN THE COURSE OF A MERGER,
14 ACQUISITION OF SOME OR ALL OF THE OUTSTANDING SHARES OF ANOTHER
15 CORPORATION OR INTERESTS IN OR MEMBERSHIPS OF ANOTHER ENTITY, OR
16 ACQUISITION OF SOME OR ALL OF THE ASSETS OTHER THAN CASH OF A
17 CORPORATION OR OTHER ENTITY HAVE THE RIGHTS TO RECEIVE NOTICE AND
18 TO VOTE ON THE PROPOSED MERGER OR ACQUISITION PROVIDED UNDER
19 SECTION 703A(2) IF BOTH OF THE FOLLOWING APPLY:

20 (A) THE SECURITIES OR OTHER INTERESTS TO BE ISSUED OR
21 DELIVERED IN THE ACQUISITION ARE OR MAY BE CONVERTED INTO SHARES OR
22 MEMBERSHIPS OF THE ACQUIRING CORPORATION.

23 (B) THE NUMBER OF THE ACQUIRING CORPORATION'S VOTING SHARES OR
24 MEMBER VOTES TO BE ISSUED OR DELIVERED, PLUS THOSE INITIALLY
25 ISSUABLE ON THE CONVERSION OR EXCHANGE OF ANY OTHER SECURITIES TO
26 BE ISSUED OR DELIVERED, WILL EXCEED 100% OF THE NUMBER OF ITS
27 VOTING SHARES OR MEMBER VOTES OUTSTANDING IMMEDIATELY BEFORE THE

1 ACQUISITION PLUS THE NUMBER OF ITS COMMON SHARES OR MEMBERSHIPS, IF
2 ANY, INITIALLY ISSUABLE ON THE CONVERSION OR EXCHANGE OF ANY OTHER
3 SECURITIES THAT ARE THEN OUTSTANDING.

4 Sec. 801. (1) A corporation may be dissolved in any of the
5 following ways:

6 (a) Automatically by expiration of a period of duration to
7 which the corporation is limited ~~by~~ **IN** its articles of
8 incorporation.

9 (b) By action of the incorporators or directors ~~pursuant to~~
10 **UNDER** section 803.

11 (c) By action of the shareholders, members, or the board
12 ~~pursuant to~~ **UNDER** section 804.

13 ~~(d) By action of a shareholder or member pursuant to section~~
14 **805. PURSUANT TO AN AGREEMENT UNDER SECTION 488. A DISSOLUTION UNDER**
15 **THIS SUBDIVISION BECOMES EFFECTIVE BY FILING A CERTIFICATE UNDER**
16 **SECTION 805.**

17 (e) By a judgment of the circuit court in an action **THAT IS**
18 brought ~~pursuant to~~ **UNDER** this act or otherwise.

19 (f) Automatically, ~~pursuant to~~ **UNDER** section 922, for failure
20 to file an annual report or pay ~~the~~ **AN** annual filing fee. ~~or a~~
21 ~~penalty added to the fee.~~

22 (2) A corporation whose assets have been wholly disposed of
23 under court order in receivership or bankruptcy proceedings may be
24 summarily dissolved by order of the court ~~having~~ **THAT HAS**
25 jurisdiction of the proceedings. ~~A~~ **THE CLERK OF THE COURT SHALL**
26 **FILE A** copy of the order ~~shall be filed with the administrator. by~~
27 ~~the clerk of the court.~~

1 Sec. 804. (1) A corporation may be dissolved by action of its
2 **BOARD AND ITS** shareholders ~~—OR~~ members, ~~or board~~ **IF ANY**, as
3 provided in this section.

4 ~~(2) The board shall adopt a resolution that the corporation be~~
5 ~~dissolved and that a plan of distribution of assets complying with~~
6 ~~section 855 be implemented.~~ **THE BOARD OF A CORPORATION THAT IS**
7 **ORGANIZED ON A STOCK OR MEMBERSHIP BASIS MAY PROPOSE DISSOLUTION**
8 **FOR ACTION BY THE SHAREHOLDERS OR MEMBERS.**

9 (3) **THE BOARD OF A CORPORATION THAT IS ORGANIZED ON A STOCK OR**
10 **MEMBERSHIP BASIS MUST RECOMMEND A DISSOLUTION UNDER THIS SECTION TO**
11 **THE SHAREHOLDERS OR MEMBERS UNLESS ANY OF THE FOLLOWING APPLY:**

12 (A) **THE BOARD DETERMINES THAT BECAUSE OF A CONFLICT OF**
13 **INTEREST OR OTHER SPECIAL CIRCUMSTANCES IT SHOULD MAKE NO**
14 **RECOMMENDATION.**

15 (B) **THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO THE**
16 **SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES**
17 **OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488.**

18 (C) **SECTION 529 APPLIES.**

19 (4) **IF 1 OR MORE OF THE EXCEPTIONS DESCRIBED IN SUBSECTION (3)**
20 **APPLY, THE BOARD MUST COMMUNICATE TO THE SHAREHOLDERS OR MEMBERS**
21 **THE BASIS FOR NOT MAKING A RECOMMENDATION.**

22 (5) **THE BOARD MAY CONDITION ITS SUBMISSION OF A PROPOSAL FOR**
23 **DISSOLUTION TO SHAREHOLDERS OR MEMBERS UNDER SUBSECTION (3) ON ANY**
24 **BASIS.**

25 (6) ~~(3)~~ ~~If the~~ **A** corporation is organized ~~upon~~ **ON** a stock or
26 membership basis, the **BOARD SHALL SUBMIT A** proposed dissolution
27 ~~shall be submitted for approval at a meeting of shareholders or~~

1 members. ~~Notice shall be given~~ **THE CORPORATION SHALL GIVE NOTICE** to
 2 each shareholder or member of record, **WHETHER OR NOT THAT PERSON IS**
 3 entitled to vote at the meeting, ~~as~~ **WITHIN THE TIME AND IN THE**
 4 **MANNER** provided ~~in~~ **UNDER** this act for the giving of notice of
 5 meetings of shareholders or members. ~~, and~~ **THE NOTICE** shall state
 6 that a purpose of the meeting is to vote on dissolution of the
 7 corporation. ~~The notice shall include a copy or summary of the plan~~
 8 ~~of distribution of assets.~~

9 (7) ~~(4) At the meeting a vote of~~ **AT A MEETING DESCRIBED IN**
 10 **SUBSECTION (6), THE** shareholders or members shall ~~be taken~~ **VOTE** on
 11 the proposed dissolution. ~~and plan of distribution of assets. The~~
 12 **EXCEPT AS PROVIDED IN THIS SUBSECTION, A** dissolution shall ~~be~~ **IS**
 13 approved ~~upon receiving the affirmative vote of the holders of~~ **IF** a
 14 majority of the ~~outstanding shares or a majority of the~~ **VOTES HELD**
 15 **BY SHAREHOLDERS OR** members of the corporation **THAT ARE** entitled to
 16 vote thereon, ~~and if a class is entitled to vote thereon as a~~
 17 ~~class, the affirmative vote of a majority of the outstanding shares~~
 18 ~~or members of each such class.~~ **ON THE PROPOSED DISSOLUTION ARE CAST**
 19 **IN FAVOR OF DISSOLUTION. UNLESS A GREATER VOTE IS REQUIRED IN THE**
 20 **ARTICLES OF INCORPORATION OR IN A BYLAW ADOPTED BY THE SHAREHOLDERS**
 21 **OR MEMBERS, IF THERE ARE MORE THAN 20 MEMBERS OR SHAREHOLDERS THAT**
 22 **ARE ENTITLED TO VOTE AT THE MEETING, DISSOLUTION IS APPROVED IF A**
 23 **MAJORITY OF THE VOTES HELD BY SHAREHOLDERS OR MEMBERS THAT ARE**
 24 **ENTITLED TO VOTE ON THE PROPOSED DISSOLUTION PRESENT IN PERSON OR**
 25 **BY PROXY AT THE MEETING ARE CAST IN FAVOR OF DISSOLUTION.**

26 (8) ~~(5) If the~~ **A** corporation is organized ~~upon~~ **ON** a
 27 directorship basis, ~~the~~ **A** dissolution shall ~~be authorized by~~ **IS**

1 **APPROVED IF IT RECEIVES** the affirmative vote of a majority of
2 directors **WHO ARE** then in office. ~~Notice~~ **THE CORPORATION SHALL GIVE**
3 **NOTICE** of the meeting to authorize the dissolution ~~shall be given~~
4 to each director **WHO IS** then in office ~~not less than~~ **AT LEAST** 10
5 days before the meeting, and **THE NOTICE** shall state that a purpose
6 of the meeting is to vote on dissolution of the corporation. ~~The~~
7 ~~notice shall include a copy or summary of the plan of distribution~~
8 ~~of assets.~~

9 (9) ~~(6)~~ If the ~~A~~ dissolution is approved, a ~~certificate of~~
10 ~~dissolution shall be executed and filed on behalf of the~~
11 ~~corporation, setting forth:~~ **IT BECOMES EFFECTIVE BY EXECUTING AND**
12 **FILING A CERTIFICATE OF DISSOLUTION OF BEHALF OF THE CORPORATION**
13 **THAT INCLUDES ALL OF THE FOLLOWING:**

14 (a) The name of the corporation.

15 (b) The date and place of the meeting of shareholders,
16 members, or directors ~~approving~~ **AT WHICH** the dissolution **WAS**
17 **APPROVED.**

18 (c) A statement that dissolution was **PROPOSED AND** approved by
19 the requisite vote of directors and **THE** shareholders ~~, directors~~
20 ~~and~~ **OR** members **UNDER SUBSECTION (7),** or **THE** directors **UNDER**
21 **SUBSECTION (8).**

22 Sec. 805. ~~(1) The articles of incorporation may contain a~~
23 ~~provision that a shareholder, a member, or a director, or the~~
24 ~~holders of any specified number or proportion of shares or any~~
25 ~~specified number or proportion of members or directors, or of any~~
26 ~~specified number or proportion of shares or members of a class, may~~
27 ~~require dissolution of the corporation at will or upon the~~

~~occurrence of a specified event, if all the incorporators have authorized the provision in the articles or the holders of record of all outstanding shares or all the members or all the directors authorize the provision in an amendment to the articles. Said provision shall also specify a plan of distribution of assets of the corporation which complies with section 855.~~
DISSOLUTION UNDER AN AGREEMENT UNDER SECTION 488 BECOMES EFFECTIVE BY EXECUTING AND FILING A CERTIFICATE OF DISSOLUTION ON BEHALF OF THE CORPORATION THAT STATES THE NAME OF THE CORPORATION AND THAT THE CORPORATION IS DISSOLVED UNDER AN AGREEMENT UNDER SECTION 488.

~~—— (2) If the articles contain this provision, dissolution may be effected by the execution and filing of a certificate of dissolution on behalf of the corporation when authorized by a holder or holders of the number or proportion of shares or by the number or proportion of members or directors specified in the provision, obtained in such manner as may be specified therein, or if no manner is specified therein, when authorized on written consent signed by such holder or holders, member or members, or director or directors. The certificate of dissolution shall state the name of the corporation and that the corporation is dissolved pursuant to a designated provision in the articles.~~

~~—— (3) If the articles contain a provision authorized by subsection (1), the existence of the provision shall be noted conspicuously on the face of every certificate for shares issued by the corporation or on the face of a membership certificate delivered to every member of the corporation, and a holder or recipient of such certificate is conclusively deemed to have taken~~

~~delivery or assumed membership with notice of the provision.~~

Sec. 811. (1) ~~Dissolution~~ **A CORPORATION MAY REVOKE DISSOLUTION** proceedings commenced ~~pursuant to~~ **UNDER** section 804 ~~or 805~~ may be ~~revoked~~ **488 OR 804** before complete distribution of assets, if a proceeding ~~pursuant to~~ **UNDER** section 851 is not pending, by filing a certificate of revocation **THAT IS** executed, in person or by proxy, by all the shareholders, members, or directors **THAT ARE** entitled to vote on dissolution, ~~stating~~ **AND STATES** that **THE** revocation is effective ~~pursuant to~~ **UNDER** this section and that all the shareholders, members, or directors of the corporation **THAT ARE** entitled to vote on dissolution have executed the certificate in person or by proxy.

(2) ~~Dissolution~~ **IN ADDITION TO REVOKING A DISSOLUTION UNDER SUBSECTION (1), A CORPORATION MAY ALSO REVOKE DISSOLUTION** proceedings commenced ~~pursuant to~~ **UNDER** section 804 ~~may also be~~ ~~revoked~~ before complete distribution of assets, if a proceeding ~~pursuant to~~ **UNDER** section 851 is not pending, in the following manner:

(a) ~~The~~ **UNLESS THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO THE SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE ARTICLES OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488, THE** board of directors shall adopt a resolution ~~that the~~ **REVOKING** dissolution. ~~be revoked.~~ **THE CORPORATION SHALL SUBMIT THE** proposed revocation ~~shall be submitted for approval at a meeting of~~ shareholders ~~, or members, or directors, and~~ **THE CORPORATION SHALL GIVE** the shareholders ~~, or members, or directors shall be~~ given the same notice of the meeting and the revocation ~~shall~~ **MUST**

1 be approved by the same vote ~~as that~~ **IS** required by ~~UNDER~~ section
2 804 for the approval of dissolution.

3 (B) IF THE POWER TO DISSOLVE THE CORPORATION IS RESERVED TO
4 THE SHAREHOLDERS OR MEMBERS WITHOUT ACTION OF THE BOARD IN THE
5 ARTICLES OF INCORPORATION OR IN AN AGREEMENT UNDER SECTION 488, THE
6 SHAREHOLDERS OR MEMBERS MAY APPROVE REVOCATION OF DISSOLUTION IN
7 THE MANNER PROVIDED IN THE ARTICLES OF INCORPORATION OR IN THE
8 AGREEMENT UNDER SECTION 488 FOR APPROVAL OF DISSOLUTION. THE
9 CORPORATION SHALL GIVE THE SHAREHOLDERS OR MEMBERS THE SAME NOTICE
10 OF THE MEETING THAT IS REQUIRED UNDER SECTION 804 FOR THE APPROVAL
11 OF DISSOLUTION AND THE REVOCATION OF DISSOLUTION MUST BE APPROVED
12 BY THE SAME VOTE THAT IS REQUIRED UNDER SECTION 804 OR IN THE
13 APPLICABLE PROVISIONS OF THE ARTICLES OF INCORPORATION OR IN THE
14 AGREEMENT UNDER SECTION 488 FOR THE APPROVAL OF DISSOLUTION.

15 (C) IF THE CORPORATION IS ORGANIZED ON A DIRECTORSHIP BASIS, A
16 DISSOLUTION MAY BE REVOKED BY THE AFFIRMATIVE VOTE OF A MAJORITY OF
17 THE DIRECTORS WHO ARE THEN IN OFFICE. THE CORPORATION SHALL GIVE
18 THE DIRECTORS THE SAME NOTICE OF THE MEETING THAT IS REQUIRED IN
19 SECTION 804 FOR DISSOLUTION.

20 (D) ~~(b)~~ A certificate of revocation, ~~stating THAT STATES~~ that
21 dissolution is revoked pursuant to ~~UNDER~~ this section, and ~~giving~~
22 **INCLUDES** the information required by ~~UNDER~~ section ~~804(6), 804(8),~~
23 shall be executed and filed on behalf of the corporation.

24 Sec. 815. A corporation whose term has expired may renew its
25 corporate existence, if a proceeding pursuant to ~~UNDER~~ section 851
26 is not pending, in the following manner:

27 (a) The board ~~shall adopt~~ **ADOPTS** a resolution that ~~TO RENEW~~

1 the **CORPORATION'S** corporate existence. ~~be renewed.~~

2 (b) If the corporation is organized ~~upon~~ **ON** a stock or
3 membership basis, the **CORPORATION SUBMITS THE** proposed renewal
4 ~~shall be submitted~~ for approval at a meeting of shareholders or
5 members. ~~Notice shall be given~~ **THE CORPORATION SHALL GIVE NOTICE** to
6 each shareholder or member of record **THAT IS** entitled to vote at
7 the meeting within the time and in the manner provided ~~in~~ **UNDER**
8 this act for the giving of notice of meetings of shareholders or
9 members. ~~, and~~ **THE NOTICE** shall state that a purpose of the meeting
10 is to vote on the renewal of corporate existence. At the meeting, a
11 ~~vote of~~ shareholders or members **THAT ARE** entitled to vote ~~thereat~~
12 ~~shall be taken~~ **ON THE RENEWAL SHALL VOTE** on the proposed renewal
13 ~~which shall be~~ **AND THE RENEWAL IS** adopted ~~upon receiving the~~
14 ~~affirmative vote of holders of~~ **IF** a majority of the outstanding
15 ~~shares or a majority of the~~ **VOTES HELD BY SHAREHOLDERS OR** members
16 of the corporation **THAT ARE** entitled to vote ~~thereon, and if a~~
17 ~~class of shareholders or members is entitled to vote thereon as a~~
18 ~~class, the affirmative vote of a majority of the outstanding shares~~
19 ~~or the members of each such class.~~ **ON THE RENEWAL ARE CAST IN FAVOR**
20 **OF THE RENEWAL.** Unless a greater vote is required in the articles
21 of incorporation or in a bylaw adopted by the shareholders or
22 members, ~~the~~ **A** proposed renewal ~~shall~~ **IS** also ~~be adopted upon~~
23 ~~receiving an affirmative vote of~~ **IF** a majority of **VOTES THAT ARE**
24 **HELD BY SHAREHOLDERS OR** members ~~or shares of shareholders present~~
25 in person or by proxy at ~~such~~ **THE** meeting ~~if~~ **ARE CAST IN FAVOR OF**
26 **THE RENEWAL AND** due notice of the time, place, and object of the
27 meeting ~~was~~ **IS** given by mail, at **THE** last known address, to each

1 shareholder or member **THAT IS** entitled to vote ~~thereon~~ **ON THE**
 2 **RENEWAL** at least 20 days ~~prior to~~ **BEFORE** the date of the meeting or
 3 by publication in a publication distributed to its shareholders or
 4 members at least 20 days ~~prior to~~ **BEFORE** the date of the meeting.

5 (c) If the corporation is organized ~~upon~~ **ON** a directorship
 6 basis, renewal ~~shall be~~ **IS** authorized ~~by the~~ **IF IT RECEIVES THE**
 7 affirmative vote of a majority of directors **WHO ARE** then in office.

8 (d) If renewal of the corporate existence **OF A CORPORATION** is
 9 approved, a certificate of renewal shall be executed and filed on
 10 behalf of the corporation ~~, setting forth:~~ **THAT INCLUDES ALL OF THE**
 11 **FOLLOWING:**

12 (i) The name of the corporation.

13 (ii) The date and place of the meeting of shareholders or
 14 members ~~approving~~ **AT WHICH** the renewal of existence **WAS APPROVED,**
 15 if any.

16 (iii) A statement that renewal was approved by the requisite
 17 vote of **THE** directors and **THE** shareholders ~~, directors and~~ **OR**
 18 members **UNDER SUBDIVISION (B),** or **OF THE** directors **UNDER**
 19 **SUBDIVISION (C).**

20 (iv) The duration of the corporation, if other than perpetual.

21 Sec. 817. (1) ~~Upon filing of the~~ **WHEN A** certificate of
 22 revocation of dissolution ~~or~~ **IS FILED UNDER SECTION 811 OR A**
 23 **CERTIFICATE** of renewal of existence **IS FILED UNDER SECTION 815,** the
 24 revocation of the dissolution proceedings or the renewal of the
 25 corporate existence becomes effective, and the corporation may
 26 again conduct affairs.

27 (2) Revocation of dissolution **UNDER SECTION 811** or renewal of

1 corporate existence **UNDER SECTION 815** does not relieve ~~the~~ **A**
2 corporation of any penalty or liability accrued against it under
3 any law of this state.

4 ~~(3) If during the period of dissolution or expiration of term~~
5 ~~the corporate name or a confusingly similar name has been assigned~~
6 ~~to another corporation, the administrator may require that the~~
7 ~~corporation adopt a different name upon filing of a certificate of~~
8 ~~revocation of dissolution or of renewal of existence.~~ **A CORPORATION**
9 **THAT FILES A CERTIFICATE OF RENEWAL UNDER SECTION 815 SHALL FILE**
10 **THE ANNUAL REPORTS UNDER SECTION 911 FOR THE LAST 5 YEARS OR ANY**
11 **LESSER NUMBER OF YEARS IN WHICH THEY WERE NOT FILED AND PAY ANY FEE**
12 **REQUIRED UNDER THIS ACT FOR ANY YEAR FOR WHICH AN ANNUAL REPORT WAS**
13 **NOT FILED OR A FEE WAS NOT PAID.**

14 **(4) THE ADMINISTRATOR MAY REQUIRE A CORPORATION THAT FILES A**
15 **CERTIFICATE OF REVOCATION OF DISSOLUTION UNDER SECTION 811 OR A**
16 **CERTIFICATE OF RENEWAL OF CORPORATE EXISTENCE UNDER SECTION 815 TO**
17 **ADOPT A CORPORATE NAME THAT CONFORMS TO THE REQUIREMENTS OF SECTION**
18 **212.**

19 **(5) THE RIGHTS OF A CORPORATION THAT COMPLIES WITH THIS**
20 **SECTION ARE THE SAME AS THOUGH A DISSOLUTION OR EXPIRATION OF TERM**
21 **HAS NOT OCCURRED, AND ALL CONTRACTS ENTERED INTO AND OTHER RIGHTS**
22 **ACQUIRED DURING THE INTERVAL ARE VALID AND ENFORCEABLE.**

23 Sec. 821. (1) The attorney general may bring an action in the
24 circuit court for the county in which the **PRINCIPAL PLACE OF**
25 **BUSINESS OR** registered office of ~~the~~ **A** corporation is located **OR**
26 **FOR INGHAM COUNTY** for dissolution of a corporation ~~upon~~ **ON** the
27 ground that the corporation has committed any of the following

1 acts:

2 (a) Procured its organization through fraud.

3 (b) Repeatedly, ~~and wilfully~~ **WILLFULLY, AND MATERIALLY**
 4 exceeded the authority conferred ~~upon~~ **ON** it by law.

5 (c) Repeatedly, ~~and wilfully~~ **WILLFULLY, AND MATERIALLY**
 6 conducted its affairs in an unlawful manner.

7 (2) The enumeration in this section of grounds for dissolution
 8 does not exclude any other statutory or common law action by the
 9 attorney general for dissolution of a corporation or revocation or
 10 forfeiture of its corporate franchises.

11 Sec. 823. (1) A corporation **THAT IS ORGANIZED ON A STOCK OR**
 12 **MEMBERSHIP BASIS** may be dissolved by a judgment entered in an
 13 action brought in the circuit court for the county in which the
 14 **PRINCIPAL PLACE OF BUSINESS OR** registered office of the corporation
 15 is located by 1 or more directors or by 1 or more shareholders or
 16 members **THAT ARE** entitled to vote in an election of directors of
 17 the corporation, ~~upon proof of~~ **IF** both of the following **ARE PROVED**:

18 (a) The directors of the corporation, **OR ITS SHAREHOLDERS OR**
 19 **MEMBERS IF A PROVISION IN THE ARTICLES OF INCORPORATION AUTHORIZED**
 20 **UNDER SECTION 488(1) IS IN EFFECT**, are unable to agree by the
 21 requisite vote on material matters respecting management of the
 22 corporation's affairs, or the shareholders or members of the
 23 corporation are so divided in voting power that they have failed to
 24 elect ~~successors to~~ **A SUCCESSOR FOR** any director whose term has
 25 expired or would have expired ~~upon~~ **ON** the election and
 26 qualification of ~~the director's~~ **HIS OR HER** successor.

27 (b) As a result of a condition stated in subdivision (a), the

1 corporation is unable to carry out its corporate purposes or
2 function effectively in the best interests of its creditors and
3 shareholders or members, if any, OR THE PERSONS THAT THE
4 CORPORATION IS ORGANIZED TO BENEFIT.

5 (2) A CORPORATION THAT IS ORGANIZED ON A DIRECTORSHIP BASIS
6 MAY BE DISSOLVED BY A JUDGMENT ENTERED IN AN ACTION BROUGHT IN THE
7 CIRCUIT COURT FOR THE COUNTY IN WHICH THE PRINCIPAL PLACE OF
8 BUSINESS OR REGISTERED OFFICE OF THE CORPORATION IS LOCATED BY 1 OR
9 MORE DIRECTORS OR BY 1 OR MORE OTHER PERSONS THAT ARE ENTITLED TO
10 VOTE IN AN ELECTION OF 1 OR MORE OF THE DIRECTORS OF THE
11 CORPORATION, IF BOTH OF THE FOLLOWING ARE PROVED:

12 (A) THE DIRECTORS OF THE CORPORATION ARE UNABLE TO AGREE BY
13 THE REQUISITE VOTE ON MATERIAL MATTERS RESPECTING MANAGEMENT OF THE
14 CORPORATION'S AFFAIRS, OR THE DIRECTORS OR OTHER PERSONS THAT ARE
15 ENTITLED TO VOTE IN THE ELECTION OF 1 OR MORE OF THE DIRECTORS OF
16 THE CORPORATION ARE SO DIVIDED IN VOTING POWER THAT THEY HAVE
17 FAILED TO ELECT A SUCCESSOR FOR TO ANY DIRECTOR WHOSE TERM HAS
18 EXPIRED OR WOULD HAVE EXPIRED ON THE ELECTION AND QUALIFICATION OF
19 HIS OR HER SUCCESSOR.

20 (B) AS A RESULT OF A CONDITION STATED IN SUBDIVISION (A), THE
21 CORPORATION IS UNABLE TO CARRY OUT ITS CORPORATE PURPOSES OR
22 FUNCTION EFFECTIVELY IN THE BEST INTERESTS OF ITS CREDITORS AND
23 SHAREHOLDERS OR MEMBERS, IF ANY, OR THE PERSONS THAT THE
24 CORPORATION IS ORGANIZED TO BENEFIT.

25 (3) A PERSON OR PERSONS THAT FILES AN ACTION FOR DISSOLUTION
26 OF A CHARITABLE PURPOSE CORPORATION UNDER THIS SECTION SHALL GIVE
27 THE ATTORNEY GENERAL WRITTEN NOTICE OF THE COMMENCEMENT OF THE

1 ACTION BY MAIL WITHIN 30 DAYS AFTER FILING.

2 SEC. 841A. (1) A DISSOLVED CORPORATION MAY NOTIFY ITS EXISTING
3 CLAIMANTS IN WRITING OF THE DISSOLUTION OF THE CORPORATION AT ANY
4 TIME AFTER THE EFFECTIVE DATE OF THE DISSOLUTION. THE WRITTEN
5 NOTICE SHALL INCLUDE ALL OF THE FOLLOWING:

6 (A) A DESCRIPTION OF THE INFORMATION THAT MUST BE INCLUDED IN
7 A CLAIM. THE CORPORATION MAY DEMAND SUFFICIENT INFORMATION TO
8 PERMIT IT TO MAKE A REASONABLE JUDGMENT WHETHER THE CLAIM SHOULD BE
9 ACCEPTED OR REJECTED.

10 (B) A MAILING ADDRESS WHERE A CLAIM MAY BE SENT.

11 (C) THE DEADLINE BY WHICH THE DISSOLVED CORPORATION MUST
12 RECEIVE THE CLAIM. THE DEADLINE MUST BE AT LEAST 6 MONTHS AFTER THE
13 EFFECTIVE DATE OF THE WRITTEN NOTICE.

14 (D) A STATEMENT THAT A CLAIM THAT IS NOT RECEIVED BY THE
15 DEADLINE IS BARRED.

16 (2) PROVIDING A NOTICE UNDER SUBSECTION (1) DOES NOT
17 CONSTITUTE RECOGNITION THAT A PERSON TO WHICH THE NOTICE IS
18 DIRECTED HAS A VALID CLAIM AGAINST THE CORPORATION.

19 (3) A CLAIM AGAINST A DISSOLVED CORPORATION IS BARRED IF
20 EITHER OF THE FOLLOWING APPLIES:

21 (A) IF A CLAIMANT THAT WAS GIVEN WRITTEN NOTICE UNDER
22 SUBSECTION (1) DOES NOT DELIVER THE CLAIM TO THE DISSOLVED
23 CORPORATION BY THE DEADLINE.

24 (B) IF A CLAIMANT WHOSE CLAIM IS REJECTED BY A WRITTEN NOTICE
25 OF REJECTION BY THE DISSOLVED CORPORATION DOES NOT COMMENCE A
26 PROCEEDING TO ENFORCE THE CLAIM WITHIN 90 DAYS AFTER THE EFFECTIVE
27 DATE OF THE WRITTEN NOTICE OF REJECTION.

(4) AS USED IN THIS SECTION AND SECTION 842A:

(A) THE "EFFECTIVE DATE" OF A WRITTEN NOTICE IS THE EARLIEST OF THE FOLLOWING:

(i) THE DATE IT IS RECEIVED.

(ii) FIVE DAYS AFTER ITS DEPOSIT IN THE UNITED STATES MAIL, AS EVIDENCED BY THE POSTMARK, IF IT IS MAILED POSTPAID AND CORRECTLY ADDRESSED.

(iii) THE DATE SHOWN ON THE RETURN RECEIPT, IF THE NOTICE IS SENT BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND THE RECEIPT IS SIGNED BY OR ON BEHALF OF THE ADDRESSEE.

(B) "EXISTING CLAIM" MEANS ANY CLAIM OR RIGHT AGAINST A CORPORATION, LIQUIDATED OR UNLIQUIDATED. THE TERM DOES NOT MEAN A CONTINGENT LIABILITY OR A CLAIM THAT IS BASED ON AN EVENT THAT OCCURS AFTER THE EFFECTIVE DATE OF DISSOLUTION OF THE CORPORATION.

SEC. 842A. (1) IN ADDITION TO PROVIDING NOTICE UNDER SECTION 841A, A DISSOLVED CORPORATION MAY ALSO PUBLISH NOTICE OF DISSOLUTION AT ANY TIME AFTER THE EFFECTIVE DATE OF DISSOLUTION AND REQUEST THAT PERSONS WITH CLAIMS AGAINST THE CORPORATION PRESENT THEM IN THE MANNER DESCRIBED IN THE NOTICE.

(2) A NOTICE DESCRIBED IN SUBSECTION (1) MUST MEET BOTH OF THE FOLLOWING:

(A) BE PUBLISHED 1 TIME IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY WHERE THE DISSOLVED CORPORATION'S PRINCIPAL OFFICE, OR IF THERE IS NO PRINCIPAL OFFICE IN THIS STATE, ITS REGISTERED OFFICE, IS OR WAS LAST LOCATED.

(B) STATE THAT A CLAIM AGAINST THE CORPORATION IS BARRED UNLESS A PROCEEDING TO ENFORCE THE CLAIM IS COMMENCED WITHIN 1 YEAR

1 AFTER THE PUBLICATION DATE OF THE NEWSPAPER NOTICE.

2 (3) SUBJECT TO SUBSECTION (4), IF A DISSOLVED CORPORATION
3 PUBLISHES A NEWSPAPER NOTICE UNDER SUBSECTION (2), THE CLAIM OF
4 EACH OF THE FOLLOWING CLAIMANTS IS BARRED UNLESS THE CLAIMANT
5 COMMENCES A PROCEEDING TO ENFORCE THE CLAIM AGAINST THE DISSOLVED
6 CORPORATION WITHIN 1 YEAR AFTER THE PUBLICATION DATE OF THE
7 NEWSPAPER NOTICE:

8 (A) A CLAIMANT THAT DID NOT RECEIVE WRITTEN NOTICE UNDER
9 SECTION 841A.

10 (B) A CLAIMANT THAT SENT A TIMELY CLAIM TO THE DISSOLVED
11 CORPORATION BUT THE CORPORATION DID NOT ACT ON THE CLAIM.

12 (C) A CLAIMANT WHOSE CLAIM IS CONTINGENT OR BASED ON AN EVENT
13 THAT OCCURS AFTER THE EFFECTIVE DATE OF DISSOLUTION.

14 (4) NOTWITHSTANDING SUBSECTION (3), A CLAIMANT THAT HAS AN
15 EXISTING CLAIM THAT IS KNOWN TO THE CORPORATION AT THE TIME OF
16 PUBLICATION UNDER SUBSECTION (2) AND THAT DID NOT RECEIVE WRITTEN
17 NOTICE UNDER SECTION 841A IS NOT BARRED FROM COMMENCING A
18 PROCEEDING UNTIL 6 MONTHS AFTER THE CLAIMANT HAS ACTUAL NOTICE OF
19 THE DISSOLUTION.

20 Sec. 851. (1) After a corporation ~~has been~~ **IS** dissolved in any
21 manner, the corporation, a creditor, a shareholder, member, or a
22 director may apply at any time to the circuit court ~~for~~ **IN** the
23 county in which the **PRINCIPAL PLACE OF BUSINESS OR** registered
24 office of the corporation is located for a judgment that the
25 affairs of the corporation and the liquidation of its assets
26 continue under supervision of the court. The court shall make ~~such~~
27 **ANY** orders and judgments ~~as may be~~ **THAT ARE** required, including,

1 but not limited to, continuance of the liquidation of the
 2 corporation's assets by its officers and directors under
 3 supervision of the court, or the appointment of a receiver of the
 4 corporation ~~to be~~ **THAT IS** vested with powers ~~as~~ **THAT** the court
 5 designates to liquidate the affairs of the corporation.

6 (2) For good cause shown, and ~~so long as~~ **IF** a corporation has
 7 not made complete distribution of its assets, the court ~~, in an~~
 8 ~~action pending under this section or otherwise,~~ may permit a
 9 creditor ~~who~~ **THAT HAS A CLAIM AGAINST THE CORPORATION AND** has not
 10 ~~filed a~~ **DELIVERED THAT** claim **TO THE CORPORATION OR COMMENCED A**
 11 **PROCEEDING TO ENFORCE THE CLAIM** within the time ~~limited by section~~
 12 ~~841,~~ **LIMITS UNDER SECTIONS 841A AND 842A,** or who has not commenced
 13 an action on a rejected claim within the time ~~limited by section~~
 14 ~~842,~~ **LIMITS UNDER SECTIONS 841A AND 842A,** to file ~~such~~ **THE** claim or
 15 to commence ~~such action~~ **A PROCEEDING** within ~~such~~ **THE** time ~~as~~ **THAT**
 16 the court directs.

17 Sec. 855. (1) ~~Upon dissolution, the assets of~~ **ALL OF THE**
 18 **FOLLOWING APPLY IF** a corporation ~~shall be applied and distributed~~
 19 ~~as follows~~ **IS DISSOLVED:**

20 (a) ~~All liabilities and obligations of the corporation shall~~
 21 ~~be paid and discharged, or adequate provision shall be made~~
 22 ~~therefor.~~ **THE CORPORATION SHALL PAY OR MAKE PROVISION FOR ITS DEBTS,**
 23 **OBLIGATIONS, AND LIABILITIES. COMPLIANCE WITH THIS SUBDIVISION**
 24 **REQUIRES THAT, TO THE EXTENT THAT A REASONABLE ESTIMATE IS**
 25 **POSSIBLE, PROVISION IS MADE FOR THOSE DEBTS, OBLIGATIONS, AND**
 26 **LIABILITIES THAT ARE ANTICIPATED TO ARISE AFTER THE EFFECTIVE DATE**
 27 **OF DISSOLUTION. A CORPORATION IS NOT REQUIRED TO MAKE PROVISION FOR**

1 ANY DEBT, OBLIGATION, OR LIABILITY THAT IS OR IS REASONABLY
2 ANTICIPATED TO BE BARRED UNDER SECTION 841A OR 842A. THE FACT THAT
3 CORPORATE ASSETS ARE INSUFFICIENT TO SATISFY CLAIMS THAT ARISE
4 AFTER A DISSOLUTION DOES NOT CREATE A PRESUMPTION THAT THE
5 CORPORATION HAS FAILED TO COMPLY WITH THIS SUBDIVISION. A
6 CORPORATION IS CONSIDERED TO HAVE MADE ADEQUATE PROVISION FOR ANY
7 DEBT, OBLIGATION, OR LIABILITY OF THE CORPORATION IF PAYMENT IS
8 ASSUMED OR GUARANTEED IN GOOD FAITH BY 1 OR MORE FINANCIALLY
9 RESPONSIBLE CORPORATIONS, OTHER PERSONS, OR THE UNITED STATES
10 GOVERNMENT OR AN AGENCY OF THE UNITED STATES GOVERNMENT AND THE
11 PROVISION, INCLUDING THE FINANCIAL RESPONSIBILITY OF THE
12 CORPORATIONS OR OTHER PERSONS, WAS DETERMINED IN GOOD FAITH AND
13 WITH REASONABLE CARE BY THE BOARD TO BE ADEQUATE.

14 ~~(b) Assets held by the~~ IF THE corporation ~~upon~~ HOLDS ANY
15 ASSETS SUBJECT TO A condition requiring ~~THAT REQUIRES~~ return,
16 transfer, or conveyance, ~~which~~ AND THE condition occurs by reason
17 of the dissolution, ~~shall be returned, transferred, or conveyed in~~
18 ~~accordance with such requirements.~~ THE CORPORATION SHALL RETURN,
19 TRANSFER, OR CONVEY THOSE ASSETS IN COMPLIANCE WITH THOSE
20 CONDITIONS.

21 ~~(c) Assets received and held by the corporation~~ IF THE
22 CORPORATION RECEIVED AND HOLDS ANY ASSETS THAT ARE subject to
23 limitations ~~permitting~~ THAT PERMIT their use only for charitable,
24 religious, eleemosynary, benevolent, educational, or similar
25 purposes, but THAT ARE not held ~~upon~~ SUBJECT TO a condition
26 ~~requiring~~ THAT REQUIRES return, transfer, or conveyance by reason
27 of the dissolution UNDER SUBDIVISION (B), ~~shall be transferred or~~

~~conveyed in accordance~~ **THE CORPORATIVE SHALL TRANSFER OR CONVEY**
THOSE ASSETS IN A MANNER THAT COMPLIES with any provisions in the
 articles of incorporation or bylaws ~~which~~ **THAT** designate 1 or more
 recipients or **ESTABLISH** a mechanism for determining 1 or more
 recipients ~~which~~ **THAT** are domestic or foreign corporations,
 societies, or organizations, including governmental agencies, **THAT**
ARE engaged in activities ~~furthering such~~ **THAT FURTHER THOSE**
 purposes. If the articles of incorporation or bylaws do not contain
~~such provisions, such assets shall be transferred or conveyed~~ **A**
PROVISION DESCRIBED IN THIS SUBDIVISION, THE CORPORATION SHALL
TRANSFER OR CONVEY THOSE ASSETS to 1 or more domestic or foreign
 corporations, societies, or organizations, including governmental
 agencies, **THAT ARE** engaged in activities **THAT ARE** substantially
 similar to or consistent with those of the dissolving corporation.

(d) ~~Other assets, if any, shall be distributed in accordance~~
~~with~~ **THE CORPORATION SHALL DISTRIBUTE ANY OTHER ASSETS IN A MANNER**
THAT COMPLIES WITH ANY provisions of the articles of incorporation
 or the bylaws ~~which~~ **THAT** determine the distributive rights of
 shareholders or members, or any class or classes of shareholders or
 members, or provide for distribution to others. **EXCEPT AS OTHERWISE**
PROVIDED IN THIS SECTION, THE CORPORATION MAY DISTRIBUTE ASSETS
THAT ARE SUBJECT TO THIS SUBDIVISION IN CASH, IN KIND, OR BOTH IN
CASH AND IN KIND, TO SHAREHOLDERS, MEMBERS, OR OTHERS ACCORDING TO
THEIR RESPECTIVE RIGHTS AND INTERESTS.

(e) ~~Any~~ **THE CORPORATION DISTRIBUTES ANY** remaining assets ~~may~~
~~be distributed to such~~ **ANY** persons ~~, societies, organizations,~~
~~domestic or foreign corporations, or domestic or foreign business~~

1 ~~corporations, as may be specified in a plan of distribution adopted~~
 2 ~~by the corporation.~~

3 (2) ~~(f) When there is no~~ **IF ANY ASSETS OF A DISSOLVED**
 4 **CORPORATION ARE NOT SUBJECT TO ANY** provision for the distribution
 5 of assets **DESCRIBED IN SUBSECTION (1),** ~~the assets remaining after~~
 6 ~~implementation of the provisions of this section shall~~ **THOSE**
 7 **REMAINING** escheat to the state.

8 Sec. 901. (1) ~~Each~~ **A** domestic corporation at least once in
 9 each **CALENDAR** year shall ~~cause~~ **PREPARE OR HAVE PREPARED** a report of
 10 the corporation for the preceding fiscal year ~~to be made and~~
 11 ~~distributed~~ **DISTRIBUTE THAT REPORT** to each shareholder or member
 12 ~~thereof or presented~~ **PRESENT THE REPORT** at the annual meeting of
 13 shareholders or members ~~, or, if the corporation is organized upon~~
 14 **ON** a directorship basis, at the annual meeting of the board. ~~The~~
 15 **EXCEPT FOR INFORMATION A CORPORATION IS NOT REQUIRED TO DISCLOSE**
 16 **UNDER SECTION 487(7), THE** report shall include ~~the corporation's~~
 17 ~~year end statement of assets and liabilities, including trust~~
 18 ~~funds, and the principal change in assets and liabilities during~~
 19 ~~the year preceding the date of the report and, if prepared by the~~
 20 ~~corporation, its source and application of funds and any other~~
 21 ~~information required by this act.~~ **ALL OF THE FOLLOWING FOR THE**
 22 **CORPORATION'S PRECEDING FISCAL YEAR:**

23 (A) ITS INCOME STATEMENT.

24 (B) ITS YEAR-END BALANCE SHEET, INCLUDING TRUST FUNDS AND
 25 FUNDS RESTRICTED BY DONORS OR THE BOARD.

26 (C) ITS STATEMENT OF SOURCE AND APPLICATION OF FUNDS, IF THE
 27 CORPORATION PREPARES THAT STATEMENT.

1 (D) ANY OTHER INFORMATION REQUIRED UNDER THIS ACT.

2 (2) A corporation may distribute the financial report required
3 under subsection (1) electronically, either by electronic
4 transmission of the report or by making the report available for
5 electronic transmission. If the report is distributed
6 electronically under this subsection, the corporation shall provide
7 the report in written form to a shareholder, member, or director on
8 request.

9 Sec. 911. (1) ~~A EACH domestic or CORPORATION AND EACH~~ foreign
10 corporation ~~authorized to conduct affairs in this state THAT IS~~
11 **SUBJECT TO CHAPTER 10** shall file a report with the administrator ~~ne~~
12 **NOT** later than October 1 of each year. The report ~~, SHALL BE~~ on a
13 form approved by the administrator, ~~shall SIGNED BY AN AUTHORIZED~~
14 **OFFICER OR AGENT OF THE CORPORATION, AND** contain all of the
15 following information:

16 (a) The name of the corporation.

17 (b) The name of **ITS** resident agent and address of its
18 registered office in this state.

19 (c) The names and business or residence addresses of its
20 ~~officers~~ **PRESIDENT, SECRETARY, TREASURER,** and directors.

21 (d) ~~Purposes~~ **THE PURPOSES** of the corporation.

22 (e) ~~Nature~~ **THE GENERAL NATURE** and kind of business in which
23 the corporation ~~has IS~~ engaged. ~~during the year covered by the~~
24 ~~report.~~

25 (2) ~~The A CORPORATION IS NOT REQUIRED TO FILE A~~ report
26 required under this section ~~is not required to be filed in the year~~
27 of incorporation or authorization ~~by corporations that were IF THE~~

1 CORPORATION WAS formed or authorized to do business on or after
2 January 1 and before October 1 of that year.

3 (3) If there are ~~not~~ **NO** changes in the information provided in
4 the last filed report **REQUIRED UNDER SUBSECTION (1)**, the
5 corporation ~~shall certify~~ **MAY FILE A REPORT THAT CERTIFIES TO THE**
6 **ADMINISTRATOR** that no changes in the required information have
7 occurred since the last filed report. ~~The certification~~ **A REPORT**
8 **FILED UNDER THIS SUBSECTION** shall be on a ~~report provided~~ **FORM**
9 **APPROVED** by the administrator and filed ~~no~~ **NOT** later than the date
10 required in subsection (1).

11 Sec. 913. ~~The~~ **A** county clerk may destroy the copies of ~~the~~ **ANY**
12 corporate documents of a **DOMESTIC OR FOREIGN** corporation ~~which~~ **THAT**
13 were forwarded to ~~the office of the county clerk in accordance with~~
14 ~~Act No. 327 of the Public Acts of 1931, as amended, being sections~~
15 ~~450.62 to 450.192 of the Michigan Compiled Laws, and~~ **HIS OR HER**
16 **OFFICE UNDER 1931 PA 327, MCL 450.98 TO 450.192, ANY REPEALED**
17 **PROVISIONS OF 1931 PA 327, OR** its predecessor act. The clerk may
18 destroy **THESE RECORDS** or dispose of ~~these records in accordance~~
19 ~~with~~ **THEM UNDER** section 5 of ~~Act No. 271 of the Public Acts of~~
20 ~~1913, as amended, being section 399.5 of the Michigan Compiled~~
21 ~~Laws.~~ **1913 PA 271, MCL 399.5.**

22 Sec. 922. (1) If a domestic corporation neglects or refuses
23 ~~for 2 consecutive years to file the~~ **ITS** annual ~~reports~~ **REPORT UNDER**
24 **SECTION 911** or pay ~~the~~ **ANY** annual filing fee **OR A PENALTY ADDED TO**
25 **THE FEE** required by law, **AND THE NEGLECT OR REFUSAL CONTINUES FOR A**
26 **PERIOD OF 2 YEARS FROM THE DATE ON WHICH THE ANNUAL REPORT OR**
27 **FILING FEE WAS DUE**, the corporation ~~shall be~~ **IS** automatically

1 dissolved **60 DAYS AFTER THE EXPIRATION OF THE 2-YEAR PERIOD**. The
 2 administrator shall notify the corporation of the impending
 3 dissolution ~~not later than~~ **AT LEAST** 90 days before the ~~2 years has~~
 4 ~~expired.~~ **2-YEAR PERIOD EXPIRES**. Until a corporation ~~has been~~ **IS**
 5 dissolved **UNDER THIS SUBSECTION**, it is entitled to issuance by the
 6 administrator, ~~upon~~ **ON** request, of a certificate of good standing
 7 ~~setting forth that it has been~~ **STATES THAT THE CORPORATION WAS**
 8 validly incorporated as a domestic corporation and that it is
 9 validly in existence under the laws of this state.

10 (2) A charitable purpose corporation that is dissolved under
 11 subsection (1) shall ~~provide notice of the dissolution to the~~
 12 ~~attorney general within 60~~ **90** days after the date of the
 13 dissolution and ~~shall not dispose of any of its assets without~~
 14 ~~written approval of the attorney general.~~ **DO 1 OF THE FOLLOWING:**

15 (A) **COMPLY WITH THE DISSOLUTION OF CHARITABLE PURPOSE**
 16 **CORPORATION ACT, 1965 PA 169, MCL 450.251 TO 450.253.**

17 (B) **RENEW ITS CORPORATE EXISTENCE UNDER SECTION 925.**

18 (3) If a foreign corporation neglects or refuses for 1 year to
 19 file ~~the~~ **ITS** annual report **UNDER SECTION 911** or pay the annual
 20 filing fee **OR A PENALTY ADDED TO THE FEE AS** required by law, its
 21 certificate of authority is subject to revocation ~~in accordance~~
 22 ~~with~~ **UNDER** section 1042. Until revocation of its certificate of
 23 authority, or its withdrawal from this state or termination of its
 24 existence, the foreign corporation is entitled to issuance by the
 25 administrator, ~~upon~~ **ON** request, of a certificate of good standing
 26 ~~setting forth that it has been~~ **THAT STATES THAT IT WAS** validly
 27 authorized to ~~transact business~~ **CONDUCT AFFAIRS** in this state and

1 that it holds a valid certificate of authority to ~~transact business~~
2 **CONDUCT AFFAIRS** in this state.

3 Sec. 923. (1) ~~The administrator for~~ **IF** good cause **IS** shown,
4 **THE ADMINISTRATOR** may extend the time for filing ~~of a report~~ **UNDER**
5 **SECTION 911** for not more than 1 year ~~from~~ **AFTER** the due date of the
6 filing.

7 (2) The administrator may report promptly to the attorney
8 general any failure or neglect under sections 922, 931, ~~and~~ **OR** 932,
9 and the attorney general may ~~commence~~ **BRING** an action ~~for~~
10 ~~imposition of~~ **TO IMPOSE** the prescribed penalties. ~~When~~ **IF** a
11 **DOMESTIC OR FOREIGN** corporation neglects or refuses to file its
12 report **UNDER SECTION 911** within 90 ~~days after~~ the time prescribed
13 ~~by~~ **REQUIRED UNDER** this act, the administrator shall notify the
14 corporation of that fact by mail ~~directed~~ **SENT** to its registered
15 office **WITHIN 90 DAYS AFTER THE DUE DATE OF THE FILING**. The
16 ~~administrator's certificate of mailing of the notice is prima facie~~
17 ~~evidence in all courts and places of that fact, and that the notice~~
18 ~~was received by the corporation.~~

19 Sec. 925. (1) A domestic corporation ~~which has been~~ **THAT IS**
20 dissolved ~~pursuant to~~ **UNDER** section 922(1), or a foreign
21 corporation whose certificate of authority ~~has been~~ **IS** revoked
22 ~~pursuant to~~ **UNDER** section 922(2) or section 1042, may renew its
23 corporate existence or its certificate of authority by filing the
24 **ANNUAL** reports **UNDER SECTION 911** for the last 5 years or any lesser
25 number of years in which the reports were not filed and paying the
26 annual filing fees for all the years for which they were not paid,
27 together with a penalty of \$5.00 for each delinquent report. ~~Upon~~

1 ~~filing~~ **WHEN** the reports **ARE FILED** and ~~payment of the fees and~~
 2 penalties **ARE PAID**, the corporate existence or the certificate of
 3 authority is renewed. ~~If during the intervening period the~~
 4 ~~corporate name or a confusingly similar name has been assigned to~~
 5 ~~another corporation, the~~ **THE** administrator may require that the
 6 corporation adopt or use ~~within this state a different~~ **CORPORATE**
 7 name **IN THIS STATE THAT CONFORMS TO THE REQUIREMENTS OF SECTION**
 8 **212.**

9 (2) ~~Upon compliance with the provisions of this section, the~~
 10 **THE** rights of ~~the~~ **A** corporation ~~shall be~~ **THAT COMPLIES WITH THIS**
 11 **SECTION ARE** the same as ~~though~~ **IF** a dissolution or revocation ~~had~~
 12 **HAS** not taken place, and all contracts entered into and other
 13 rights acquired during the interval ~~shall be~~ **ARE** valid and
 14 enforceable.

15 Sec. 932. (1) A person ~~who~~ **SHALL NOT** knowingly ~~makes~~ **MAKE** or
 16 ~~files~~ **FILE** or ~~a person who knowingly assists~~ **ASSIST** in the making
 17 or filing of a false or fraudulent report, certificate, or other
 18 statement **THAT A DOMESTIC OR FOREIGN CORPORATION IS** required by
 19 ~~this act to be filed by a corporation~~ **TO FILE UNDER THIS ACT** with a
 20 public officer of this state, ~~or~~ **AND** a person ~~knowing the same to~~
 21 ~~be~~ **THAT KNOWS THAT A REPORT, CERTIFICATE OR STATEMENT IS** false or
 22 fraudulent, ~~who procures, counsels, or advises~~ **SHALL NOT PROCURE,**
 23 **COUNSEL OR ADVISE** the making or filing of ~~such a~~ **THAT** report,
 24 certificate, or statement. ~~7~~ **A PERSON THAT VIOLATES THIS SUBSECTION**
 25 is guilty of a misdemeanor ~~and is subject to~~ **PUNISHABLE BY** a fine
 26 of not ~~to exceed~~ **MORE THAN** \$1,000.00 for each ~~such~~
 27 ~~offense.~~ **VIOLATION OF THIS SUBSECTION.**

1 (2) An officer or agent of a corporation ~~who~~ **SHALL NOT**
 2 knowingly ~~falsifies~~ **FALSIFY** or wrongfully ~~alters~~ **ALTER** the books,
 3 records, or accounts of a corporation. **AN OFFICER OR AGENT THAT**
 4 **VIOLATES THIS SUBSECTION** is guilty of a misdemeanor and is subject
 5 ~~to~~ **PUNISHABLE BY** a fine of not ~~to exceed~~ **MORE THAN** \$1,000.00 for
 6 each ~~such offense~~. **VIOLATION OF THIS SUBSECTION.**

7 Sec. 1001. A foreign corporation ~~which is~~ **THAT WAS** authorized
 8 to conduct affairs in this state on ~~the effective date of this act,~~
 9 **JANUARY 1, 1983,** for a purpose for which a corporation might secure
 10 ~~such authority~~ **TO CONDUCT AFFAIRS IN THIS STATE** under this act, has
 11 the rights and privileges applicable to a foreign corporation ~~which~~
 12 **THAT** receives a certificate of authority to ~~transact business~~
 13 **CONDUCT AFFAIRS** in this state under this act. ~~From the effective~~
 14 ~~date of this act~~ **BEGINNING ON JANUARY 1, 1983,** the corporation is
 15 subject to the duties, restrictions, penalties, and liabilities
 16 ~~prescribed herein for~~ **UNDER THIS ACT THAT ARE APPLICABLE TO** a
 17 foreign corporation ~~which~~ **THAT** receives a certificate of authority
 18 to ~~transact business~~ **CONDUCT AFFAIRS** in this state under this act.

19 Sec. 1002. (1) A foreign corporation ~~which~~ **THAT** receives a
 20 certificate of authority under this act, until a certificate of
 21 revocation or of withdrawal is issued ~~as provided in~~ **UNDER** this
 22 act, has the same rights and privileges as a domestic corporation
 23 organized for the purposes ~~set forth~~ **CONTAINED** in the application
 24 ~~pursuant to~~ **UNDER** which the certificate of authority is issued.
 25 Except as otherwise provided in this act, the corporation is
 26 subject to the same duties, restrictions, penalties, and
 27 liabilities ~~now or hereafter imposed upon~~ **OF** a **SIMILAR** domestic

1 corporation. ~~of like character.~~

2 (2) THIS ACT DOES NOT AUTHORIZE THIS STATE TO REGULATE THE
3 ORGANIZATION OR INTERNAL AFFAIRS OF A FOREIGN CORPORATION
4 AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

5 Sec. 1012. (1) Without excluding other activities ~~which~~ **THAT**
6 may not constitute conducting affairs in this state, a foreign
7 corporation is not considered to be conducting affairs in this
8 state ~~—~~for the purposes of this act ~~—~~solely because it is
9 carrying on in this state any 1 or more of the following
10 activities:

11 (a) Maintaining, ~~or defending, an action or suit or an~~
12 ~~administrative or arbitratative proceeding, or effecting the~~
13 ~~settlement thereof or the settlement of a claim or dispute.~~ **OR**
14 **SETTLING ANY PROCEEDING.**

15 (b) Holding meetings of ~~its~~ **THE BOARD OF** directors,
16 shareholders, or members or carrying on ~~any~~ other activities
17 concerning ~~its~~ internal **CORPORATE** affairs.

18 (c) Maintaining a bank account. **ACCOUNTS.**

19 (d) ~~Effecting sales through an independent~~
20 ~~contractor.~~ **MAINTAINING OFFICES OR AGENCIES FOR THE TRANSFER,**
21 **EXCHANGE, OR REGISTRATION OF THE CORPORATION'S OWN SECURITIES OR**
22 **MAINTAINING TRUSTEES OR DEPOSITORIES WITH RESPECT TO THOSE**
23 **SECURITIES.**

24 (E) **SELLING THROUGH INDEPENDENT CONTRACTORS.**

25 (F) ~~(e)~~ Soliciting or ~~procuring~~ **OBTAINING** orders, whether by
26 mail or through employees or agents or otherwise, ~~where such~~ **IF THE**
27 orders require acceptance ~~without~~ **OUTSIDE** this state before

1 ~~becoming binding~~ **THEY BECOME** contracts.

2 ~~—— (f) Borrowing money, with or without security.~~

3 (G) SOLICITING OR OBTAINING DONATIONS, WHETHER BY MAIL, BY
4 TELEPHONE OR OTHER FORM OF REMOTE COMMUNICATIONS, BY ELECTRONIC
5 TRANSMISSION, OR THROUGH EMPLOYEES, AGENTS, VOLUNTEERS OR
6 OTHERWISE, IF THE DONATIONS ARE MADE TO A FOREIGN CORPORATION THAT
7 HAS ITS PRINCIPAL PLACE OF BUSINESS OUTSIDE THE STATE.

8 (H) CREATING OR ACQUIRING INDEBTEDNESS, MORTGAGES, OR SECURITY
9 INTERESTS IN REAL OR PERSONAL PROPERTY.

10 (I) ~~(g) Securing or collecting debts or enforcing any right in~~
11 ~~property securing the same.~~ **MORTGAGES AND SECURITY INTERESTS IN**
12 **PROPERTY THAT SECURES THOSE DEBTS.**

13 ~~(h) Transacting any business in interstate commerce.~~

14 (J) OWNING, WITHOUT MORE, REAL OR PERSONAL PROPERTY.

15 (K) ~~(i) Conducting an isolated transaction~~ **THAT IS COMPLETED**
16 **WITHIN 30 DAYS AND THAT IS** not 1 TRANSACTION in the course of a
17 ~~number of repeated transactions of like~~ **A SIMILAR** nature.

18 (I) **TRANSACTIONING BUSINESS IN INTERSTATE COMMERCE.**

19 (2) This section does not apply in determining the contracts
20 or activities ~~which~~ **THAT** may subject a foreign corporation to
21 service of process or taxation in this state or to regulation under
22 any other ~~act~~ **STATUTE** of this state.

23 **SEC. 1013. (1) A FOREIGN CORPORATION MAY ACQUIRE, OR THROUGH**
24 **ANOTHER PERSON ENTITLED TO CONDUCT AFFAIRS OR TRANSACT BUSINESS IN**
25 **THIS STATE MAY MAKE, A LOAN THAT IS INSURED OR GUARANTEED IN WHOLE**
26 **OR IN PART BY THE FEDERAL DEPARTMENT OF HOUSING AND URBAN**
27 **DEVELOPMENT, DEPARTMENT OF VETERAN'S AFFAIRS, OR A SUCCESSOR OR**

1 OTHER AGENCY OF THE FEDERAL GOVERNMENT AND THAT IS SECURED IN WHOLE
2 OR IN PART BY 1 OR MORE MORTGAGES OF REAL PROPERTY THAT IS LOCATED
3 IN THIS STATE, AND A FOREIGN CORPORATION MAY PURCHASE A LOAN THAT
4 IS SECURED IN WHOLE OR IN PART BY A MORTGAGE OF REAL PROPERTY THAT
5 IS LOCATED IN THIS STATE, WITHOUT MAINTAINING AUTHORITY TO CONDUCT
6 AFFAIRS IN THIS STATE UNDER THIS ACT OR ANY OTHER LAW OF THIS STATE
7 THAT RELATES TO QUALIFICATION OR MAINTAINING AUTHORITY TO CONDUCT
8 AFFAIRS IN THIS STATE AND WITHOUT PAYING A FEE TO QUALIFY OR
9 MAINTAIN THAT AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE.

10 (2) A FAILURE OF A FOREIGN CORPORATION DESCRIBED IN SUBSECTION
11 (1) TO QUALIFY OR MAINTAIN AUTHORITY TO CONDUCT AFFAIRS IN THIS
12 STATE UNDER THIS ACT OR A FAILURE TO PAY FEES TO QUALIFY OR
13 MAINTAIN AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE DOES NOT AFFECT
14 OR IMPAIR ITS OWNERSHIP OF A LOAN OR ITS RIGHT TO COLLECT AND
15 SERVICE THE LOAN THROUGH ANOTHER PERSON THAT IS ENTITLED TO CONDUCT
16 AFFAIRS OR TRANSACT BUSINESS IN THIS STATE, OR ITS RIGHT TO ENFORCE
17 A LOAN OR TO ACQUIRE, HOLD, PROTECT, CONVEY, LEASE, OR OTHERWISE
18 CONTRACT AND DEAL WITH RESPECT TO ANY PROPERTY MORTGAGED AS
19 SECURITY FOR THE LOAN.

20 (3) AS USED IN THIS SECTION, "LOAN" INCLUDES AN INTEREST OR
21 PARTICIPATION IN A LOAN.

22 Sec. 1015. To procure a certificate of authority to conduct
23 affairs in this state, a foreign corporation shall file with the
24 administrator an application ~~setting forth~~ THAT CONTAINS ALL OF THE
25 FOLLOWING:

26 (a) The name of the corporation and the jurisdiction of its
27 incorporation.

1 (b) The date of incorporation and the period of duration of
2 the corporation.

3 (c) The street address, and the mailing address if **IT IS**
4 different from the street address, of its main business or
5 headquarters office.

6 (d) The **STREET** address of its registered office in this state,
7 **THE MAILING ADDRESS IF IT IS DIFFERENT FROM THE STREET ADDRESS**, and
8 the name of its resident agent in this state at ~~such~~**THAT** address,
9 together with a statement that the resident agent is an agent of
10 the corporation ~~upon whom~~**ON WHICH** process against the corporation
11 may be served.

12 (e) The character of the affairs it is to ~~transact~~**CONDUCT** in
13 this state, together with a statement that it is authorized to
14 conduct ~~such~~**THOSE** affairs in the jurisdiction of its
15 incorporation.

16 (f) ~~Such~~**ANY** additional information ~~as~~**THAT** the administrator
17 ~~may require~~**REASONABLY REQUIRES** in order to determine whether the
18 corporation is entitled to a certificate of authority to conduct
19 affairs in this state **AND TO DETERMINE THE FEES AND TAXES**
20 **PRESCRIBED BY LAW.**

21 Sec. 1016. (1) ~~A copy of the articles of incorporation and all~~
22 ~~amendments thereto, certified by the proper officer of the~~
23 ~~jurisdiction of its incorporation shall be attached to the~~
24 ~~application of a foreign corporation.~~ **A FOREIGN CORPORATION SHALL**
25 **ATTACH A** certificate ~~setting forth~~**TO AN APPLICATION FOR AUTHORITY**
26 **TO CONDUCT AFFAIRS IN THIS STATE UNDER SECTION 1015 THAT STATES**
27 that the corporation is in good standing under the laws of the

jurisdiction of its incorporation, ~~IS~~ executed by the official of
 the jurisdiction who has custody of the records ~~pertaining~~ **THAT**
~~PERTAIN~~ to corporations, and ~~IS~~ dated not earlier ~~MORE~~ than 30 days
 before ~~filing of the~~ **THE DATE THE** application, ~~shall also be~~
~~attached to the application.~~ **IS FILED.** If ~~such~~ **THE** certificate is
 in a foreign language, **THE FOREIGN CORPORATION SHALL ATTACH** a
 translation ~~thereof~~ **OF THE CERTIFICATE** under oath of the translator
~~shall be attached thereto.~~ **TO THE CERTIFICATE.**

(2) ~~Upon filing of the~~ **IF A FOREIGN CORPORATION FILES AN**
 application **DESCRIBED IN SUBSECTION (1)**, accompanied by the filing
 and franchise fees prescribed by law, the administrator shall issue
 to the foreign corporation a certificate of authority to conduct
 affairs in this state. ~~Thereupon~~ **WHEN A CERTIFICATE OF AUTHORITY IS**
ISSUED, the foreign corporation is authorized to conduct in this
 state any affairs of the character set forth in its application
THAT A DOMESTIC CORPORATION FORMED UNDER THIS ACT MAY LAWFULLY
TRANSACT. The authority **GRANTED UNDER THIS SUBSECTION** continues so
 long as the foreign corporation retains its authority to conduct
~~such~~ **ITS** affairs in the jurisdiction of its incorporation and its
 authority to conduct affairs in this state ~~has not been~~ **IS NOT**
 surrendered, suspended, or revoked.

Sec. 1021. (1) ~~When the articles of incorporation of~~ **EXCEPT AS**
OTHERWISE PROVIDED IN THIS SECTION, a foreign corporation
 authorized to conduct affairs in this state ~~are amended, the~~
~~foreign corporation, within 60 days after the amendment is~~
~~effective, shall file with the administrator a copy of the~~
~~amendment certified by the proper officers of the jurisdiction of~~

1 ~~its incorporation.~~ THAT CHANGES ITS CORPORATE NAME, OR ENLARGES,
2 LIMITS, OR OTHERWISE CHANGES THE AFFAIRS THAT THE FOREIGN
3 CORPORATION PROPOSES TO CONDUCT IN THIS STATE, OR MAKES ANY OTHER
4 CHANGE THAT AFFECTS THE INFORMATION INCLUDED IN ITS APPLICATION FOR
5 CERTIFICATE OF AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE, SHALL
6 FILE AN AMENDED APPLICATION WITH THE ADMINISTRATOR WITHIN 30 DAYS
7 AFTER THE TIME A CHANGE BECOMES EFFECTIVE. A FOREIGN CORPORATION
8 MAY MAKE A CHANGE IN ITS REGISTERED OFFICE OR RESIDENT AGENT UNDER
9 SECTION 242. AN AMENDED APPLICATION UNDER THIS SUBSECTION SHALL
10 STATE ALL OF THE FOLLOWING:

11 (A) THE NAME OF THE FOREIGN CORPORATION AS IT APPEARS ON THE
12 RECORDS OF THE ADMINISTRATOR AND THE JURISDICTION OF ITS
13 INCORPORATION.

14 (B) THE DATE THE FOREIGN CORPORATION WAS AUTHORIZED TO CONDUCT
15 AFFAIRS IN THIS STATE.

16 (C) IF THE NAME OF THE FOREIGN CORPORATION HAS CHANGED, A
17 STATEMENT OF THE NAME RELINQUISHED, A STATEMENT OF THE NEW NAME,
18 AND A STATEMENT THAT THE NAME WAS PROPERLY CHANGED UNDER THE LAWS
19 OF THE JURISDICTION OF ITS INCORPORATION AND THE DATE THE NAME WAS
20 CHANGED.

21 (D) IF THE AFFAIRS THAT THE FOREIGN CORPORATION PROPOSES TO
22 CONDUCT IN THIS STATE ENLARGE, LIMIT, OR OTHERWISE CHANGE THE
23 AFFAIRS THE FOREIGN CORPORATION IS AUTHORIZED TO CONDUCT, A
24 STATEMENT REFLECTING THE CHANGE AND A STATEMENT THAT THE FOREIGN
25 CORPORATION IS AUTHORIZED TO CONDUCT IN THE JURISDICTION OF ITS
26 INCORPORATION THE AFFAIRS THAT IT PROPOSES TO CONDUCT IN THIS
27 STATE.

1 (E) ANY ADDITIONAL INFORMATION AS THE ADMINISTRATOR MAY
2 REQUIRE.

3 (2) ~~When~~ IF a foreign corporation **THAT IS** authorized to
4 conduct affairs in this state ~~is a party to a merger,~~
5 ~~consolidation, or similar corporate action taken in accordance with~~
6 ~~the laws of the jurisdiction of its incorporation, the foreign~~
7 ~~corporation, within 60 days after the effective date thereof, shall~~
8 ~~file with the administrator a copy of the certificate of merger,~~
9 ~~consolidation, or similar corporate action, certified by the proper~~
10 ~~officers of the jurisdiction of its incorporation.~~ IS THE SURVIVOR
11 OF A MERGER PERMITTED BY THE LAWS OF THE JURISDICTION IN WHICH THE
12 FOREIGN CORPORATION IS INCORPORATED, WITHIN 30 DAYS AFTER THE
13 MERGER BECOMES EFFECTIVE, THE FOREIGN CORPORATION SHALL FILE A
14 CERTIFICATE THAT IS ISSUED BY THE PROPER OFFICER OF THE
15 JURISDICTION OF ITS INCORPORATION AND ATTESTS TO THE OCCURRENCE OF
16 THE MERGER. IF THE MERGER HAS CHANGED THE CORPORATE NAME OF THE
17 FOREIGN CORPORATION, OR HAS ENLARGED, LIMITED, OR CHANGED THE
18 AFFAIRS THAT THE FOREIGN CORPORATION PROPOSES TO CONDUCT IN THIS
19 STATE, OR CHANGED ANY OF THE INFORMATION INCLUDED IN THE
20 APPLICATION, THE FOREIGN CORPORATION SHALL COMPLY WITH SUBSECTION
21 (1).

22 (3) IF A FOREIGN CORPORATION THAT IS AUTHORIZED TO CONDUCT
23 AFFAIRS IN THIS STATE IS THE SURVIVOR OF A CONVERSION UNDER THE
24 LAWS OF THE JURISDICTION IN WHICH THE FOREIGN CORPORATION IS
25 INCORPORATED, THE FOREIGN CORPORATION SHALL, WITHIN 30 DAYS AFTER
26 THE CONVERSION BECOMES EFFECTIVE, FILE A CERTIFICATE THAT IS ISSUED
27 BY THE PROPER OFFICERS OF THE JURISDICTION OF ITS INCORPORATION AND

1 ATTESTS TO THE OCCURRENCE OF THE CONVERSION. IF THE CONVERSION HAS
 2 CHANGED THE CORPORATE NAME OF THE FOREIGN CORPORATION, OR HAS
 3 ENLARGED, LIMITED, OR CHANGED THE AFFAIRS THE FOREIGN CORPORATION
 4 THAT PROPOSES TO CONDUCT IN THIS STATE OR HAS AFFECTED THE
 5 INFORMATION INCLUDED IN THE APPLICATION, THE FOREIGN CORPORATION
 6 SHALL COMPLY WITH SUBSECTION (1).

7 Sec. 1032. ~~Upon filing the~~ **IF A FOREIGN CORPORATION FILES AN**
 8 application for withdrawal and ~~payment of~~ **PAYS** the filing fees
 9 prescribed by law, the administrator shall issue to the **FOREIGN**
 10 corporation a certificate of withdrawal, ~~whereupon~~ **AND BOTH OF THE**
 11 **FOLLOWING SHALL OCCUR:**

12 (a) The authority of the **FOREIGN** corporation to conduct
 13 affairs in this state ~~shall cease~~ **IS TERMINATED.**

14 (b) The authority of its resident agent in this state to
 15 accept service of process against the **FOREIGN** corporation is ~~deemed~~
 16 revoked.

17 Sec. 1035. (1) ~~When~~ **IF** a foreign corporation **THAT IS**
 18 authorized to conduct affairs in this state is dissolved, or its
 19 authority or existence is otherwise terminated or canceled in the
 20 jurisdiction of its incorporation, or it is merged into, **CONVERTED**
 21 **INTO**, or consolidated with another corporation, ~~there shall be~~
 22 ~~filed~~ **OR BUSINESS ORGANIZATION, THE FOREIGN CORPORATION OR BUSINESS**
 23 **ORGANIZATION SHALL FILE** with the administrator ~~such~~ **ANY** information
 24 ~~as may be~~ **THAT IS** required by the administrator to determine and
 25 assess any unpaid fees payable by ~~such~~ **THE** foreign corporation as
 26 required by law and either of the following:

27 (a) A certificate of the official of the jurisdiction of

1 incorporation of the foreign corporation who has custody of the
 2 records pertaining to corporations, evidencing the occurrence of
 3 ~~any such~~ **THE** event.

4 (b) A certified copy of an order or judgment of a court of
 5 competent jurisdiction directing dissolution of the foreign
 6 corporation, the termination of its existence, or the cancellation
 7 of its authority.

8 (2) ~~Upon filing of the~~ **IF A FOREIGN CORPORATION FILES A**
 9 certificate, order, or judgment **UNDER SUBSECTION (1)** and ~~payment of~~
 10 **PAYS** the filing fees ~~fee~~ prescribed by law, the administrator shall
 11 issue a certificate of withdrawal ~~with like~~ **THAT HAS THE SAME**
 12 effect as ~~provided in~~ **A CERTIFICATE OF WITHDRAWAL UNDER** section
 13 1032.

14 Sec. 1041. In addition to any other ground for revocation
 15 provided by law, the administrator may revoke the certificate of
 16 authority of a foreign corporation to conduct affairs in this
 17 state, ~~upon the conditions prescribed~~ **IN THE MANNER DESCRIBED** in
 18 section 1042, ~~upon~~ **ON** any of the following grounds:

19 (a) The corporation fails to maintain a resident agent in this
 20 state as required ~~by~~ **UNDER** this act.

21 (b) The corporation, after ~~change of~~ **CHANGING** its registered
 22 office or resident agent, fails to file a statement of ~~such~~ **THE**
 23 change as required ~~by~~ **UNDER** this act.

24 (c) The corporation ~~, after amending its articles of~~
 25 ~~incorporation,~~ fails to file a copy of the amendment as **AN AMENDED**
 26 **APPLICATION IF** required ~~by~~ **UNDER** this act.

27 (d) The corporation, after becoming a ~~party to~~ **THE SURVIVOR IN**

1 a merger, consolidation, or ~~similar corporation action~~, **CONVERSION**,
 2 fails to file a ~~copy of the certificate~~ **THAT ATTESTS TO THE**
 3 **OCCURRENCE** of **THE** merger, consolidation, or ~~similar corporate~~
 4 ~~action~~ **CONVERSION** as required ~~by~~ **UNDER** this act.

5 (e) The corporation fails to file its annual report within the
 6 time required ~~by~~ **UNDER** this act, **OR FAILS TO PAY AN ANNUAL FEE**
 7 **REQUIRED UNDER THIS ACT.**

8 Sec. 1042. (1) The administrator shall revoke a certificate of
 9 authority of a foreign corporation only ~~when the administrator has~~
 10 ~~given~~ **IF HE OR SHE GIVES** the **FOREIGN** corporation ~~not less than~~ **AT**
 11 **LEAST** 90 days' notice that a default under section ~~922-1041~~ exists
 12 and that **HE OR SHE WILL REVOKE** its certificate of authority ~~will be~~
 13 ~~revoked~~ unless the default is cured within 90 days ~~after mailing of~~
 14 the notice **IS MAILED**, and the corporation fails ~~before revocation~~
 15 **WITHIN THE 90-DAY PERIOD** to cure the default.

16 (2) The **ADMINISTRATOR SHALL SEND A** notice ~~shall be sent~~
 17 **DESCRIBED IN SUBSECTION (1)** by first class mail to the corporation
 18 at its registered office in this state. ~~and at its main business or~~
 19 ~~headquarters office as these offices are on record in the office of~~
 20 ~~the administrator.~~

21 (3) ~~Upon revoking~~ **IF HE OR SHE REVOKES** such a certificate of
 22 authority **UNDER THIS SECTION**, the administrator shall issue a
 23 certificate of revocation and mail a copy to the corporation at
 24 ~~each of the addresses designated in subsection (2).~~ **ITS REGISTERED**
 25 **OFFICE IN THIS STATE.**

26 (4) ~~The issuance of the~~ **ISSUING A** certificate of revocation
 27 **UNDER THIS SECTION** has the same force and effect as ~~issuance of~~

1 **ISSUING** a certificate of withdrawal under section 1031.

2 Sec. 1051. (1) A foreign corporation ~~conducting~~**THAT CONDUCTS**
3 affairs in this state without a certificate of authority shall not
4 maintain an action or proceeding in any court of this state until
5 the corporation ~~has obtained~~**OBTAINS** a certificate of authority. An
6 action commenced by a foreign corporation ~~having no~~**THAT DOES NOT**
7 **HAVE A** certificate of authority shall not be dismissed if **THE**
8 **FOREIGN CORPORATION OBTAINS** a certificate of authority ~~has been~~
9 ~~obtained~~ before the order of dismissal. **IF AN ACTION OR PROCEEDING**
10 **IS DISMISSED BECAUSE A FOREIGN CORPORATION DOES NOT HAVE A**
11 **CERTIFICATE OF AUTHORITY, THE ORDER OF DISMISSAL SHALL BE WITHOUT**
12 **PREJUDICE TO THE RECOMMENCEMENT OF THE ACTION OR PROCEEDING BY THE**
13 **FOREIGN CORPORATION AFTER IT OBTAINS A CERTIFICATE OF AUTHORITY.**
14 This ~~prohibition~~**SUBSECTION** applies to **THE FOREIGN CORPORATION AND**
15 **TO ANY OF THE FOLLOWING:**

16 (a) A successor in interest of the foreign corporation, except
17 a receiver, trustee in bankruptcy, or other representative of
18 creditors of the corporation.

19 (b) An assignee of the foreign corporation, except an assignee
20 for value ~~who~~**THAT** accepts an assignment without knowledge that the
21 foreign corporation should have but ~~has~~**DID** not ~~obtained~~**OBTAIN** a
22 certificate of authority in this state.

23 (2) Failure of a foreign corporation to obtain a certificate
24 of authority to conduct affairs in this state does not impair the
25 validity of a contract or act of the corporation, and does not
26 prevent the corporation from defending an action or proceeding in a
27 court of this state.

1 SEC. 1056. (1) A FOREIGN CORPORATION THAT IS NOT AUTHORIZED TO
2 CONDUCT AFFAIRS IN THIS STATE AND IS NOT REQUIRED TO OBTAIN
3 AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE MAY REGISTER ITS
4 CORPORATE NAME UNDER THIS ACT IF PERMISSIBLE UNDER SECTION 212.

5 (2) A FOREIGN CORPORATION THAT IS DESCRIBED IN SUBSECTION (1)
6 MAY REGISTER A CORPORATE NAME BY FILING ALL OF THE FOLLOWING IN THE
7 OFFICE OF THE ADMINISTRATOR:

8 (A) AN APPLICATION FOR REGISTRATION THAT IS EXECUTED ON BEHALF
9 OF THE CORPORATION, THAT INCLUDES THE NAME AND THE MAILING ADDRESS
10 OF THE CORPORATION, THE JURISDICTION OF ITS INCORPORATION, THE DATE
11 OF ITS INCORPORATION, A STATEMENT THAT IT IS CONDUCTING AFFAIRS,
12 AND A BRIEF STATEMENT OF THE AFFAIRS IN WHICH IT IS ENGAGED.

13 (B) A CERTIFICATE DATED NOT MORE THAN 30 DAYS BEFORE THE DATE
14 OF FILING OF THE APPLICATION, THAT STATES THAT THE CORPORATION IS
15 IN GOOD STANDING UNDER THE LAWS OF THE JURISDICTION OF ITS
16 INCORPORATION AND IS EXECUTED BY THE OFFICER OF THE JURISDICTION
17 WHO HAS CUSTODY OF THE RECORDS PERTAINING TO CORPORATIONS.

18 (3) UNLESS SOONER TERMINATED BY THE FILING OF A CERTIFICATE OF
19 TERMINATION, A REGISTRATION UNDER THIS SECTION IS EFFECTIVE UNTIL
20 THE CLOSE OF THE CALENDAR YEAR IN WHICH THE APPLICATION FOR
21 REGISTRATION IS FILED. HOWEVER, REGISTRATIONS FILED AFTER SEPTEMBER
22 30 IN ANY CALENDAR YEAR SHALL EXPIRE AT THE END OF THE FOLLOWING
23 CALENDAR YEAR. THE ADMINISTRATOR SHALL NOTIFY THE CORPORATION OF
24 THE IMPENDING EXPIRATION AT LEAST 90 DAYS BEFORE THE EXPIRATION OF
25 THE REGISTRATION. A FOREIGN CORPORATION THAT HAS IN EFFECT A
26 REGISTRATION OF ITS CORPORATE NAME MAY RENEW THE REGISTRATION FROM
27 YEAR TO YEAR BY FILING ANNUALLY AN APPLICATION FOR RENEWAL AND A

1 CERTIFICATE OF GOOD STANDING AS REQUIRED FOR THE ORIGINAL
 2 REGISTRATION. A RENEWAL APPLICATION MAY BE FILED BETWEEN OCTOBER 1
 3 AND DECEMBER 31 IN EACH YEAR, AND EXTENDS THE REGISTRATION FOR THE
 4 FOLLOWING CALENDAR YEAR.

5 Sec. 1060. (1) ~~The fees a person shall pay to the~~
 6 ~~administrator for the purposes described in this section are as~~
 7 ~~follows.~~ WHEN DELIVERING A DOCUMENT DESCRIBED IN THIS SUBSECTION TO
 8 THE ADMINISTRATOR FOR FILING, THE PERSON SHALL PAY THE
 9 ADMINISTRATOR WHICHEVER OF THE FOLLOWING FEES APPLY TO THAT
 10 DOCUMENT:

11 (a) ~~Examining, filing, and copying of articles~~ ARTICLES OF
 12 INCORPORATION of a domestic corporation, \$10.00.

13 (b) ~~Examining and filing articles or certificate of~~
 14 ~~incorporation, and other papers connected with the application~~ AN
 15 APPLICATION of a foreign corporation for admission A CERTIFICATE OF
 16 AUTHORITY to conduct affairs in this state, \$10.00.

17 (c) ~~Examining, filing, and copying an amendment~~ AN AMENDMENT
 18 to the articles OF INCORPORATION of a domestic corporation, \$10.00.

19 (d) ~~Examining and filing an amendment to the articles of a~~
 20 ~~foreign corporation,~~ AN AMENDED APPLICATION FOR CERTIFICATE OF
 21 AUTHORITY TO CONDUCT AFFAIRS IN THIS STATE, \$10.00.

22 (e) ~~Examining, filing, and copying a certificate~~ A CERTIFICATE
 23 of merger or ~~consolidation~~ CONVERSION under chapter 7, \$50.00.

24 (f) ~~Examining and filing a certificate of~~ A CERTIFICATE
 25 ATTESTING TO THE OCCURRENCE OF A merger or ~~consolidation~~ of a
 26 foreign corporation ~~,~~ under section 1021, \$10.00.

27 (g) ~~Examining, filing, and copying a certificate~~ A CERTIFICATE

1 of dissolution, \$10.00.

2 (h) ~~Examining and filing an application~~ **AN APPLICATION** for
3 withdrawal and issuance of a certificate of withdrawal of a foreign
4 corporation, \$10.00.

5 (i) ~~Examining, filing, and copying an application~~ **AN**
6 **APPLICATION** for reservation of corporate name, \$10.00.

7 (j) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
8 of assumed name or certificate of termination of assumed name,
9 \$10.00.

10 (k) ~~Examining, filing, and copying a statement~~ **A STATEMENT** of
11 change of registered office or resident agent, \$5.00.

12 (l) ~~Examining, filing, and copying restated~~ **RESTATED** articles
13 **OF INCORPORATION** of **A** domestic corporation, **CORPORATIONS**, \$10.00.

14 (m) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
15 of abandonment, \$10.00.

16 (n) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
17 of correction, \$10.00.

18 (o) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
19 of revocation of dissolution proceedings, \$10.00.

20 (p) ~~Examining, filing, and copying a certificate~~ **A CERTIFICATE**
21 of renewal of corporate existence, \$10.00.

22 (q) ~~Filing and examination of a~~ **FOR EXAMINING A** special report
23 required by law, \$2.00.

24 (r) ~~Examining and filing a certificate of election, \$10.00.~~ **A**
25 **CERTIFICATE OF REGISTRATION OF CORPORATE NAME OF A FOREIGN**
26 **CORPORATION**, \$50.00.

27 (S) **A CERTIFICATE OF RENEWAL OF REGISTRATION OF CORPORATE NAME**

1 OF A FOREIGN CORPORATION, \$50.00.

2 (T) A CERTIFICATE OF TERMINATION OF REGISTRATION OF CORPORATE
3 NAME OF A FOREIGN CORPORATION, \$10.00.

4 (U) ~~(s) Filing~~ FOR FILING a report required under section 911,
5 \$10.00 if paid before October 1, 2003 or after September 30, 2015.
6 After September 30, 2003 and before October 1, 2015, the fee is
7 \$20.00.

8 (2) ~~A corporation shall pay the applicable fee described in~~
9 ~~this section to the administrator at the time of filing or when the~~
10 ~~service is rendered by the administrator. The fees described in~~
11 ~~this section~~ SUBSECTION (1) are in addition to any franchise fees
12 prescribed in UNDER this act. THE ADMINISTRATOR SHALL NOT REFUND
13 ALL OR ANY PART OF A FEE DESCRIBED IN THIS SECTION.

14 (3) EXCEPT AS PROVIDED IN SUBSECTION (8), THE ADMINISTRATOR
15 SHALL DEPOSIT ALL FEES RECEIVED AND COLLECTED UNDER THIS SECTION IN
16 THE STATE TREASURY TO THE CREDIT OF THE ADMINISTRATOR, WHO MAY ONLY
17 USE THE MONEY CREDITED PURSUANT TO LEGISLATIVE APPROPRIATION AND
18 ONLY IN CARRYING OUT THOSE DUTIES OF THE DEPARTMENT REQUIRED BY
19 LAW.

20 (4) IF ANY MONEY RECEIVED BY THE ADMINISTRATOR FROM FEES PAID
21 UNDER SUBSECTION (1) (U) IS NOT APPROPRIATED TO THE DEPARTMENT IN
22 THAT FISCAL YEAR, THE MONEY REMAINING FROM THOSE FEES REVERT TO THE
23 GENERAL FUND OF THIS STATE.

24 (5) ~~(3)~~ A person shall pay a minimum charge of \$1.00 for each
25 certificate and 50 cents per folio to the administrator for
26 certifying a part of a file or record pertaining to a corporation
27 if a fee for that service is not described in subsection (1). The

1 administrator may furnish copies of documents, reports, and papers
2 required or permitted by law to be filed with the administrator,
3 and shall charge for those copies the fee established in a schedule
4 of fees adopted by the administrator with the approval of the state
5 administrative board. **THE ADMINISTRATOR SHALL RETAIN THE REVENUE**
6 **COLLECTED UNDER THIS SUBSECTION, AND THE DEPARTMENT SHALL USE IT TO**
7 **DEFRAY THE COSTS FOR ITS COPYING AND CERTIFYING SERVICES.**

8 ~~—— (4) The administrator shall not refund all or any part of a~~
9 ~~fee described in this section. The administrator shall deposit all~~
10 ~~fees received and collected under this section in the state~~
11 ~~treasury to the credit of the administrator, who may only use the~~
12 ~~money credited pursuant to legislative appropriation and only in~~
13 ~~carrying out those duties of the department required by law.~~

14 (6) ~~(5)~~ The administrator shall waive any fee otherwise
15 required under this section if a majority of the members or
16 directors of the corporation responsible for paying the fee are,
17 and the corporation provides proof satisfactory to the
18 administrator that a majority of the members or directors are,
19 honorably discharged veterans of the armed forces of the United
20 States.

21 (7) IF A PERSON PAYS A FEE OR PENALTY ON BEHALF OF A DOMESTIC
22 OR FOREIGN CORPORATION BY CHECK AND THE CHECK IS DISHONORED, THE
23 FEE IS UNPAID AND THE ADMINISTRATOR SHALL RESCIND THE FILING OF ALL
24 RELATED DOCUMENTS.

25 (8) THE ADMINISTRATOR MAY ACCEPT A CREDIT CARD IN LIEU OF CASH
26 OR CHECK AS PAYMENT OF A FEE UNDER THIS ACT. THE ADMINISTRATOR
27 SHALL DETERMINE WHICH CREDIT CARDS HE OR SHE SHALL ACCEPT FOR

1 PAYMENT.

2 (9) THE ADMINISTRATOR MAY CHARGE A NONREFUNDABLE FEE OF UP TO
3 \$50.00 FOR ANY DOCUMENT SUBMITTED OR CERTIFICATE SENT BY FACSIMILE
4 OR ELECTRONIC TRANSMISSION. THE ADMINISTRATOR SHALL RETAIN THE
5 REVENUE COLLECTED UNDER THIS SUBSECTION AND THE DEPARTMENT SHALL
6 USE IT IN CARRYING OUT ITS DUTIES REQUIRED BY LAW.

7 Sec. 1104. AS USED IN THIS CHAPTER:

8 (A) "INSOLVENT" MEANS BEING UNABLE TO PAY DEBTS AS THEY BECOME
9 DUE IN THE USUAL COURSE OF A DEBTOR'S BUSINESS.

10 (B) ~~(1)~~ "Member capital" means the assets ~~which~~ **THAT** a member
11 must provide by payment, transfer, or allocation of net savings to
12 a cooperative as a condition of admission to or retention of
13 membership and with respect to which the member has rights to
14 dividends, redemption, or distributions on dissolution ~~pursuant to~~
15 **UNDER** this chapter.

16 (C) ~~(2)~~ "Membership fee" means a nonredeemable fee ~~which~~ **THAT**
17 a member must pay to a cooperative as a condition of admission to
18 or retention of membership in the cooperative ~~which~~ **THAT** is not
19 member capital or a fee for goods, services, or facilities.

20 (D) ~~(3)~~ "Patron" means a person whose economic exchange is a
21 regular part of the business of a cooperative or foreign
22 cooperative, ~~which~~ **IF THE** economic exchange is the same type of
23 regular economic exchange engaged in by any class of members.

24 (E) ~~(4)~~ "Patronage" means the selling or providing of goods,
25 services, or facilities to, or the buying of goods, services, or
26 facilities from members or other persons, or ~~the~~ providing of labor
27 or services to or by a cooperative.

1 (F) ~~(5)~~—"Redemption" means any method by which a cooperative
2 exchanges cash or debt instruments for member capital, including,
3 but not limited to, repurchase, redemption, refund, or repayment.

4 (G) ~~(6)~~—"Referendum" means a method of member voting that
5 utilizes secret ballot and established polling places as provided
6 in the cooperative's bylaws **OR UNDER SECTION 409**.

7 (H) ~~(7)~~—"Unincorporated cooperative" means either of the
8 following:

9 (i) ~~(a)~~—An association of 2 or more persons **THAT IS** organized
10 on a cooperative basis ~~which~~ **AND THAT** is not a corporation.

11 (ii) ~~(b)~~—An association of 2 or more persons **THAT IS** organized
12 under the laws of another state ~~operating~~ **AND OPERATES** on either a
13 cooperative basis or a similar basis provided in ~~another~~ **THAT** state
14 as the criterion for being a cooperative, ~~which~~ **AND THAT** is not a
15 corporation.

16 Sec. 1107. To the extent that sections ~~301(3)~~ **301(4)** and ~~(4)~~,
17 **301(5)**, 855, and 901 are inconsistent with this chapter, they shall
18 not apply to cooperatives.

19 Sec. 1145. Notwithstanding section 611(4), ~~703(2)~~, **703A(2)(D)**,
20 753(4), or ~~804(4)~~, **804(6)**, unless the articles of incorporation
21 provide for a higher vote for passage, amendment of the articles of
22 incorporation, amendment of the bylaws ~~which~~ **THAT** alters member
23 voting rights or member capital, merger, ~~consolidation~~, disposition
24 of all or substantially all of the assets of the corporation, or
25 dissolution ~~shall be adopted~~ **REQUIRE APPROVAL** by the affirmative
26 vote of a majority of the votes cast by members **THAT ARE** eligible
27 to vote ~~thereon~~, **ON THAT MATTER**, and if a class is eligible to vote

1 ~~thereon~~ **ON THAT MATTER** as a class, the affirmative vote of a
 2 majority of the votes cast by members of ~~each~~ **THAT** class. ~~Such~~ **AN**
 3 action ~~may only~~ **DESCRIBED IN THIS SECTION SHALL** be taken at a
 4 meeting called according to the notice provisions of section 404.

5 Sec. 1162. In the event of an amendment to the articles **OF**
 6 **INCORPORATION** or bylaws, merger, ~~consolidation,~~ or disposition of
 7 substantially all of the assets of ~~the~~ **A** cooperative, or **A**
 8 dissolution, ~~which~~ **THAT** results in a distribution of all or
 9 substantially all of the assets of the corporation to members, the
 10 **CORPORATION SHALL MAKE THAT** distribution ~~shall be~~ in the manner and
 11 order provided in section 1183.

12 Enacting section 1. Sections 312, 315, 361, 363, 365, 371,
 13 411, 447, 481, 491, 492, 493, 515, 545, 546, 564, 703, 721, 722,
 14 723, 731, 732, 736, 737, 825, 841, 842, 843, and 935 of the
 15 nonprofit corporation act, 1982 PA 162, MCL 450.2312, 450.2315,
 16 450.2361, 450.2363, 450.2365, 450.2371, 450.2411, 450.2447,
 17 450.2481, 450.2491, 450.2492, 450.2493, 450.2515, 450.2545,
 18 450.2546, 450.2564, 450.2703, 450.2721, 450.2722, 450.2723,
 19 450.2731, 450.2732, 450.2736, 450.2737, 450.2825, 450.2841,
 20 450.2842, 450.2843, and 450.2935, are repealed.

21 Enacting section 2. This amendatory act does not take effect
 22 unless Senate Bill No.624

23 of the 97th Legislature is enacted into law.