

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2473 Transfer or registration of bond, share, or membership; imposition of restrictions; conditions.

Sec. 473. Without limiting the general authority under section 472(1) to impose restrictions on the transfer or registration of bonds, shares, or memberships of a corporation that are otherwise transferable, a restriction on the transfer or registration of transfer of bonds, shares, or memberships of a corporation that is consistent with section 301 is permitted if it does any of the following:

(a) Obligates the holders of the restricted instruments to offer to the corporation or to any other holders of bonds, shares or memberships of the corporation, to any other person, or to any combination of those persons, a prior opportunity to acquire the restricted instruments.

(b) Obligates the corporation or a holder of bonds, shares, or memberships of the corporation, any other person, or any combination of those persons, to purchase the instruments that are the subject of an agreement respecting the purchase and sale of the restricted instruments.

(c) Requires the corporation or the holders of a class of bonds, shares, or memberships of the corporation to consent to a proposed transfer of the restricted instruments or to approve the proposed transferee of the restricted instruments.

(d) Prohibits the transfer of the restricted instruments to designated persons or classes of persons, and the designation is not contrary to public policy.

(e) Exists for the purpose of maintaining the status of the corporation under section 115, 501, 521, 527, or 528 of the internal revenue code of 1986, 26 USC 115, 501, 521, 527, and 528.

History: Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015.