

**SB112 ENROLLED**



1 SB112  
2 QMC2554-2  
3 By Senators Givhan, Smitherman  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 20-Feb-24



## SB112 Enrolled

1 Enrolled, An Act,

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4 Relating to the Alabama Business and Nonprofit Entities

5 Code; to amend Sections 10A-1-1.03, 10A-1-1.08, and

6 10A-1-3.32, as amended by Act 2023-503; 10A-1-5.31;

7 10A-2A-1.40, as amended by Act 2023-503; 10A-2A-1.48;

8 10A-2A-1.51 and 10A-2A-2.02, as amended by Act 2023-503;

9 10A-2A-6.21, 10A-2A-6.24, and 10A-2A-6.31; 10A-2A-7.04, as  
10 amended by Act 2023-503; 10A-2A-7.05 and 10A-2A-10.05;

11 10A-2A-10.07 and 10A-2A-10.08, as amended by Act 2023-503;

12 10A-2A-12.01, 10A-2A-13.02, and 10A-2A-14.05; 10A-3A-1.02,

13 10A-3A-1.23, 10A-3A-1.26, 10A-3A-2.02, 10A-3A-7.04,

14 10A-3A-7.05, 10A-3A-9.05, 10A-3A-9.07, 10A-3A-10.01,

15 10A-3A-10.03, 10A-3A-10.04, and 10A-3A-11.07, as added by Act

16 2023-503; 10A-4-1.03, 10A-4-2.01, 10A-4-2.02, 10A-4-2.03,

17 10A-4-2.04, 10A-4-3.01, 10A-4-3.02, 10A-4-3.03, 10A-4-3.05,

18 10A-4-3.06, 10A-4-4.01, 10A-4-4.02, 10A-4-5.01, 10A-4-5.02,

19 10A-4-5.03, 10A-4-5.04, 10A-4-5.05, 10A-4-5.06, 10A-4-5.08,

20 10A-5A-1.08, 10A-5A-2.01, 10A-5A-2.02, 10A-5A-3.02,

21 10A-5A-8.01, 10A-8A-1.08, 10A-8A-10.02, 10A-9A-1.08, and

22 10A-9A-2.01; and 10A-9A-2.02, as amended by Act 2023-503, Code

23 of Alabama 1975; to eliminate references to the old Alabama

24 Nonprofit Corporation Law; to clarify that the address of

25 registered agents must be in this state, that the certificate

26 of formation must set forth the county of the registered agent

27 in accordance with current practice, and to streamline and

28 clarify the ratification process of certain actions in



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29 accordance with Delaware law changes; to provide that business  
30 and nonprofit corporations may provide for exculpation of  
31 certain officers for certain actions in accordance with  
32 changes to Delaware law and the Model Business Corporation  
33 Act; to clarify the amendment and restatement process; to  
34 clarify the provisions regarding the sale of property by  
35 business and nonprofit corporations in accordance with changes  
36 to Delaware law; to conform the professional corporation law  
37 to recent changes in the business and nonprofit corporation  
38 laws; to add Sections 10A-5A-1.11, 10A-8A-1.14, and  
39 10A-9A-1.15 to the Code of Alabama 1975; to provide a process  
40 for ratification of certain actions and transactions for  
41 limited liability companies, limited partnerships, and  
42 partnerships; to add Chapter 18 to Title 10A to the Code of  
43 Alabama 1975, providing for the Alabama Statewide Trade  
44 Association Law; and in connection therewith would have as its  
45 purpose or effect the requirement of a new or increased  
46 expenditure of local funds within the meaning of Section  
47 111.05 of the Constitution of Alabama of 2022.

48 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

49 Section 1. Sections 10A-1-1.03, 10A-1-1.08, and  
50 10A-1-3.32, as amended by Act 2023-503; 10A-1-5.31;  
51 10A-2A-1.40, as amended by Act 2023-503; 10A-2A-1.48;  
52 10A-2A-1.51 and 10A-2A-2.02, as amended by Act 2023-503;  
53 10A-2A-6.21, 10A-2A-6.24, and 10A-2A-6.31; 10A-2A-7.04, as  
54 amended by Act 2023-503; 10A-2A-7.05 and 10A-2A-10.05;  
55 10A-2A-10.07 and 10A-2A-10.08, as amended by Act 2023-503;  
56 10A-2A-12.01, 10A-2A-13.02, and 10A-2A-14.05; 10A-3A-1.02,



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57 10A-3A-1.23, 10A-3A-1.26, 10A-3A-2.02, 10A-3A-7.04,  
58 10A-3A-7.05, 10A-3A-9.05, 10A-3A-9.07, 10A-3A-10.01,  
59 10A-3A-10.03, 10A-3A-10.04, and 10A-3A-11.07, as added by Act  
60 2023-503; 10A-4-1.03, 10A-4-2.01, 10A-4-2.02, 10A-4-2.03,  
61 10A-4-2.04, 10A-4-3.01, 10A-4-3.02, 10A-4-3.03, 10A-4-3.05,  
62 10A-4-3.06, 10A-4-4.01, 10A-4-4.02, 10A-4-5.01, 10A-4-5.02,  
63 10A-4-5.03, 10A-4-5.04, 10A-4-5.05, 10A-4-5.06, 10A-4-5.08,  
64 10A-5A-1.08, 10A-5A-2.01, 10A-5A-2.02, 10A-5A-3.02,  
65 10A-5A-8.01, 10A-8A-1.08, 10A-8A-10.02, 10A-9A-1.08,  
66 10A-9A-2.01, and 10A-9A-2.02 of the Code of Alabama 1975, are  
67 amended to read as follows:

68 "§10A-1-1.03

69 (a) If a term, including a term that is defined in  
70 subsection (b), is defined in a chapter of this title, then,  
71 when used in that chapter, the term shall have the meaning set  
72 forth in that chapter.

73 (b) As used in this title, except as provided in  
74 subsection (a) or where the context otherwise requires, the  
75 following terms mean:

76 (1) AFFILIATE. A person who controls, is controlled by,  
77 or is under common control with another person. An affiliate  
78 of an individual includes the spouse, or a parent or sibling  
79 thereof, of the individual, or a child, grandchild, sibling,  
80 parent, or spouse of any thereof, of the individual, or an  
81 individual having the same home as the individual, or a trust  
82 or estate of which an individual specified in this sentence is  
83 a substantial beneficiary; a trust, estate, incompetent,  
84 conservatee, protected person, or minor of which the



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85 individual is a fiduciary; or an entity of which the  
86 individual is director, general partner, agent, employee or  
87 the governing authority or member of the governing authority.

88 (2) ASSOCIATE. When used to indicate a relationship  
89 with:

90 (A) a domestic or foreign entity for which the person  
91 is:

92 (i) an officer or governing person; or

93 (ii) a beneficial owner of 10 percent or more of a  
94 class of voting ownership interests or similar securities of  
95 the entity;

96 (B) a trust or estate in which the person has a  
97 substantial beneficial interest or for which the person serves  
98 as trustee or in a similar fiduciary capacity;

99 (C) the person's spouse or a relative of the person  
100 related by consanguinity or affinity within the fifth degree  
101 who resides with the person; or

102 (D) a governing person or an affiliate or officer of  
103 the person.

104 (3) ASSOCIATION. Includes, but is not limited to, an  
105 unincorporated nonprofit association as defined in Chapter 17  
106 and an unincorporated professional association as defined in  
107 Article 1 of Chapter 30.

108 (4) BENEFIT CORPORATION. A benefit corporation as  
109 defined in Chapter 2A.

110 (5) BUSINESS CORPORATION. A corporation or foreign  
111 corporation as defined in Chapter 2A. The term includes a  
112 benefit corporation as defined in Chapter 2A.



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113 (6) BUSINESS TRUST. A business trust as defined in  
114 Chapter 16.

115 (7) CERTIFICATE OF DISSOLUTION. Any document such as a  
116 certificate of dissolution, statement of dissolution, or  
117 articles of dissolution, required or permitted to be filed  
118 publicly with respect to an entity's dissolution and winding  
119 up of its business, activity, activities, not for profit  
120 activity, or affairs.

121 (8) CERTIFICATE OF FORMATION.

122 (A) The document required to be filed publicly under  
123 this title to form a filing entity; and

124 (B) if appropriate, a restated certificate of formation  
125 and all amendments of an original or restated certificate of  
126 formation; provided that a restated certificate of formation  
127 and an amendment of an original or restated certificate of  
128 formation shall not be deemed to be a certificate of formation  
129 for purposes of Section 10A-1-4.31.

130 (9) CERTIFICATE OF OWNERSHIP. An instrument evidencing  
131 an ownership interest or membership interest in an entity.

132 (10) CERTIFICATED OWNERSHIP INTEREST. An ownership  
133 interest of a domestic entity represented by a certificate.

134 (11) CERTIFICATION or CERTIFIED. Duly authenticated by  
135 the proper officer or filing officer of the jurisdiction the  
136 laws of which govern the internal affairs of an entity.

137 (12) CONTRIBUTION. A tangible or intangible benefit  
138 that a person transfers to an entity in consideration for an  
139 ownership interest in the entity or otherwise in the person's  
140 capacity as an owner or a member. A benefit that may



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141 constitute a contribution transferred in exchange for an  
142 ownership interest or transferred in the transferor's capacity  
143 as an owner or member may include cash, property, services  
144 rendered, a contract for services to be performed, a  
145 promissory note or other obligation of a person to pay cash or  
146 transfer property to the entity, or securities or other  
147 interests in or obligations of an entity. In either case, the  
148 benefit does not include cash or property received by the  
149 entity:

150 (A) with respect to a promissory note or other  
151 obligation to the extent that the agreed value of the note or  
152 obligation has previously been included as a contribution; or

153 (B) that the person intends to be a loan to the entity.

154 (13) CONVERSION. A conversion, whether referred to as a  
155 conversion, domestication, or otherwise, means:

156 (A) the continuance of a domestic entity as a foreign  
157 entity of any type;

158 (B) the continuance of a foreign entity as a domestic  
159 entity of any type; or

160 (C) the continuance of a domestic entity of one type as  
161 a domestic entity of another type.

162 (14) CONVERTED ENTITY. An entity resulting from a  
163 conversion.

164 (15) CONVERTING ENTITY. An entity as the entity existed  
165 before the entity's conversion.

166 (16) COOPERATIVE. Includes an employee cooperative as  
167 defined in Chapter 11.

168 (17) CORPORATION. Includes a domestic or foreign



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169 business corporation, including a benefit corporation, as  
170 defined in Chapter 2A, a domestic or foreign nonprofit  
171 corporation as defined in ~~Chapter 3~~ or Chapter 3A, a domestic  
172 or foreign professional corporation as defined in Chapter 4,  
173 and those entities specified in Chapter 20 as corporate.

174 (18) COURT. The designated court, and if none, the  
175 circuit court specifically set forth in this title, and if  
176 none, any other court having jurisdiction in a case.

177 (19) DAY. When used in the computation of time,  
178 excludes the first day and includes the last day of the period  
179 so computed, unless the last day is a Saturday, Sunday, or  
180 legal holiday, in which event the period runs until the end of  
181 the next day that is not a Saturday, a Sunday, or a legal  
182 holiday. When the period of time to be computed is less than 7  
183 days, intermediate Saturdays, Sundays, and legal holidays  
184 shall be excluded.

185 (20) DEBTOR IN BANKRUPTCY. A person who is the subject  
186 of:

187 (A) an order for relief under the United States  
188 bankruptcy laws, Title 11, United States Code, or comparable  
189 order under a successor statute of general application; or

190 (B) a comparable order under federal, state, or foreign  
191 law governing insolvency.

192 (21) DESIGNATED COURT. The court or courts that are  
193 designated in the (i) certificate of incorporation or bylaws  
194 of a corporation as authorized by Chapter 2A, (ii) certificate  
195 of incorporation or bylaws of a nonprofit corporation as  
196 authorized by Chapter 3A, (iii) limited liability company





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197 agreement of a limited liability company formed pursuant to or  
198 governed by Chapter 5A, (iv) partnership agreement of a  
199 partnership formed pursuant to or governed by Chapter 8A, or  
200 (v) limited partnership agreement of a limited partnership  
201 formed pursuant to or governed by Chapter 9A.

202 (22) DIRECTOR. An individual who serves on the board of  
203 directors, by whatever name known, of a foreign or domestic  
204 corporation.

205 (23) DISTRIBUTION. A transfer of property, including  
206 cash, from an entity to an owner or member of the entity in  
207 the owner's or member's capacity as an owner or member. The  
208 term includes a dividend, a redemption or purchase of an  
209 ownership interest, or a liquidating distribution.

210 (24) DOMESTIC. With respect to an entity, means  
211 governed as to its internal affairs by this title.

212 (25) DOMESTIC ENTITY. An entity governed as to its  
213 internal affairs by this title.

214 (26) EFFECTIVE DATE OF THIS TITLE. January 1, 2011.

215 (27) ELECTRONIC. Relating to technology having  
216 electrical, digital, magnetic, wireless, optical,  
217 electromagnetic, or similar capabilities.

218 (28) ELECTRONIC SIGNATURE. An electronic signature as  
219 that term is defined in the Uniform Electronic Transactions  
220 Act, Chapter 1A of Title 8, or any successor statute.

221 (29) ELECTRONIC TRANSMISSION or ELECTRONICALLY  
222 TRANSMITTED. Any form or process of communication not directly  
223 involving the physical transfer of paper or another tangible  
224 medium, which (i) is suitable for the retention, retrieval,



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225 and reproduction of information by the recipient, and (ii) is  
226 retrievable in paper form by the recipient through an  
227 automated process used in conventional commercial practice.

228 (30) ELECTRONIC WRITING. Information that is stored in  
229 an electronic or other nontangible medium and is retrievable  
230 in paper form through an automated process used in  
231 conventional commercial practice.

232 (31) ENTITY. A domestic or foreign organization.

233 (32) FILING ENTITY. A domestic entity that is a  
234 corporation, limited partnership, limited liability limited  
235 partnership, limited liability company, professional  
236 association, employee cooperative corporation, or real estate  
237 investment trust.

238 (33) FILING INSTRUMENT. An instrument, document, or  
239 statement that is required or permitted by this title to be  
240 delivered for filing by or for an entity to a filing officer.

241 (34) FILING OFFICER. An officer of this state with whom  
242 a filing instrument is required or permitted to be delivered  
243 for filing pursuant to this title.

244 (35) FOREIGN. With respect to an entity, means governed  
245 as to its internal affairs by the laws of a jurisdiction other  
246 than this state.

247 (36) FOREIGN ENTITY. An entity governed as to its  
248 internal affairs by the laws of a jurisdiction other than this  
249 state.

250 (37) FOREIGN FILING ENTITY. A foreign entity that  
251 registers or is required to register as a foreign entity under  
252 Article 7.



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253 (38) FOREIGN GOVERNMENTAL AUTHORITY. A governmental  
254 official, agency, or instrumentality of a jurisdiction other  
255 than this state.

256 (39) FOREIGN NONFILING ENTITY. A foreign entity that is  
257 not a foreign filing entity.

258 (40) GENERAL PARTNER.

259 (A) Each partner in a general partnership; or

260 (B) a person who is admitted to a limited partnership  
261 as a general partner in accordance with the governing  
262 documents of the limited partnership.

263 (41) GENERAL PARTNERSHIP. A partnership as defined in  
264 Chapter 8A. The term includes a limited liability partnership  
265 as defined in Chapter 8A.

266 (42) GOVERNING AUTHORITY. A person or group of persons  
267 who are entitled to manage and direct the affairs of an entity  
268 pursuant to this title and the governing documents of the  
269 entity, except that if the governing documents of the entity  
270 or this title divide the authority to manage and direct the  
271 affairs of the entity among different persons or groups of  
272 persons according to different matters, governing authority  
273 means the person or group of persons entitled to manage and  
274 direct the affairs of the entity with respect to a matter  
275 under the governing documents of the entity or this title. The  
276 term includes the board of directors of a corporation, by  
277 whatever name known, or other persons authorized to perform  
278 the functions of the board of directors of a corporation, the  
279 general partners of a general partnership or limited  
280 partnership, the persons who have direction and oversight of a



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281 limited liability company, and the trust managers of a real  
282 estate investment trust. The term does not include an officer  
283 who is acting in the capacity of an officer.

284 (43) GOVERNING DOCUMENTS.

285 (A) In the case of a domestic entity:

286 (i) the certificate of formation for a filing entity or  
287 the document or agreement under which a nonfiling entity is  
288 formed; and

289 (ii) the other documents or agreements, including  
290 bylaws, partnership agreements of partnerships, limited  
291 liability company agreements of limited liability companies,  
292 or similar documents, adopted by the entity pursuant to this  
293 title to govern the formation or the internal affairs of the  
294 entity; or

295 (B) in the case of a foreign entity, the instruments,  
296 documents, or agreements adopted under the law of its  
297 jurisdiction of formation to govern the formation or the  
298 internal affairs of the entity.

299 (44) GOVERNING PERSON. A person serving as part of the  
300 governing authority of an entity.

301 (45) INDIVIDUAL. A natural person and the estate of an  
302 incompetent or deceased natural person.

303 (46) INSOLVENCY. The inability of a person to pay the  
304 person's debts as they become due in the usual course of  
305 business or affairs.

306 (47) INSOLVENT. A person who is unable to pay the  
307 person's debts as they become due in the usual course of



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308 business or affairs.

309 (48) JUDGE OF PROBATE. The judge of probate of the  
310 county in which an entity is required or permitted to deliver  
311 a filing instrument for filing pursuant to this title.

312 (49) JURISDICTION OF FORMATION.

313 (A) In the case of a filing entity, this state;

314 (B) in the case of a foreign entity, the jurisdiction  
315 in which the entity's certificate of formation or similar  
316 organizational instrument is filed, or if no certificate of  
317 formation or similar organizational instrument is filed, then  
318 the laws of the jurisdiction which govern the internal affairs  
319 of the foreign entity;

320 (C) in the case of a general partnership which has  
321 filed a statement of partnership, a statement of not for  
322 profit partnership, or a statement of limited liability  
323 partnership in accordance with Chapter 8A, in this state;

324 (D) in the case of a foreign limited liability  
325 partnership, the laws of the jurisdiction which govern the  
326 filing of the foreign limited liability partnership's  
327 statement of limited liability partnership or such filing in  
328 that jurisdiction; and

329 (E) in the case of a foreign or domestic nonfiling  
330 entity other than those entities described in subsection (C)  
331 or (D):

332 (i) the jurisdiction the laws of which are chosen in  
333 the entity's governing documents to govern its internal  
334 affairs if that jurisdiction bears a reasonable relation to  
335 the owners or members or to the domestic or foreign nonfiling



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336 entity's business, activities, and affairs under the  
337 principles of this state that otherwise would apply to a  
338 contract among the owners or members; or

339 (ii) if subparagraph (i) does not apply, the  
340 jurisdiction in which the entity has its principal office.

341 (50) LAW. Unless the context requires otherwise, both  
342 statutory and common law.

343 (51) LICENSE. A license, certificate of registration,  
344 or other legal authorization.

345 (52) LICENSING AUTHORITY. The state court, state  
346 regulatory licensing board, or other like agency which has the  
347 power to issue a license or other legal authorization to  
348 render professional services.

349 (53) LIMITED LIABILITY COMPANY. A limited liability  
350 company as defined in Chapter 5A.

351 (54) LIMITED LIABILITY LIMITED PARTNERSHIP. A limited  
352 liability limited partnership as defined in Chapter 9A.

353 (55) LIMITED LIABILITY PARTNERSHIP. A limited liability  
354 partnership as defined in Chapter 8A.

355 (56) LIMITED PARTNER. A person who has been admitted to  
356 a limited partnership as a limited partner as provided by:

357 (A) in the case of a domestic limited partnership,  
358 Chapter 9A; or

359 (B) in the case of a foreign limited partnership, the  
360 laws of its jurisdiction of formation.

361 (57) LIMITED PARTNERSHIP. A limited partnership as  
362 defined in Chapter 9A. The term includes a limited liability  
363 limited partnership as defined in Chapter 9A.



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364 (58) MANAGERIAL OFFICIAL. An officer or a governing  
365 person.

366 (59) MEMBER.

367 (A) A person defined as a member under Chapter 5A;

368 ~~(B) in the case of a nonprofit corporation formed~~  
369 ~~pursuant to or governed by Chapter 3, a person having~~  
370 ~~membership rights in the nonprofit corporation in accordance~~  
371 ~~with its governing documents as provided in Chapter 3, and in~~  
372 the case of a nonprofit corporation formed pursuant to or  
373 governed by Chapter 3A, a person defined as a member under  
374 Chapter 3A;

375 (C) in the case of an employee cooperative corporation  
376 formed pursuant to or governed by Chapter 11, a natural person  
377 who, as provided in Chapter 11, has been accepted for  
378 membership in and owns a membership share in an employee  
379 cooperative;

380 (D) in the case of a nonprofit association, a person  
381 who, as provided in Chapter 17, may participate in the  
382 selection of persons authorized to manage the affairs of the  
383 nonprofit association or in the development of its policy.

384 (60) MERGER. The combination of one or more domestic  
385 entities with one or more domestic entities or foreign  
386 entities resulting in:

387 (A) one or more surviving domestic entities or foreign  
388 entities;

389 (B) the creation of one or more new domestic entities  
390 or foreign entities, or one or more surviving domestic  
391 entities or foreign entities; or



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392 (C) one or more surviving domestic entities or foreign  
393 entities and the creation of one or more new domestic entities  
394 or foreign entities.

395 (61) NONFILING ENTITY. A domestic entity that is not a  
396 filing entity. The term includes a domestic general  
397 partnership, a limited liability partnership, and a nonprofit  
398 association.

399 (62) NONPROFIT ASSOCIATION. An unincorporated nonprofit  
400 association as defined in Chapter 17. The term does not  
401 include a general partnership which has filed a statement of  
402 not for profit partnership in accordance with Chapter 8A, a  
403 limited partnership which is carrying on a not for profit  
404 purpose, or a limited liability company which is carrying on a  
405 not for profit purpose.

406 (63) NONPROFIT CORPORATION. A domestic or foreign  
407 nonprofit corporation as defined in ~~Chapter 3~~ or Chapter 3A.

408 (64) NONPROFIT ENTITY. An entity that is a nonprofit  
409 corporation, nonprofit association, or other entity that is  
410 organized solely for one or more nonprofit purposes.

411 (65) OFFICER. An individual elected, appointed, or  
412 designated as an officer of an entity by the entity's  
413 governing authority or under the entity's governing documents.

414 (66) ORGANIZATION. A corporation, limited partnership,  
415 general partnership, limited liability company, business  
416 trust, real estate investment trust, joint venture, joint  
417 stock company, cooperative, association, or other  
418 organization, including, regardless of its organizational  
419 form, a bank, insurance company, credit union, and savings and





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420 loan association, whether for profit, not for profit,  
421 nonprofit, domestic, or foreign.

422 (67) ORGANIZER. A person, who need not be an owner or  
423 member of the entity, who, having the capacity to contract, is  
424 authorized to execute documents in connection with the  
425 formation of the entity. The term includes an incorporator.

426 (68) OWNER.

427 (A) With respect to a foreign or domestic business  
428 corporation or real estate investment trust, a stockholder or  
429 a shareholder;

430 (B) with respect to a foreign or domestic partnership,  
431 a partner;

432 (C) with respect to a foreign or domestic limited  
433 liability company or association, a member; and

434 (D) with respect to another foreign or domestic entity,  
435 an owner of an equity interest in that entity.

436 (69) OWNERSHIP INTEREST. An owner's interest in an  
437 entity. The term includes the owner's share of profits and  
438 losses or similar items and the right to receive  
439 distributions. The term does not include an owner's right to  
440 participate in management or participate in the direction or  
441 oversight of the entity. An ownership interest is personal  
442 property.

443 (70) PARENT or PARENT ENTITY. An entity that:

444 (A) owns at least 50 percent of the ownership or  
445 membership interest of a subsidiary; or

446 (B) possesses at least 50 percent of the voting power  
447 of the owners or members of a subsidiary.



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448 (71) PARTNER. A limited partner or general partner.

449 (72) PARTNERSHIP. Includes a general partnership, a  
450 limited liability partnership, a foreign limited liability  
451 partnership, a limited partnership, a foreign limited  
452 partnership, a limited liability limited partnership, and a  
453 foreign limited liability limited partnership.

454 (73) PARTNERSHIP AGREEMENT. Any agreement (whether  
455 referred to as a partnership agreement or otherwise), written,  
456 oral or implied, of the partners as to the activities and  
457 affairs of a general partnership or a limited partnership. The  
458 partnership agreement includes any amendments to the  
459 partnership agreement. In the case of limited partnerships  
460 formed prior to October 1, 1998, partnership agreement  
461 includes the certificate of partnership.

462 (74) PARTY TO THE MERGER. A domestic entity or foreign  
463 entity that under a plan of merger is combined by a merger.  
464 The term does not include a domestic entity or foreign entity  
465 that is not to be combined into or with one or more domestic  
466 entities or foreign entities, regardless of whether ownership  
467 interests of the entity are to be issued under the plan of  
468 merger.

469 (75) PERSON. An individual, including the estate of an  
470 incompetent or deceased individual, or an entity, whether  
471 created by the laws of this state or another state or foreign  
472 country, including, without limitation, a general partnership,  
473 limited liability partnership, limited partnership, limited  
474 liability limited partnership, limited liability company,  
475 corporation, professional corporation, nonprofit corporation,



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476 professional association, trustee, personal representative,  
477 fiduciary, as defined in Section 19-3-150 or person performing  
478 in any similar capacity, business trust, estate, trust,  
479 association, joint venture, government, governmental  
480 subdivision, agency, or instrumentality, or any other legal or  
481 commercial entity.

482 (76) PRESIDENT.

483 (A) The individual designated as president of an entity  
484 under the entity's governing documents; or

485 (B) the officer or committee of persons authorized to  
486 perform the functions of the principal executive officer of an  
487 entity without regard to the designated name of the officer or  
488 committee.

489 (77) PRINCIPAL OFFICE. The office, in or out of this  
490 state, where the principal executive office, whether referred  
491 to as the principal executive office, chief executive office,  
492 or otherwise, of an entity is located.

493 (78) PROFESSIONAL ASSOCIATION. A professional  
494 association as defined in Chapter 30.

495 (79) PROFESSIONAL CORPORATION. A domestic or foreign  
496 professional corporation as defined in Chapter 4.

497 (80) PROFESSIONAL ENTITY. A professional association  
498 and a professional corporation.

499 (81) PROFESSIONAL SERVICE. Any type of service that may  
500 lawfully be performed only pursuant to a license issued by a  
501 state court, state regulatory licensing board, or other like  
502 agency pursuant to state laws.

503 (82) PROPERTY. Includes all property, whether real,



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504 personal, or mixed, or tangible or intangible, or any right or  
505 interest therein.

506 (83) REAL ESTATE INVESTMENT TRUST. An unincorporated  
507 trust, association, or other entity as defined in Chapter 10.

508 (84) SECRETARY.

509 (A) The individual designated as secretary of an entity  
510 under the entity's governing documents; or

511 (B) the officer or committee of persons authorized to  
512 perform the functions of secretary of an entity without regard  
513 to the designated name of the officer or committee.

514 (85) SECRETARY OF STATE. The Secretary of State of the  
515 State of Alabama.

516 (86) SIGN or SIGNATURE. With the present intent to  
517 authenticate or adopt a writing:

518 (A) to execute or adopt a tangible symbol to a writing,  
519 and includes any manual, facsimile, or conformed signature; or

520 (B) to attach to or logically associate with an  
521 electronic transmission an electronic sound, symbol, or  
522 process, and includes an electronic signature in an electronic  
523 transmission.

524 (87) STATE. Includes, when referring to a part of the  
525 United States, a state or commonwealth, and its agencies and  
526 governmental subdivisions, and a territory or possession, and  
527 its agencies and governmental subdivisions, of the United  
528 States.

529 (88) SUBSCRIBER. A person who agrees with or makes an  
530 offer to an entity to purchase by subscription an ownership  
531 interest in the entity.



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532 (89) SUBSCRIPTION. An agreement between a subscriber  
533 and an entity, or a written offer made by a subscriber to an  
534 entity before or after the entity's formation, in which the  
535 subscriber agrees or offers to purchase a specified ownership  
536 interest in the entity.

537 (90) SUBSIDIARY. An entity at least 50 percent of:

538 (A) the ownership or membership interest of which is  
539 owned by a parent entity; or

540 (B) the voting power of which is possessed by a parent  
541 entity.

542 (91) TREASURER.

543 (A) The individual designated as treasurer of an entity  
544 under the entity's governing documents; or

545 (B) the officer or committee of persons authorized to  
546 perform the functions of treasurer of an entity without regard  
547 to the designated name of the officer or committee.

548 (92) TRUSTEE. A person who serves as a trustee of a  
549 trust, including a real estate investment trust.

550 (93) UNCERTIFICATED OWNERSHIP INTEREST. An ownership  
551 interest in a domestic entity that is not represented by a  
552 certificate.

553 (94) VICE PRESIDENT.

554 (A) The individual designated as vice president of an  
555 entity under the governing documents of the entity; or

556 (B) the officer or committee of persons authorized to  
557 perform the functions of the president of the entity on the  
558 death, absence, or resignation of the president or on the  
559 inability of the president to perform the functions of office



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560 without regard to the designated name of the officer or  
561 committee.

562 (95) WRITING or WRITTEN. Information that is inscribed  
563 on a tangible medium or that is stored in an electronic or  
564 other medium and is retrievable in perceivable form."

565 "§10A-1-1.08

566 (a) The provisions of this title as described by this  
567 section may be cited as provided by this section.

568 (b) Chapter 2A and the provisions of Chapter 1 to the  
569 extent applicable to business corporations may be cited as the  
570 Alabama Business Corporation Law.

571 (c) ~~Chapter 3~~ or Chapter 3A and the provisions of  
572 Chapter 1 to the extent applicable to nonprofit corporations  
573 may be cited as the Alabama Nonprofit Corporation Law.

574 (d) Chapter 4 and the provisions of Chapter 1 to the  
575 extent applicable to professional corporations may be cited as  
576 the Alabama Professional Corporation Law.

577 (e) Chapter 5A and the provisions of Chapter 1 to the  
578 extent applicable to limited liability companies may be cited  
579 as the Alabama Limited Liability Company Law.

580 (f) Chapter 8A and the provisions of Chapter 1 to the  
581 extent applicable to general partnerships may be cited as the  
582 Alabama Partnership Law.

583 (g) Chapter 9A and the provisions of Chapter 1 to the  
584 extent applicable to limited partnerships may be cited as the  
585 Alabama Limited Partnership Law.

586 (h) Chapter 10 and the provisions of Chapter 1 to the  
587 extent applicable to real estate investment trusts may be



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588 cited as the Alabama Real Estate Investment Trust Law.

589 (i) Chapter 11 and the provisions of Chapter 1 and  
590 Chapter 2A to the extent applicable to employee cooperative  
591 corporations may be cited as the Alabama Employee Cooperative  
592 Corporations Law.

593 (j) Chapter 17 and the provisions of Chapter 1 to the  
594 extent applicable to unincorporated nonprofit associations may  
595 be cited as the Alabama Unincorporated Nonprofit Association  
596 Law."

597 "§10A-1-3.32

598 (a) This section applies to domestic entities other  
599 than (i) corporations formed pursuant to or governed by  
600 Chapter 2A or Chapter 4, and real estate investment trusts  
601 formed pursuant to or governed by Chapter 10, each of which is  
602 governed by the separate recordkeeping requirements and record  
603 inspections provisions of Chapter 2A and (ii) nonprofit  
604 corporations formed pursuant to or governed by ~~Chapter 3 or~~  
605 Chapter 3A, limited liability companies formed pursuant to or  
606 governed by Chapter 5A, general partnerships formed pursuant  
607 to or governed by Chapter 8A, and limited partnerships formed  
608 pursuant to or governed by Chapter 9A, each of which are  
609 governed by the separate recordkeeping requirements and record  
610 inspection provisions set forth in each entity's respective  
611 chapter governing that entity.

612 (b) With respect to a domestic entity covered by this  
613 section, the books and records maintained under the chapter of  
614 this title applicable to that entity and any other books and  
615 records of that entity, wherever situated, are subject to



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616 inspection and copying at the reasonable request, and at the  
617 expense of, any owner or member or the owner's or member's  
618 agent or attorney during regular business hours. The right of  
619 access extends to the legal representative of a deceased owner  
620 or member or owner or member under legal disability. The  
621 entity shall also provide former owners and members with  
622 access to its books and records pertaining to the period  
623 during which they were owners or members.

624 (c) The governing documents of a domestic entity may  
625 not unreasonably restrict an owner's or member's right to  
626 information or access to books and records.

627 (d) Any agent or governing person of a domestic entity  
628 who, without reasonable cause, refuses to allow any owner or  
629 member or the owner's or member's agent or legal counsel to  
630 inspect any books or records of that entity shall be  
631 personally liable to the agent or member for a penalty in an  
632 amount not to exceed 10 percent of the fair market value of  
633 the ownership interest of the owner or member, in addition to  
634 any other damages or remedy."

635 "§10A-1-5.31

636 (a) Each filing entity and each foreign filing entity  
637 with a registration under Article 7, and each general  
638 partnership that has an effective statement of partnership,  
639 statement of not for profit partnership, or statement of  
640 limited liability partnership on file with the Secretary of  
641 State in accordance with Chapter 8A, shall designate and  
642 continuously maintain in this state:

643 (1) a registered agent; and





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644 (2) a registered office.

645 (b) A registered agent:

646 (1) is an agent of the entity on which may be served  
647 any process, notice, or demand required or permitted by law to  
648 be served on the entity;

649 (2) may be:

650 (A) an individual who is a resident of this state; or

651 (B) a domestic entity or a foreign entity that is  
652 registered to transact business in this state; and

653 (3) must maintain a business office at the same address  
654 as the entity's registered office.

655 (c) The registered office:

656 (1) must be located at a street address in this state  
657 where process may be personally served on the entity's  
658 registered agent;

659 (2) is not required to be a place of business of the  
660 filing entity or foreign filing entity; and

661 (3) may not be solely a mailbox service or a telephone  
662 answering service."

663 "§10A-2A-1.40

664 As used in this chapter, unless otherwise specified or  
665 unless the context otherwise requires, the following terms  
666 have the following meanings:

667 (1) AUTHORIZED STOCK means the stock of all classes and  
668 series a corporation or foreign corporation is authorized to  
669 issue.

670 (2) BENEFICIAL STOCKHOLDER means a person who owns the  
671 beneficial interest in stock, which is either a record



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672 stockholder or a person on whose behalf shares of stock are  
673 registered in the name of an intermediary or nominee.

674 (3) CERTIFICATE OF INCORPORATION means the certificate  
675 of incorporation described in Section 10A-2A-2.02, all  
676 amendments to the certificate of incorporation, and any other  
677 documents permitted or required to be delivered for filing by  
678 a corporation with the Secretary of State under this chapter  
679 or Chapter 1 that modify, amend, supplement, restate, or  
680 replace the certificate of incorporation. ~~After an amendment~~  
681 ~~of the certificate of incorporation or any other document~~  
682 ~~filed~~ the filing of a filing instrument under this chapter or  
683 Chapter 1 that restates or amends and restates the certificate  
684 of incorporation in its entirety, the certificate of  
685 incorporation shall not include any prior documents, but the  
686 original date of incorporation shall remain unchanged. When  
687 used with respect to a corporation incorporated and existing  
688 on December 31, 2019, under a predecessor law of this state,  
689 the term "certificate of incorporation" means articles of  
690 incorporation, charter, or similar incorporating document, and  
691 all amendments and restatements to the certificate of  
692 incorporation, charter, or similar incorporating document.  
693 When used with respect to a foreign corporation, a nonprofit  
694 corporation, or a foreign nonprofit corporation, the  
695 "certificate of incorporation" of such an entity means the  
696 document of such entity that is equivalent to the certificate  
697 of incorporation of a corporation. The term "certificate of  
698 incorporation" as used in this chapter is synonymous to the  
699 term "certificate of formation" used in Chapter 1.



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700 (4) CORPORATION, except in the phrase foreign  
701 corporation, means an entity incorporated or existing under  
702 this chapter.

703 (5) DELIVER or DELIVERY means any method of delivery  
704 used in conventional commercial practice, including delivery  
705 by hand, mail, commercial delivery, and, if authorized in  
706 accordance with Section 10A-2A-1.41, by electronic  
707 transmission.

708 (6) DISTRIBUTION means a direct or indirect transfer of  
709 cash or other property (except a corporation's own stock) or  
710 incurrence of indebtedness by a corporation to or for the  
711 benefit of its stockholders in respect of any of its stock. A  
712 distribution may be in the form of a payment of a dividend; a  
713 purchase, redemption, or other acquisition of stock; a  
714 distribution of indebtedness; a distribution in liquidation;  
715 or otherwise.

716 (7) DOCUMENT means a writing as defined in Chapter 1.

717 (8) EFFECTIVE DATE, when referring to a document  
718 accepted for filing by the Secretary of State, means the time  
719 and date determined in accordance with Article 4 of Chapter 1.

720 (9) ELECTRONIC MAIL means an electronic transmission  
721 directed to a unique electronic mail address.

722 (10) ELECTRONIC MAIL ADDRESS means a destination,  
723 commonly expressed as a string of characters, consisting of a  
724 unique user name or mailbox (commonly referred to as the  
725 "local part" of the address) and a reference to an internet  
726 domain (commonly referred to as the "domain part" of the  
727 address), whether or not displayed, to which electronic mail



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728 can be sent or delivered.

729 (11) ELIGIBLE ENTITY means an unincorporated entity,  
730 foreign unincorporated entity, nonprofit corporation, or  
731 foreign nonprofit corporation.

732 (12) ELIGIBLE INTERESTS means interests or memberships.

733 (13) EMPLOYEE includes an officer, but not a director.  
734 A director may accept duties that make the director also an  
735 employee.

736 (14) ENTITY includes corporation; foreign corporation;  
737 nonprofit corporation; foreign nonprofit corporation; estate;  
738 trust; unincorporated entity; foreign unincorporated entity;  
739 and state, United States, and foreign government.

740 (15) EXPENSES means reasonable expenses of any kind  
741 that are incurred in connection with a matter.

742 (16) FILING ENTITY means an unincorporated entity,  
743 other than a limited liability partnership, that is of a type  
744 that is created by filing a public organic record or is  
745 required to file a public organic record that evidences its  
746 creation.

747 (17) FOREIGN CORPORATION means a corporation  
748 incorporated under a law other than the law of this state  
749 which would be a corporation if incorporated under the law of  
750 this state.

751 (18) FOREIGN NONPROFIT CORPORATION means a corporation  
752 incorporated under a law other than the law of this state  
753 which would be a nonprofit corporation if incorporated under  
754 the law of this state.

755 (19) GOVERNING STATUTE means the statute governing the



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756 internal affairs of a corporation, foreign corporation,  
757 nonprofit corporation, foreign nonprofit corporation,  
758 unincorporated entity, or foreign unincorporated entity.

759 (20) GOVERNMENTAL SUBDIVISION includes authority,  
760 county, district, and municipality.

761 (21) INCLUDES and INCLUDING denote a partial definition  
762 or a nonexclusive list.

763 (22) INTEREST means either or both of the following  
764 rights under the governing statute governing an unincorporated  
765 entity:

766 (i) the right to receive distributions from the entity  
767 either in the ordinary course or upon liquidation; or

768 (ii) the right to receive notice or vote on issues  
769 involving its internal affairs, other than as an agent,  
770 assignee, proxy, or person responsible for managing its  
771 business and affairs.

772 (23) INTEREST HOLDER means a person who holds of record  
773 an interest.

774 (24) KNOWLEDGE is determined as follows:

775 (a) A person knows a fact when the person:

776 (1) has actual knowledge of it; or

777 (2) is deemed to know it under law other than this  
778 chapter.

779 (b) A person has notice of a fact when the person:

780 (1) knows of it;

781 (2) receives notification of it in accordance with  
782 Section 10A-2A-1.41;

783 (3) has reason to know the fact from all of the facts



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784 known to the person at the time in question; or

785 (4) is deemed to have notice of the fact under  
786 subsection (d).

787 (c) A person notifies another of a fact by taking steps  
788 reasonably required to inform the other person in ordinary  
789 course in accordance with Section 10A-2A-1.41, whether or not  
790 the other person knows the fact.

791 (d) A person is deemed to have notice of a  
792 corporation's:

793 (1) matters included in the certificate of  
794 incorporation upon filing;

795 (2) dissolution, 90 days after a certificate of  
796 dissolution under Section 10A-2A-14.03 becomes effective;

797 (3) conversion, merger, or interest exchange under  
798 Article 9 or Article 11, 90 days after a statement of  
799 conversion, or statement of merger or interest exchange  
800 becomes effective;

801 (4) conversion or merger under Article 8 of Chapter 1,  
802 90 days after a statement of conversion or statement of merger  
803 becomes effective; and

804 (5) revocation of dissolution and reinstatement, 90  
805 days after certificate of revocation of dissolution and  
806 reinstatement under Section 10A-2A-14.04 becomes effective.

807 (e) A stockholder's knowledge, notice, or receipt of a  
808 notification of a fact relating to the corporation is not  
809 knowledge, notice, or receipt of a notification of a fact by  
810 the corporation solely by reason of the stockholder's capacity  
811 as a stockholder.



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812 (f) The date and time of the effectiveness of a notice  
813 delivered in accordance with Section 10A-2A-1.41, is  
814 determined by Section 10A-2A-1.41.

815 (25) MEANS denotes an exhaustive definition.

816 (26) MEMBERSHIP means the rights of a member in a  
817 nonprofit corporation or foreign nonprofit corporation.

818 (27) ORGANIZATIONAL DOCUMENTS means the public organic  
819 record and private organizational documents of a corporation,  
820 foreign corporation, or eligible entity.

821 (28) PRINCIPAL OFFICE means the office (in or out of  
822 this state) so designated in the annual report where the  
823 principal executive offices of a corporation or foreign  
824 corporation are located.

825 (29) PRIVATE ORGANIZATIONAL DOCUMENTS means (i) the  
826 bylaws of a corporation, foreign corporation, nonprofit  
827 corporation, or foreign nonprofit corporation, or (ii) the  
828 rules, regardless of whether in writing, that govern the  
829 internal affairs of an unincorporated entity or foreign  
830 unincorporated entity, are binding on all its interest  
831 holders, and are not part of its public organic record, if  
832 any. Where private organizational documents have been amended  
833 or restated, the term means the private organizational  
834 documents as last amended or restated.

835 (30) PROCEEDING includes any civil suit and criminal,  
836 administrative, and investigatory action.

837 (31) PUBLIC ORGANIC RECORD means (i) the certificate of  
838 incorporation of a corporation, foreign corporation, nonprofit  
839 corporation, or foreign nonprofit corporation, or (ii) the



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840 document, if any, the filing of which is required to create an  
841 unincorporated entity or foreign unincorporated entity, or  
842 which creates the unincorporated entity or foreign  
843 unincorporated entity and is required to be filed. Where a  
844 public organic record has been amended or restated, the term  
845 means the public organic record as last amended or restated.

846 (32) RECORD DATE means the date fixed for determining  
847 the identity of the corporation's stockholders and their  
848 stockholdings for purposes of this chapter. Unless another  
849 time is specified when the record date is fixed, the  
850 determination shall be made as of the close of business at the  
851 principal office of the corporation on the date so fixed.

852 (33) RECORD STOCKHOLDER means (i) the person in whose  
853 name shares of stock are registered in the records of the  
854 corporation, or (ii) the person identified as the beneficial  
855 owner of stock in a beneficial ownership certificate pursuant  
856 to Section 10A-2A-7.23 on file with the corporation to the  
857 extent of the rights granted by such certificate.

858 (34) SECRETARY means the corporate officer to whom the  
859 board of directors has delegated responsibility under Section  
860 10A-2A-8.40(c) to maintain the minutes of the meetings of the  
861 board of directors and of the stockholders and for  
862 authenticating records of the corporation.

863 (35) STOCK EXCHANGE means a transaction pursuant to  
864 Section 10A-2A-11.03.

865 (36) STOCKHOLDER means a record stockholder.

866 (37) STOCK means the units into which the proprietary  
867 interests in a corporation or foreign corporation are divided.





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868 (38) TYPE OF ENTITY means a generic form of entity: (i)  
869 recognized at common law; or (ii) formed under a governing  
870 statute, regardless of whether some entities formed under that  
871 law are subject to provisions of that law that create  
872 different categories of the form of entity.

873 (39) UNINCORPORATED ENTITY means an organization or  
874 artificial legal person that either has a separate legal  
875 existence or has the power to acquire an estate in real  
876 property in its own name and that is not any of the following:  
877 a corporation, foreign corporation, nonprofit corporation,  
878 foreign nonprofit corporation, a series of a limited liability  
879 company or of another type of entity, an estate, a trust, a  
880 state, United States, or foreign government. The term includes  
881 a general partnership, limited liability company, limited  
882 partnership, business trust, joint stock association, and  
883 unincorporated nonprofit association.

884 (40) UNITED STATES includes any district, authority,  
885 bureau, commission, department, and any other agency of the  
886 United States.

887 (41) UNRESTRICTED VOTING TRUST BENEFICIAL OWNER means,  
888 with respect to any stockholder rights, a voting trust  
889 beneficial owner whose entitlement to exercise the stockholder  
890 right in question is not inconsistent with the voting trust  
891 agreement.

892 (42) VOTING GROUP means all stock of one or more  
893 classes or series that under the certificate of incorporation  
894 or this chapter are entitled to vote and be counted together  
895 collectively on a matter at a meeting of stockholders. All



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896 stock entitled by the certificate of incorporation or this  
897 chapter to vote generally on the matter is for that purpose a  
898 single voting group.

899 (43) VOTING POWER means the current power to vote in  
900 the election of directors.

901 (44) VOTING TRUST BENEFICIAL OWNER means an owner of a  
902 beneficial interest in stock of the corporation held in a  
903 voting trust established pursuant to Section 10A-2A-7.30(a)."

904 "§10A-2A-1.48

905 (a) The quorum and voting requirements applicable to a  
906 ratifying action by the board of directors under Section  
907 10A-2A-1.47(a) shall be the quorum and voting requirements  
908 applicable to the corporate action proposed to be ratified at  
909 the time ~~such~~ the ratifying action is taken.

910 (b) If the ratification of the defective corporate  
911 action requires approval by the stockholders under Section  
912 10A-2A-1.47(c), and if the approval is to be given at a  
913 meeting, the corporation shall notify each holder of valid and  
914 putative stock, regardless of whether entitled to vote, ~~as of~~  
915 ~~(i) the record date for notice of the meeting and as of (i)~~  
916 the date of the action by the board of directors under Section  
917 10A-2A-1.47(a), which shall be the record date, and (ii) the  
918 date of the occurrence of the defective corporate action,  
919 provided that notice shall not be required to be given to  
920 holders of valid or putative stock whose identities or  
921 addresses for notice cannot be determined from the records of  
922 the corporation. The notice must state that the purpose, or  
923 one of the purposes, of the meeting, is to consider



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924 ratification of a defective corporate action and must be  
925 accompanied by (i) either a copy of the action taken by the  
926 board of directors in accordance with Section 10A-2A-1.47(a)  
927 or the information required by Section 10A-2A-1.47(a)(1)  
928 through (a)(4), and (ii) a statement that any claim that the  
929 ratification of ~~such~~ the defective corporate action and any  
930 putative stock issued as a result of ~~such~~ the defective  
931 corporate action should not be effective, or should be  
932 effective only on certain conditions, shall be brought within  
933 120 days from the applicable validation effective time.

934 (c) Except as provided in subsection (d) with respect  
935 to the voting requirements to ratify the election of a  
936 director, the quorum and voting requirements applicable to the  
937 approval by the stockholders required by Section  
938 10A-2A-1.47(c) shall be the quorum and voting requirements  
939 applicable to the corporate action proposed to be ratified at  
940 the time of ~~such~~ the stockholder approval.

941 (d) The approval by stockholders to ratify the election  
942 of a director requires that the votes cast within the voting  
943 group favoring ~~such~~ the ratification exceed the votes cast  
944 opposing the ratification of the election at a meeting at  
945 which a quorum is present.

946 (e) Putative stock on the ~~record date for determining~~  
947 ~~the stockholders entitled to vote on any matter submitted to~~  
948 ~~stockholders under Section 10A-2A-1.47(c) of the action by the~~  
949 board of directors under Section 10A-2A-1.47(a) (and without  
950 giving effect to any ratification of putative stock that  
951 becomes effective as a result of ~~such~~ the vote) shall neither



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952 be entitled to vote nor counted for quorum purposes in any  
953 vote to approve the ratification of any defective corporate  
954 action.

955 (f) If the approval under this section of putative  
956 stock would result in an overissue, in addition to the  
957 approval required by Section 10A-2A-1.47, approval of an  
958 amendment to the certificate of incorporation under Article 10  
959 to increase the number of shares of stock of an authorized  
960 class or series or to authorize the creation of a class or  
961 series of stock so there would be no overissue shall also be  
962 required."

963 "§10A-2A-1.51

964 (a) If the defective corporate action ratified under  
965 this Division D of Article 1 would have required under any  
966 other section of this chapter a filing ~~in accordance with this~~  
967 ~~chapter, then, regardless of whether a filing was previously~~  
968 ~~made in respect of such defective corporate action and~~  
969 instrument to be delivered to a filing officer for filing and  
970 either (i) the filing instrument requires any change to give  
971 effect to the defective corporate action in accordance with  
972 this Division D of Article 1 (including any change to the date  
973 and time of the effectiveness of the filing instrument) or  
974 (ii) a filing instrument under any other section of this  
975 chapter was not previously delivered to a filing officer for  
976 filing in respect of the defective corporate action, then, in  
977 lieu of a filing instrument otherwise required by this  
978 chapter, the corporation shall file deliver a certificate of  
979 validation to the appropriate filing officer for filing in



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980 accordance with this section, and that certificate of  
981 validation shall serve to amend or substitute for any other  
982 filing instrument with respect to ~~such~~ the defective corporate  
983 action required by this chapter.

984 (b) The certificate of validation must set forth:

985 (1) the name of the corporation;

986 (2) the unique identifying number or other designation  
987 as assigned by the Secretary of State;

988 ~~(3) the defective corporate action that is the subject~~  
989 ~~of the certificate of validation (including, in the case of~~  
990 ~~any defective corporate action involving the issuance of~~  
991 ~~putative stock, the number and type of shares of putative~~  
992 ~~stock issued and the date or dates upon which that putative~~  
993 ~~stock was purported to have been issued);~~

994 ~~(4) the date of the defective corporate action;~~

995 ~~(5) the nature of the failure of authorization in~~  
996 ~~respect of the defective corporate action;~~

997 ~~(6)~~ (3) a statement that the defective corporate action  
998 was ratified in accordance with Section 10A-2A-1.47, including  
999 the date on which the board of directors ratified that  
1000 defective corporate action and the date, if any, on which the  
1001 stockholders approved the ratification of that defective  
1002 corporate action; and

1003 ~~(7)~~ (4) the information required by subsection (c).

1004 (c) The certificate of validation must also contain the  
1005 following information:

1006 ~~(1) if a filing was previously made in respect of the~~  
1007 ~~defective corporate action and no changes to that filing are~~



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1008 ~~required to give effect to the ratification of that defective~~  
1009 ~~corporate action in accordance with Section 10A-2A-1.47, the~~  
1010 ~~certificate of validation must set forth (i) the name, title,~~  
1011 ~~and filing date of the filing previously made and any~~  
1012 ~~certificate of correction to that filing, and (ii) a statement~~  
1013 ~~that a copy of the filing previously made, together with any~~  
1014 ~~certificate of correction to that filing, is attached as an~~  
1015 ~~exhibit to the certificate of validation;~~

1016 ~~(2)~~ (1) if a filing instrument was previously ~~made~~  
1017 delivered to a filing officer for filing in respect of the  
1018 defective corporate action and that filing instrument requires  
1019 any change to give effect to the ratification of that  
1020 defective corporate action in accordance with Section  
1021 10A-2A-1.47, the certificate of validation must set forth (i)  
1022 the name, title, and filing date of the filing instrument  
1023 ~~previously made~~ delivered to a filing officer for filing and  
1024 any certificate of correction to that filing instrument, ~~and~~  
1025 (ii) a statement that a filing instrument containing all of  
1026 the information required to be included under the applicable  
1027 section or sections of this chapter to give effect to that  
1028 defective corporate action is attached as an exhibit to the  
1029 certificate of validation, and (iii) the date and time that  
1030 filing instrument is deemed to have become effective; or

1031 ~~(3)~~ (2) if a filing instrument was not previously ~~made~~  
1032 delivered to a filing officer for filing in respect of the  
1033 defective corporate action and the defective corporate action  
1034 ratified under Section 10A-2A-1.47 would have required a  
1035 filing instrument under any other section of this chapter, the



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1036 certificate of validation must set forth (i) a statement that  
1037 a filing instrument containing all of the information required  
1038 to be included under the applicable section or sections of  
1039 this chapter to give effect to that defective corporate action  
1040 is attached as an exhibit to the certificate of validation,  
1041 and (ii) the date and time that filing instrument is deemed to  
1042 have become effective."

1043 "§10A-2A-2.02

1044 Section 10A-1-3.05 shall not apply to this chapter.

1045 Instead:

1046 (a) The certificate of incorporation must set forth:

1047 (1) a corporate name for the corporation that satisfies  
1048 the requirements of Article 5 of Chapter 1;

1049 (2) the number of shares of stock the corporation is  
1050 authorized to issue;

1051 (3) the street and mailing addresses of the  
1052 corporation's initial registered office, the county within  
1053 this state in which the street and mailing address is located,  
1054 and the name of the corporation's initial registered agent at  
1055 that office as required by Article 5 of Chapter 1; and

1056 (4) the name and address of each incorporator.

1057 (b) The certificate of incorporation may set forth:

1058 (1) the names and addresses of the individuals who are  
1059 to serve as the initial directors;

1060 (2) provisions not inconsistent with law regarding:

1061 (i) the purpose or purposes for which the corporation  
1062 is organized;

1063 (ii) managing the business and regulating the affairs



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1064 of the corporation;

1065 (iii) defining, limiting, and regulating the powers of  
1066 the corporation, its board of directors, and stockholders;

1067 (iv) a par value for authorized stock or classes of  
1068 stock; or

1069 (v) subject to subsection (f), a provision imposing  
1070 personal liability for the debts of the corporation on its  
1071 stockholders to a specified extent and upon specified  
1072 conditions; otherwise, the stockholders of a corporation shall  
1073 not be personally liable for the payment of the corporation's  
1074 debts, except as they may be liable by reason of their own  
1075 conduct or acts;

1076 (3) any provision that under this chapter is permitted  
1077 to be set forth in the certificate of incorporation or  
1078 required or permitted to be set forth in the bylaws;

1079 (4) a provision eliminating or limiting the liability  
1080 of a director or officer to the corporation or its  
1081 ~~shareholders~~ stockholders for money damages for any action  
1082 taken, or any failure to take any action, as a director or  
1083 officer, except liability for (i) the amount of a financial  
1084 benefit received by a director or officer to which the  
1085 director or officer is not entitled; (ii) an intentional  
1086 infliction of harm on the corporation or the stockholders;  
1087 (iii) in the case of a director, a violation of Section  
1088 10A-2A-8.32; ~~or~~ (iv) an intentional violation of criminal law;  
1089 or (v) in the case of an officer, any claim by or in the right  
1090 of the corporation;

1091 (5) a provision permitting or making obligatory





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1092 indemnification of a director for liability as defined in  
1093 Section 10A-2A-8.50 to any person for any action taken, or any  
1094 failure to take any action, as a director, except liability  
1095 for (i) receipt of a financial benefit to which the director  
1096 is not entitled, (ii) an intentional infliction of harm on the  
1097 corporation or its stockholders, (iii) a violation of Section  
1098 10A-2A-8.32, or (iv) an intentional violation of criminal law;  
1099 and

1100 (6) a provision limiting or eliminating any duty of a  
1101 director or any other person to offer the corporation the  
1102 right to have or participate in any, or one or more classes or  
1103 categories of, business opportunities, before the pursuit or  
1104 taking of the opportunity by the director or other person;  
1105 provided that any application of that provision to an officer  
1106 or a related person of that officer (i) also requires approval  
1107 of that application by the board of directors, subsequent to  
1108 the effective date of the provision, by action of qualified  
1109 directors taken in compliance with the same procedures as are  
1110 set forth in Section 10A-2A-8.607; and (ii) may be limited by  
1111 the authorizing action of the board of directors.

1112 (c) The certificate of incorporation need not set forth  
1113 any of the corporate powers enumerated in Sections 10A-1-2.11,  
1114 10A-1-2.12, and 10A-1-2.13.

1115 (d) Provisions of the certificate of incorporation may  
1116 be made dependent upon facts objectively ascertainable outside  
1117 the certificate of incorporation in accordance with Section  
1118 10A-2A-1.20(c).

1119 (e) As used in this section, "related person" means:



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- 1120 (i) the individual's spouse;
- 1121 (ii) a child, stepchild, grandchild, parent,  
1122 stepparent, grandparent, sibling, stepsibling, half sibling,  
1123 aunt, uncle, niece, or nephew (or spouse of any such person)  
1124 of the individual or of the individual's spouse;
- 1125 (iii) a natural person living in the same home as the  
1126 individual;
- 1127 (iv) an entity (other than the corporation or an entity  
1128 controlled by the corporation) controlled by the individual or  
1129 any person specified above in this definition;
- 1130 (v) a domestic or foreign:
- 1131 (A) business or nonprofit corporation (other than the  
1132 corporation or an entity controlled by the corporation) of  
1133 which the individual is a director<sup>†</sup><sub>L</sub>
- 1134 (B) unincorporated entity of which the individual is a  
1135 general partner or a member of the governing authority<sup>†</sup><sub>L</sub> or
- 1136 (C) individual, trust or estate for whom or of which  
1137 the individual is a trustee, guardian, personal  
1138 representative, or like fiduciary<sup>†</sup><sub>L</sub> or
- 1139 (vi) a person that is, or an entity that is, controlled  
1140 by an employer of the individual.
- 1141 (f) The certificate of incorporation may not contain  
1142 any provision that would impose liability on a stockholder for  
1143 the attorney's fees or expenses of the corporation or any  
1144 other party in connection with an internal corporate claim, as  
1145 defined in Section 10A-2A-2.07(d).
- 1146 (g) The certificate of incorporation is part of a  
1147 binding contract between the corporation and the stockholders,



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1148 subject to the provisions of this chapter.

1149 (h) For purposes of subsection (b) (4) only, unless the  
1150 certificate of incorporation otherwise provides, "officer"  
1151 means an individual appointed or elected in accordance with  
1152 Section 10A-2A-8.40 as (i) president, chief executive officer,  
1153 chief operating officer, chief financial officer, chief legal  
1154 officer, secretary, controller, treasurer, or chief accounting  
1155 officer of the corporation; and (ii) any officer of the  
1156 corporation designated by resolution of the board of directors  
1157 as an "officer" for purposes of subsection (b) (4). The board  
1158 of directors may, from time to time, by resolution determine  
1159 that one or more of the officers designated in accordance with  
1160 subsection (h) (ii) shall no longer be an officer for purposes  
1161 of subsection (b) (4), but no such resolution shall be  
1162 effective as to any such officer, or any act or omission of  
1163 any such officer, prior to the adoption of the resolution.

1164 (i) No provision in the certificate of incorporation  
1165 pursuant to subsection (b) (4) shall eliminate or limit the  
1166 liability of a director or officer for any act or omission  
1167 occurring prior to the date when the provision in the  
1168 certificate of incorporation becomes effective. Any amendment,  
1169 repeal, or elimination of a provision in the certificate of  
1170 incorporation pursuant to subsection (b) (4) shall not affect  
1171 its application with respect to an act or omission by a  
1172 director or officer occurring before the amendment, repeal, or  
1173 elimination unless the provision in the certificate of  
1174 incorporation provides otherwise at the time of the act or  
1175 omission."



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1176 "§10A-2A-6.21

1177 (a) The powers granted in this section to the board of  
1178 directors may be reserved to the stockholders by the  
1179 certificate of incorporation.

1180 (b) The board of directors may authorize stock to be  
1181 issued for consideration consisting of a contribution. Stock  
1182 may be issued in one or more transactions, in the numbers, at  
1183 the time and for the consideration as set forth in a  
1184 resolution of the board of directors.

1185 (c) A resolution of the board of directors may delegate  
1186 to a person or body, in addition to the board of directors,  
1187 the authority to enter into one or more transactions to issue  
1188 stock, and with respect to that transaction, shares of stock  
1189 may be issued in the numbers, at the time and for the  
1190 consideration as the person or body may determine; provided  
1191 the resolution fixes (i) a maximum number of shares of stock  
1192 that may be issued pursuant to the resolution, (ii) a time  
1193 period during which the stock may be issued, and (iii) a  
1194 minimum amount of consideration for which the stock may be  
1195 issued. No resolution shall permit a person or body to issue  
1196 stock to that person or body.

1197 ~~(e)~~(d) Before the corporation issues stock pursuant to  
1198 subsection (b) or subsection (c), the board of directors or  
1199 the person or body authorized pursuant to subsection (c) shall  
1200 determine that the consideration received or to be received  
1201 for stock to be issued is adequate. That determination by the  
1202 board of directors or the person or body authorized pursuant  
1203 to subsection (c) is conclusive insofar as the adequacy of



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1204 consideration for the issuance of stock relates to whether the  
1205 stock is validly issued, fully paid, and nonassessable.

1206 (e) Any provision of a resolution contemplated by  
1207 subsection (b) or subsection (c) may be made dependent on  
1208 facts ascertainable outside the resolution, which facts shall  
1209 be determined in accordance with Section 10A-2A-1.20(c).

1210 ~~(d)~~ (f) When the corporation receives the consideration  
1211 for which the board of directors authorized the issuance of  
1212 stock, the stock issued therefor is fully paid and  
1213 nonassessable.

1214 ~~(e)~~ (g) The corporation may place in escrow stock issued  
1215 for a contract for future services or benefits or a promissory  
1216 note, or make other arrangements to restrict the transfer of  
1217 the stock, and may credit distributions in respect of the  
1218 stock against its purchase price, until the services are  
1219 performed, the benefits are received, or the note is paid. If  
1220 the services are not performed, the benefits are not received,  
1221 or the note is not paid, the stock escrowed or restricted and  
1222 the distributions credited may be cancelled in whole or part."

1223 "§10A-2A-6.24

1224 (a) A corporation may issue rights, options, or  
1225 warrants for the purchase of stock or other securities of the  
1226 corporation. The board of directors shall determine (i) the  
1227 terms and conditions upon which the rights, options, or  
1228 warrants are issued; and (ii) the terms, including the  
1229 consideration for which the stock or other securities acquired  
1230 from the corporation upon the exercise of any rights, options,  
1231 or warrants are to be issued. The authorization by the board



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1232 of directors for the corporation to issue rights, options, or  
1233 warrants constitutes authorization of the issuance of the  
1234 stock or other securities for which the rights, options, or  
1235 warrants are exercisable.

1236 (b) The board of directors may adopt a resolution to  
1237 delegate to a person or body, in addition to the board of  
1238 directors, the authority to enter into one or more  
1239 transactions to issue rights, options, or warrants, and with  
1240 respect to those transactions, the rights, options, or  
1241 warrants may be issued in the numbers, at the time and for the  
1242 consideration as the person or body may determine; provided  
1243 that the resolution fixes (i) the maximum number of rights,  
1244 options, or warrants, and the maximum number of shares of  
1245 stock issuable upon exercise thereof, that may be issued  
1246 pursuant to the resolution, (ii) a time period during which  
1247 the rights, options, or warrants, and during which the stock  
1248 issuable upon exercise thereof, may be issued, and (iii) a  
1249 minimum amount of consideration (if any) for which the rights,  
1250 options, or warrants may be issued and a minimum amount of  
1251 consideration for the stock issuable upon exercise thereof. No  
1252 resolution shall permit a person or body to issue rights,  
1253 options, or warrants to that person or body.

1254 (c) Any provision in a resolution contemplated by  
1255 subsection (a) or subsection (b) may be made dependent on  
1256 facts ascertainable outside the resolution, which facts shall  
1257 be determined in accordance with Section 10A-2A-1.20(c).

1258 ~~(b)~~ (d) The terms and conditions of rights, options, or  
1259 warrants may include restrictions or conditions that:



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1260 (1) preclude or limit the exercise, transfer, or  
1261 receipt of rights, options, or warrants by any person or  
1262 persons owning or offering to acquire a specified number or  
1263 percentage of the outstanding stock or other securities of the  
1264 corporation or by any transferee or transferees of that person  
1265 or persons, or

1266 (2) invalidate or void rights, options, or warrants  
1267 held by that person or persons or any of that person's  
1268 transferee or transferees.

1269 ~~(e)~~ (e) The board of directors or the person or body  
1270 authorized pursuant to subsection (b) may authorize one or  
1271 more officers to (i) designate the recipients of rights,  
1272 options, warrants, or other equity compensation awards that  
1273 involve the issuance of stock and (ii) determine, within an  
1274 amount and subject to any other limitations established by the  
1275 board of directors, the person or body authorized pursuant to  
1276 subsection (b) and, if applicable, the stockholders, the  
1277 number of the rights, options, warrants, or other equity  
1278 compensation awards and the terms of the rights, options,  
1279 warrants, or awards to be received by the recipients, provided  
1280 that an officer may not use that authority to designate  
1281 himself or herself or any other persons as the board of  
1282 directors may specify as a recipient of rights, options,  
1283 warrants, or other equity compensation awards."

1284 "§10A-2A-6.31

1285 (a) A corporation may acquire its own stock, and,  
1286 ~~unless otherwise provided in the certificate of incorporation,~~  
1287 the stock so acquired ~~constitutes~~ shall constitute authorized



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1288 but unissued stock~~-,~~ provided, however, that:

1289 (1) the certificate of incorporation may provide that  
1290 the acquired stock shall constitute authorized, issued, but  
1291 not outstanding stock;

1292 ~~(b) If the~~ (2) the certificate of incorporation  
1293 ~~prohibits~~ may prohibit the reissue of the acquired stock, in  
1294 which case, the number of authorized shares of stock is  
1295 reduced by the number of shares of stock acquired~~-,~~ or

1296 (3) if the certificate of incorporation does not (i)  
1297 provide that the acquired stock shall constitute authorized  
1298 but unissued stock, (ii) prohibit the reissuance of the  
1299 acquired stock, or (iii) provide that the acquired stock shall  
1300 constitute authorized, issued, but not outstanding stock, then  
1301 the board of directors may determine, at or prior to the time  
1302 of the acquisition, that the acquired stock will constitute  
1303 authorized, issued, but not outstanding stock.

1304 (b) If the board of directors has determined that any  
1305 acquired stock was to be authorized, issued, but not  
1306 outstanding in accordance with subsection (a) (3), then the  
1307 board of directors may thereafter determine that the acquired  
1308 stock shall be converted to stock that is authorized but not  
1309 issued."

1310 "§10A-2A-7.04

1311 (a) Unless otherwise provided in the certificate of  
1312 incorporation, any action required or permitted by this  
1313 chapter to be taken at any meeting of the stockholders may be  
1314 taken without a meeting, and without prior notice, if one or  
1315 more consents in writing setting forth the action so taken are





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1316 signed by the holders of outstanding stock having not less  
1317 than the minimum number of votes that would be required to  
1318 authorize or take the action at a meeting at which all shares  
1319 of stock entitled to vote on the action were present and  
1320 voted; provided, however, that if a corporation's certificate  
1321 of incorporation authorizes stockholders to cumulate their  
1322 votes when electing directors pursuant to Section 10A-2A-7.28,  
1323 directors may not be elected by less than unanimous written  
1324 consent. The action must be evidenced by one or more written  
1325 consents describing the action taken, signed by the  
1326 stockholders approving the action and delivered to the  
1327 corporation for filing by the corporation with the minutes or  
1328 corporate records.

1329 (b) If not otherwise fixed under Section 10A-2A-7.07  
1330 and if prior action by the board of directors is not required  
1331 respecting the action to be taken without a meeting, the  
1332 record date for determining the stockholders entitled to take  
1333 action without a meeting shall be the first date on which a  
1334 ~~signed~~ written consent signed by a stockholder is delivered to  
1335 the corporation. If not otherwise fixed under Section  
1336 10A-2A-7.07 and if prior action by the board of directors is  
1337 required respecting the action to be taken without a meeting,  
1338 the record date shall be the close of business on the day the  
1339 resolution of the board of directors taking the prior action  
1340 is adopted. No written consent of the stockholders shall be  
1341 effective to take the corporate action referred to therein  
1342 unless, within 60 days of the earliest date on which a consent  
1343 is delivered to the corporation as required by this section,



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1344 written consents signed by sufficient stockholders to take the  
1345 action have been delivered to the corporation. Any person  
1346 ~~executing~~ signing a consent may provide, whether through  
1347 instruction to an agent or otherwise, that ~~such~~ the consent  
1348 will be effective at a future time, including a time  
1349 determined upon the happening of an event, occurring not later  
1350 than 60 days after ~~such~~ the instruction is given or such  
1351 provision is made, if evidence of the instruction or provision  
1352 is provided to the corporation. ~~A~~ If a person signs a consent  
1353 when that person is not a stockholder, then that person's  
1354 consent shall not be valid unless that person is a stockholder  
1355 as of the record date for determining stockholders entitled to  
1356 consent to the action. Unless a person's written consent  
1357 states that it is irrevocable, that written consent may be  
1358 revoked by that person by a writing to that effect delivered  
1359 to the corporation before unrevoked written consents  
1360 sufficient in number to take the corporate action have been  
1361 delivered to the corporation.

1362 (c) A consent signed pursuant to this section has the  
1363 effect of a vote taken at a meeting and may be described as  
1364 such in any document. Unless the certificate of incorporation,  
1365 bylaws or a resolution of the board of directors provides for  
1366 a reasonable delay to permit tabulation of written consents,  
1367 the action taken by written consent shall be effective when  
1368 written consents signed by sufficient stockholders to take the  
1369 action have been delivered to the corporation.

1370 (d) If this chapter requires that notice of a proposed  
1371 action be given to nonvoting stockholders and the action is to



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1372 be taken by written consent of the voting stockholders, the  
1373 corporation shall give its nonvoting stockholders written  
1374 notice of the action not more than 10 days after (i) written  
1375 consents sufficient to take the action have been delivered to  
1376 the corporation, or (ii) any later date that tabulation of  
1377 consents is completed pursuant to an authorization under  
1378 subsection (c). The notice must reasonably describe the action  
1379 taken and contain or be accompanied by the same material that,  
1380 under any provision of this chapter, would have been required  
1381 to be sent to nonvoting stockholders in a notice of a meeting  
1382 at which the proposed action would have been submitted to the  
1383 stockholders for action.

1384 (e) If action is taken by less than unanimous written  
1385 consent of the voting stockholders, the corporation shall give  
1386 its nonconsenting voting stockholders written notice of the  
1387 action not more than 10 days after (i) written consents  
1388 sufficient to take the action have been delivered to the  
1389 corporation, or (ii) any later date that tabulation of  
1390 consents is completed pursuant to an authorization under  
1391 subsection (c). The notice must reasonably describe the action  
1392 taken and contain or be accompanied by the same material that,  
1393 under any provision of this chapter, would have been required  
1394 to be sent to voting stockholders in a notice of a meeting at  
1395 which the action would have been submitted to the stockholders  
1396 for action.

1397 (f) The notice requirements in subsections (d) and (e)  
1398 shall not delay the effectiveness of actions taken by written  
1399 consent, and a failure to comply with those notice



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1400 requirements shall not invalidate actions taken by written  
1401 consent, provided that this subsection shall not be deemed to  
1402 limit judicial power to fashion any appropriate remedy in  
1403 favor of a stockholder adversely affected by a failure to give  
1404 the notice within the required time period."

1405           "§10A-2A-7.05

1406           (a) A corporation shall notify stockholders of the  
1407 place, if any, date, and time of each annual and special  
1408 stockholders' meeting no fewer than 10 nor more than 60 days  
1409 before the meeting date. If the board of directors has  
1410 authorized participation by means of remote communication  
1411 pursuant to Section 10A-2A-7.09 for holders of any class or  
1412 series of stock, the notice to the holders of that class or  
1413 series of stock must describe the means of remote  
1414 communication to be used. The notice must include the record  
1415 date for determining the stockholders entitled to vote at the  
1416 meeting, if that date is different from the record date for  
1417 determining stockholders entitled to notice of the meeting.  
1418 Unless this chapter or the certificate of incorporation  
1419 requires otherwise, the corporation is required to give notice  
1420 only to stockholders entitled to vote at the meeting as of the  
1421 record date for determining the stockholders entitled to  
1422 notice of the meeting.

1423           (b) Unless this chapter or the certificate of  
1424 incorporation requires otherwise, the notice of an annual  
1425 meeting of stockholders need not include a description of the  
1426 purpose or purposes for which the meeting is called.

1427           (c) Notice of a special meeting of stockholders must



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1428 include a description of the purpose or purposes for which the  
1429 meeting is called.

1430 (d) If not otherwise fixed under Section 10A-2A-7.03 or  
1431 Section 10A-2A-7.07, the record date for determining  
1432 stockholders entitled to notice of and to vote at an annual or  
1433 special stockholders' meeting is the earlier of (i) the date  
1434 of the action by the board of directors calling the meeting of  
1435 the stockholders or (ii) the day before the first notice is  
1436 delivered to stockholders.

1437 (e) Unless the certificate of incorporation or bylaws  
1438 require otherwise, if an annual or special stockholders'  
1439 meeting is adjourned to a different place, if any, date, or  
1440 time (including an adjournment taken to address a technical  
1441 failure to convene or continue a meeting using remote  
1442 communication pursuant to Section 10A-2A-7.09), notice need  
1443 not be given of the new place, if any, date, or time if the  
1444 new place, if any, date, or time is (i) announced at the  
1445 meeting before adjournment or (ii) displayed, during the time  
1446 scheduled for the meeting, on the same electronic network used  
1447 to enable stockholders and proxy holders to participate in the  
1448 meeting by means of remote communication. If a new record date  
1449 for the adjourned meeting is or must be fixed under Section  
1450 10A-2A-7.07, however, notice of the adjourned meeting shall be  
1451 given under this section to stockholders entitled to vote at  
1452 the adjourned meeting as of the record date fixed for notice  
1453 of the adjourned meeting."

1454 "§10A-2A-10.05

1455 Unless the certificate of incorporation provides



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1456 otherwise, a corporation's board of directors may adopt  
1457 amendments to the corporation's certificate of incorporation  
1458 without stockholder approval:

1459 (a) to extend the duration of the corporation if it was  
1460 incorporated at a time when limited duration was required by  
1461 law;

1462 (b) to delete the names and addresses of the  
1463 incorporators or initial directors;

1464 (c) to delete the name and address of the initial  
1465 registered agent or registered office, if a statement of  
1466 change is on file with the Secretary of State;

1467 (d) if the corporation has only one class of stock  
1468 outstanding:

1469 (1) to change each issued and unissued authorized share  
1470 of stock of the class into a greater number of whole shares of  
1471 stock of that class; or

1472 (2) to increase the number of authorized shares of  
1473 stock of the class to the extent necessary to permit the  
1474 issuance of stock as a stock dividend;

1475 (e) to change the corporate name, provided that the  
1476 name complies with Article 5 of Chapter 1;

1477 (f) to reflect a reduction in authorized stock, as a  
1478 result of the operation of Section ~~10A-2A-6.31(b)~~  
1479 10A-2A-6.31(a)(2), when the corporation has acquired its own  
1480 stock and the certificate of incorporation prohibits the  
1481 reissue of the acquired stock;

1482 (g) to delete a class of stock from the certificate of  
1483 incorporation, as a result of the operation of Section



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1484 ~~10A-2A-6.31(b)~~ 10A-2A-6.31(a)(2), when there is no remaining  
1485 stock of the class because the corporation has acquired all  
1486 stock of the class and the certificate of incorporation  
1487 prohibits the reissue of the acquired stock; or

1488 (h) to take actions expressly permitted by Section  
1489 10A-2A-6.02 to be made without stockholder approval."

1490 "§10A-2A-10.07

1491 (a) A corporation's board of directors may restate its  
1492 certificate of incorporation at any time, without stockholder  
1493 approval, to consolidate all amendments into a single  
1494 document. The restated certificate of incorporation may amend  
1495 the certificate of incorporation with those amendments that  
1496 the board of directors is permitted to adopt without  
1497 stockholder approval in accordance with Sections 10A-2A-10.02  
1498 and 10A-2A-10.05. The restated certificate of incorporation  
1499 may also amend the certificate of incorporation with those  
1500 amendments that the stockholders must approve in accordance  
1501 with Section 10A-2A-10.03.

1502 (b) If the restated certificate of incorporation  
1503 includes one or more new amendments that require stockholder  
1504 approval, the amendments shall be adopted and approved as  
1505 provided in Section 10A-2A-10.03.

1506 (c) A corporation that restates its certificate of  
1507 incorporation shall deliver to the Secretary of State for  
1508 filing a certificate of restatement setting forth:

1509 (1) the name of the corporation;

1510 (2) the text of the restated certificate of  
1511 incorporation;



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1512 (3) a statement that the restated certificate of  
1513 incorporation consolidates all amendments into a single  
1514 document;

1515 (4) if a new amendment is included in the restated  
1516 certificate of incorporation, the statements required under  
1517 Section 10A-2A-10.06 with respect to the new amendment; and

1518 (5) the unique identifying number or other designation  
1519 as assigned by the Secretary of State.

1520 (d) The duly adopted restated certificate of  
1521 incorporation supersedes the original certificate of  
1522 incorporation and all amendments to the certificate of  
1523 incorporation.

1524 (e) A restated certificate of incorporation may omit  
1525 the information that may be deleted pursuant to Section  
1526 10A-2A-10.05."

1527 "§10A-2A-10.08

1528 (a) A corporation's certificate of incorporation may be  
1529 amended without action by the board of directors or  
1530 stockholders to carry out a plan of reorganization ordered or  
1531 decreed by a court of competent jurisdiction under the  
1532 authority of a law of the United States if the certificate of  
1533 incorporation after the amendment only contains provisions  
1534 required or permitted by Section 10A-2A-2.02.

1535 (b) The individual or individuals designated by the  
1536 court shall deliver to the Secretary of State for filing a  
1537 certificate of amendment setting forth:

1538 (1) the name of the corporation;

1539 (2) the text of each amendment approved by the court;





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1540 (3) the date of the court's order or decree approving  
1541 the certificate of amendment;

1542 (4) the title of the reorganization proceeding in which  
1543 the order or decree was entered;

1544 (5) a statement that the court had jurisdiction of the  
1545 proceeding under federal statute; and

1546 (6) the unique identifying number or other designation  
1547 as assigned by the Secretary of State.

1548 (c) Stockholders of a corporation undergoing  
1549 reorganization do not have ~~dissenters'~~ appraisal rights except  
1550 as and to the extent provided in the reorganization plan.

1551 (d) This section does not apply after entry of a final  
1552 decree in the reorganization proceeding even though the court  
1553 retains jurisdiction of the proceeding for limited purposes  
1554 unrelated to consummation of the reorganization plan."

1555 "§10A-2A-12.01

1556 (a) No approval of the stockholders is required, unless  
1557 the certificate of incorporation otherwise provides:

1558 ~~(a)~~ (1) to sell, lease, exchange, or otherwise dispose  
1559 of any or all of the corporation's assets in the usual and  
1560 regular course of business;

1561 ~~(b)~~ (2) to mortgage, pledge, dedicate to the repayment  
1562 of indebtedness (whether with or without recourse), or  
1563 otherwise encumber any or all of the corporation's assets,  
1564 regardless of whether in the usual and regular course of  
1565 business;

1566 ~~(c)~~ (3) to transfer any or all of the corporation's  
1567 assets to one or more corporations, foreign corporations, or



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1568 other entities all of the stock or interests of which are  
1569 owned by the corporation; or

1570 ~~(d)~~ (4) to distribute assets pro rata to the holders of  
1571 one or more classes or series of the corporation's stock.

1572 (b) Without limiting the rights of a secured party  
1573 under applicable law, no approval by stockholders shall be  
1574 required by Section 10A-2A-12.02 for a sale, lease, exchange,  
1575 or other disposition of any of the corporation's assets if  
1576 those assets are mortgaged, pledged, dedicated to the  
1577 repayment of indebtedness, or otherwise encumbered for the  
1578 benefit of a secured party or other creditor and either:

1579 (1) The secured party or other creditor exercises its  
1580 rights under the law governing the mortgage, pledge,  
1581 dedication, or encumbrance, or other applicable law, whether  
1582 under the Uniform Commercial Code, a real property law, or  
1583 other law, to effect the sale, lease, exchange, or other  
1584 disposition of those assets without the consent of the  
1585 corporation; or

1586 (2) In lieu of the secured party or other creditor  
1587 exercising such rights, the board of directors of the  
1588 corporation authorizes an alternative sale, lease, exchange,  
1589 or other disposition of those assets, whether with the secured  
1590 party or other creditor, that results in the reduction or  
1591 elimination of the total liabilities or obligations secured by  
1592 those assets, provided that (i) the value of those assets is  
1593 less than or equal to the total amount of the liabilities or  
1594 obligations being eliminated or reduced and (ii) the sale,  
1595 lease, exchange, or other disposition of those assets is not



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1596 prohibited by the law governing the mortgage, pledge,  
1597 dedication, or encumbrance. The provision of consideration to  
1598 the corporation or to its stockholders shall not create a  
1599 presumption that the value of the assets is greater than the  
1600 total amount of the liabilities or obligations being  
1601 eliminated or reduced.

1602 (c) A failure to satisfy the condition in subsection  
1603 (b) (2) (i) shall not result in the invalidation of a sale,  
1604 lease, exchange, or other disposition of the corporation's  
1605 assets if the transferee of those assets (i) provided value  
1606 therefor (which may include the reduction or elimination of  
1607 the total liabilities or obligations secured by those assets)  
1608 and (ii) acted in good faith (as defined in Section  
1609 7-1-201(b)). The preceding sentence shall not apply to a  
1610 proceeding against the corporation and any other necessary  
1611 parties to enjoin the sale, lease, exchange, or other  
1612 disposition of the corporation's assets before the  
1613 consummation thereof and shall not eliminate any liability for  
1614 monetary damages for any claim, including a claim in the right  
1615 of the corporation, based upon a violation of a duty by a  
1616 current or former director or officer, or other person.

1617 (d) A provision of the certificate of incorporation  
1618 that requires the authorization or consent of stockholders for  
1619 a sale, lease, exchange, or other disposition of the  
1620 corporation's assets shall not apply to a transaction  
1621 permitted by subsection (b) unless that provision expressly so  
1622 requires."

1623 "§10A-2A-13.02



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1624 (a) A stockholder is entitled to appraisal rights, and  
1625 to obtain payment of the fair value of that stockholder's  
1626 stock, in the event of any of the following corporate actions:

1627 (1) consummation of a merger to which the corporation  
1628 is a party (i) if the corporation is a subsidiary and the  
1629 merger is governed by Section 10A-2A-11.05 or (ii) if  
1630 stockholder approval is required for the merger by Section  
1631 10A-2A-11.04, or would be required but for the provisions of  
1632 Section 10A-2A-11.04(j), except that appraisal rights shall  
1633 not be available to any stockholder of the corporation with  
1634 respect to stock of any class or series that remain  
1635 outstanding after consummation of the merger;

1636 (2) consummation of a stock exchange to which the  
1637 corporation is a party the stock of which will be acquired,  
1638 except that appraisal rights shall not be available to any  
1639 stockholder of the corporation with respect to any class or  
1640 series of stock of the corporation that is not acquired in the  
1641 stock exchange;

1642 (3) consummation of a disposition of assets pursuant to  
1643 Section 10A-2A-12.02 if the stockholder is entitled to vote on  
1644 the disposition, except that appraisal rights shall not be  
1645 available to any stockholder of the corporation with respect  
1646 to stock of any class or series if (i) (A) under the terms of  
1647 the corporate action approved by the stockholders there is to  
1648 be distributed to stockholders in cash the corporation's net  
1649 assets, in excess of a reasonable amount reserved to meet  
1650 claims of the type described in Section 10A-2A-14.06 and  
1651 Section 10A-2A-14.07, ~~(A)~~ (I) within one year after the



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1652 stockholders' approval of the action and ~~(B)~~ (II) in accordance  
1653 with their respective interests determined at the time of  
1654 distribution, and ~~(ii)~~ (B) the disposition of assets is not an  
1655 interested transaction, or (ii) the certificate of  
1656 incorporation states that no stockholder shall be entitled to  
1657 appraisal rights with respect to the consummation of a  
1658 disposition of assets pursuant to Section 10A-2A-12.02;

1659 (4) an amendment of the certificate of incorporation  
1660 with respect to a class or series of stock that reduces the  
1661 number of stock of a class or series owned by the stockholder  
1662 to a fraction of a stock if the corporation has the obligation  
1663 or right to repurchase the fractional stock so created;

1664 (5) any other merger, stock exchange, disposition of  
1665 assets or amendment to the certificate of incorporation, in  
1666 each case to the extent provided by the certificate of  
1667 incorporation, bylaws or a resolution of the board of  
1668 directors;

1669 (6) consummation of a conversion of a corporation to a  
1670 foreign corporation pursuant to Article 9 of this chapter or  
1671 Article 8 of Chapter 1 if the stockholder does not receive  
1672 stock in the foreign corporation resulting from the conversion  
1673 that has terms as favorable to the stockholder in all material  
1674 respects, and represents at least the same percentage interest  
1675 of the total voting rights of the outstanding stock of the  
1676 foreign corporation, as the stock held by the stockholder  
1677 before the conversion;

1678 (7) consummation of a conversion of a corporation to a  
1679 nonprofit corporation pursuant to Article 9 of this chapter ~~of~~



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1680 or Article 8 of Chapter 1; or

1681 (8) consummation of a conversion of the corporation to  
1682 an unincorporated entity pursuant to Article 9 of this chapter  
1683 or Article 8 of Chapter 1.

1684 (b) Notwithstanding subsection (a), the availability of  
1685 appraisal rights under subsections (a)(1), (2), (3), (4), (6),  
1686 and (8) shall be limited in accordance with the following  
1687 provisions:

1688 (1) Appraisal rights shall not be available for the  
1689 holders of stock of any class or series of stock which is:

1690 (i) a covered security under Section 18(b)(1)(A) or (B)  
1691 of the Securities Act of 1933;

1692 (ii) has at least 2,000 record stockholders; or

1693 (iii) issued by an open end management investment  
1694 company registered with the Securities and Exchange Commission  
1695 under the Investment Company Act of 1940 and which may be  
1696 redeemed at the option of the holder at net asset value.

1697 (2) The applicability of subsection (b)(1) shall be  
1698 determined as of:

1699 (i) the record date fixed to determine the stockholders  
1700 entitled to receive notice of the meeting of stockholders to  
1701 act upon the corporate action requiring appraisal rights or,  
1702 in the case of an offer made pursuant to Section  
1703 10A-2A-11.04(j), the date of the offer; or

1704 (ii) if there is no meeting of stockholders and no  
1705 offer made pursuant to Section 10A-2A-11.04(j), the day before  
1706 the consummation of the corporate action or effective date of  
1707 the amendment of the certificate of incorporation, as



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1708 applicable.

1709           (3) Subsection (b)(1) shall not be applicable and  
1710 appraisal rights shall be available pursuant to subsection (a)  
1711 for the holders of any class or series of stock (i) who are  
1712 required by the terms of the corporate action requiring  
1713 appraisal rights to accept for their stock anything other than  
1714 cash or stock of any class or any series of stock of any  
1715 corporation, or any other proprietary interest of any other  
1716 entity, that satisfies the standards set forth in subsection  
1717 (b)(1) at the time the corporate action becomes effective, ~~or~~  
1718 (ii) in the case of the consummation of a disposition of  
1719 assets pursuant to Section 10A-2A-12.02, unless the cash,  
1720 stock, or proprietary interests received in the disposition  
1721 are, under the terms of the corporate action approved by the  
1722 stockholders, to be distributed to the stockholders, as part  
1723 of a distribution to stockholders of the net assets of the  
1724 corporation in excess of a reasonable amount to meet claims of  
1725 the type described in Sections 10A-2A-14.06 and 10A-2A-14.07,  
1726 (A) within one year after the stockholders' approval of the  
1727 action, and (B) in accordance with their respective interests  
1728 determined at the time of the distribution, or (iii) in the  
1729 case of the consummation of a disposition of assets pursuant  
1730 to Section 10A-2A-12.02, unless the certificate of  
1731 incorporation states that no stockholder shall be entitled to  
1732 appraisal rights with respect to the consummation of a  
1733 disposition of assets pursuant to Section 10A-2A-12.02.

1734           (4) Subsection (b)(1) shall not be applicable and  
1735 appraisal rights shall be available pursuant to subsection (a)



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1736 for the holders of any class or series of stock where the  
1737 corporate action is an interested transaction.

1738 (c) Notwithstanding any other provision of this Section  
1739 10A-2A-13.02, the certificate of incorporation as originally  
1740 filed or any amendment to the certificate of incorporation may  
1741 limit or eliminate appraisal rights for any class or series of  
1742 preferred stock, except that (i) no limitation or elimination  
1743 shall be effective if the class or series does not have the  
1744 right to vote separately as a voting group (alone or as part  
1745 of a group) on the action or if the action is a conversion or  
1746 merger in which the converted organization or the surviving  
1747 organization is not a corporation or foreign corporation, and  
1748 (ii) any limitation or elimination contained in an amendment  
1749 to the certificate of incorporation that limits or eliminates  
1750 appraisal rights for any stock that is outstanding immediately  
1751 before the effective date of the amendment or that the  
1752 corporation is or may be required to issue or sell thereafter  
1753 pursuant to any conversion, exchange, or other right existing  
1754 immediately before the effective date of the amendment shall  
1755 not apply to any corporate action that becomes effective  
1756 within one year after the effective date of the amendment if  
1757 that action would otherwise afford appraisal rights."

1758 "§10A-2A-14.05

1759 (a) A dissolved corporation continues its existence as  
1760 a corporation but may not carry on any business except as is  
1761 appropriate to wind up and liquidate its business and affairs,  
1762 including:

1763 (1) collecting its assets;





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1764 (2) disposing of its properties that will not be  
1765 distributed in kind to stockholders;

1766 (3) discharging or making provisions for discharging  
1767 its liabilities;

1768 (4) distributing its remaining property among its  
1769 stockholders according to their interests; and

1770 (5) doing every other act necessary to wind up and  
1771 liquidate its business and affairs.

1772 (b) In winding up its business and affairs, a  
1773 corporation may:

1774 (1) preserve the corporation's business and affairs and  
1775 property as a going concern for a reasonable time;

1776 (2) prosecute, defend, or settle actions or proceedings  
1777 whether civil, criminal, or administrative;

1778 (3) transfer the corporation's assets;

1779 (4) resolve disputes by mediation or arbitration;

1780 (5) merge or convert in accordance with Article 9 or 11  
1781 of this chapter or Article 8 of Chapter 1; and

1782 (6) enter into a stock exchange in accordance with  
1783 Article 11 of this chapter.

1784 (c) Dissolution of a corporation does not:

1785 (1) transfer title to the corporation's property;

1786 (2) prevent transfer of its stock or securities;

1787 (3) subject its directors or officers to standards of  
1788 conduct different from those prescribed in Article 8 of this  
1789 chapter;

1790 (4) change (i) quorum or voting requirements for its  
1791 board of directors or stockholders;



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1792 (ii) provisions for selection, resignation, or removal  
1793 of its directors or officers or both; or  
1794 (iii) provisions for amending its bylaws;  
1795 (5) prevent commencement of a proceeding by or against  
1796 the corporation in its corporate name;  
1797 (6) abate or suspend a proceeding pending by or against  
1798 the corporation on the effective date of dissolution; or  
1799 (7) terminate the authority of the registered agent of  
1800 the corporation.

1801 (d) A distribution in liquidation under this section  
1802 may only be made by a dissolved corporation. For purposes of  
1803 determining the stockholders entitled to receive a  
1804 distribution in liquidation, the board of directors may fix a  
1805 record date for determining stockholders entitled to a  
1806 distribution in liquidation, which date may not be  
1807 retroactive. If the board of directors does not fix a record  
1808 date for determining stockholders entitled to a distribution  
1809 in liquidation, the record date is the date the board of  
1810 directors authorizes the distribution in liquidation."

1811 "§10A-3A-1.02

1812 As used in this chapter, unless otherwise specified or  
1813 unless the context otherwise requires, the following terms  
1814 have the following meanings:

1815 (1) CERTIFICATE OF INCORPORATION means the certificate  
1816 of incorporation described in Section 10A-3A-2.02, all  
1817 amendments to the certificate of incorporation, and any other  
1818 documents permitted or required to be delivered for filing by  
1819 a nonprofit corporation with the Secretary of State under this



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1820 chapter or Chapter 1 that modify, amend, supplement, restate,  
1821 or replace the certificate of incorporation. After ~~an~~  
1822 ~~amendment of the certificate of incorporation or any other~~  
1823 ~~document filed~~ the filing of a filing instrument under this  
1824 chapter or Chapter 1 that restates or amends and restates the  
1825 certificate of incorporation in its entirety, the certificate  
1826 of incorporation shall not include any prior documents, but  
1827 the original date of incorporation shall remain unchanged.

1828 When used with respect to a nonprofit corporation incorporated  
1829 and existing on December 31, 2023, under a predecessor law of  
1830 this state, the term "certificate of incorporation" means  
1831 articles of incorporation, charter, or similar incorporating  
1832 document, and all amendments and restatements to the articles  
1833 of incorporation, charter, or similar incorporating document.  
1834 When used with respect to a foreign nonprofit corporation, a  
1835 business corporation, or a foreign business corporation, the  
1836 "certificate of incorporation" of that entity means the  
1837 document of that entity that is equivalent to the certificate  
1838 of incorporation of a corporation. The term "certificate of  
1839 incorporation" as used in this chapter is synonymous to the  
1840 term certificate of formation used in Chapter 1.

1841 (2) BOARD or BOARD OF DIRECTORS means the group of  
1842 individuals responsible for the management or direction, and  
1843 oversight, of the activities and affairs of the nonprofit  
1844 corporation, regardless of the name used to refer to the group  
1845 or other persons authorized to perform the functions of the  
1846 board of directors.

1847 (3) BUSINESS CORPORATION, except in the phrase foreign



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1848 business corporation, means an entity incorporated or existing  
1849 under the Alabama Business Corporation Law.

1850 (4) BYLAWS means the code or codes of rules (other than  
1851 the certificate of incorporation) adopted for the regulation  
1852 or management of the affairs of the nonprofit corporation,  
1853 regardless of the name or names by which the rules are  
1854 designated.

1855 (5) DELIVER or DELIVERY means any method of delivery  
1856 used in conventional commercial practice, including delivery  
1857 by hand, mail, commercial delivery, and, if authorized in  
1858 accordance with Section 10A-3A-1.03, by electronic  
1859 transmission.

1860 (6) DIRECTOR means an individual designated, elected,  
1861 or appointed, by that or any other name or title, to act as a  
1862 member of the board of directors, while the individual is  
1863 holding that position.

1864 (7) DISTRIBUTION means a direct or indirect transfer of  
1865 cash or other property from a nonprofit corporation to a  
1866 member, director, or officer of that nonprofit corporation in  
1867 that person's capacity as a member, director, or officer, but  
1868 does not mean payments or benefits made in accordance with  
1869 Section 10A-3A-6.41.

1870 (8) DOCUMENT means a writing as defined in Chapter 1.

1871 (9) EFFECTIVE DATE when referring to a document  
1872 accepted for filing by the Secretary of State, means the time  
1873 and date determined in accordance with Article 4 of Chapter 1.

1874 (10) ELECTRONIC MAIL means an electronic transmission  
1875 directed to a unique electronic mail address.



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1876 (11) ELECTRONIC MAIL ADDRESS means a destination,  
1877 commonly expressed as a string of characters, consisting of a  
1878 unique user name or mailbox (commonly referred to as the  
1879 "local part" of the address) and a reference to an internet  
1880 domain (commonly referred to as the "domain part" of the  
1881 address), whether or not displayed, to which electronic mail  
1882 can be sent or delivered.

1883 (12) EMPLOYEE does not include an individual serving as  
1884 an officer or director who is not otherwise employed by the  
1885 nonprofit corporation.

1886 (13) ENTITLED TO VOTE means entitled to vote on the  
1887 matter under consideration pursuant to the certificate of  
1888 incorporation or bylaws of the nonprofit corporation, or  
1889 applicable provisions of this chapter or Chapter 1.

1890 (14) ENTITY includes nonprofit corporation; foreign  
1891 nonprofit corporation; business corporation; foreign business  
1892 corporation; estate; trust; unincorporated entity; foreign  
1893 unincorporated entity; and state, United States, and foreign  
1894 government.

1895 (15) EXPENSES means reasonable expenses of any kind  
1896 that are incurred in connection with a matter.

1897 (16) FOREIGN BUSINESS CORPORATION means a business  
1898 corporation incorporated under a law other than the law of  
1899 this state which would be a business corporation if  
1900 incorporated under the law of this state.

1901 (17) FOREIGN NONPROFIT CORPORATION means a nonprofit  
1902 corporation incorporated under a law other than the law of  
1903 this state which would be a nonprofit corporation if



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1904 incorporated under the law of this state.

1905 (18) FOREIGN UNINCORPORATED ENTITY means an  
1906 unincorporated entity whose internal affairs are governed by  
1907 the law of a jurisdiction other than this state.

1908 (19) FUNDAMENTAL TRANSACTION means an amendment of the  
1909 certificate of incorporation, an amendment to the bylaws, a  
1910 merger, a conversion, a sale of all or substantially all of  
1911 the assets, or the dissolution of a nonprofit corporation.

1912 (20) GOVERNING STATUTE means the statute governing the  
1913 internal affairs of a nonprofit corporation, foreign nonprofit  
1914 corporation, business corporation, foreign business  
1915 corporation, unincorporated entity, or foreign unincorporated  
1916 entity.

1917 (21) INCLUDES and INCLUDING denote a partial definition  
1918 or a nonexclusive list.

1919 (22) INTEREST means:

1920 (a) a share;

1921 (b) a membership or membership interests; or

1922 (c) either or both of the following rights under the  
1923 governing statute governing an organization other than a  
1924 nonprofit corporation, foreign nonprofit corporation, business  
1925 corporation, or foreign business corporation:

1926 (i) the right to receive distributions from that  
1927 organization either in the ordinary course or upon  
1928 liquidation; or

1929 (ii) the right to receive notice or vote on issues  
1930 involving that organization's internal affairs, other than as  
1931 an agent, assignee, proxy, or person responsible for managing



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1932 that organization's business and affairs.

1933 (23) INTEREST HOLDER means a person who holds of record  
1934 an interest.

1935 (24) KNOWLEDGE is determined as follows:

1936 (a) A person knows a fact when the person:

1937 (1) has actual knowledge of it; or

1938 (2) is deemed to know it under law other than this  
1939 chapter.

1940 (b) A person has notice of a fact when the person:

1941 (1) knows of it;

1942 (2) receives notification of it in accordance with  
1943 Section 10A-3A-1.03;

1944 (3) has reason to know the fact from all of the facts  
1945 known to the person at the time in question; or

1946 (4) is deemed to have notice of the fact under  
1947 subsection (d).

1948 (c) A person notifies another of a fact by taking steps  
1949 reasonably required to inform the other person in ordinary  
1950 course in accordance with Section 10A-3A-1.03, whether or not  
1951 the other person knows the fact.

1952 (d) A person is deemed to have notice of a nonprofit  
1953 corporation's:

1954 (1) matters included in the certificate of  
1955 incorporation upon filing;

1956 (2) dissolution, 90 days after a certificate of  
1957 dissolution under Section 10A-3A-11.05 becomes effective;

1958 (3) conversion or merger under Article 13 or Article  
1959 12, 90 days after a statement of conversion or statement of



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1960 merger becomes effective;

1961 (4) conversion or merger under Article 8 of Chapter 1,  
1962 90 days after a statement of conversion or statement of merger  
1963 becomes effective; and

1964 (5) revocation of dissolution and reinstatement, 90  
1965 days after certificate of revocation of dissolution and  
1966 reinstatement under Section 10A-3A-11.06 becomes effective.

1967 (e) A member's knowledge, notice, or receipt of a  
1968 notification of a fact relating to the nonprofit corporation  
1969 is not knowledge, notice, or receipt of a notification of a  
1970 fact by that nonprofit corporation solely by reason of the  
1971 member's capacity as a member.

1972 (f) The date and time of the effectiveness of a notice  
1973 delivered in accordance with Section 10A-3A-1.03, is  
1974 determined by Section 10A-3A-1.03.

1975 (25) MEANS denotes an exhaustive definition.

1976 (26) MEMBER means a person in whose name a membership  
1977 is registered on the records of the membership nonprofit  
1978 corporation and who has the right to (i) select or vote for  
1979 the election of directors or (ii) vote on any type of  
1980 fundamental transaction.

1981 (27) MEMBERSHIP or MEMBERSHIP INTERESTS means the  
1982 rights and any obligations of a member in a membership  
1983 nonprofit corporation or a foreign membership nonprofit  
1984 corporation.

1985 (28) MEMBERSHIP NONPROFIT CORPORATION means, except as  
1986 provided in Section 10A-3A-14.01(c)(1), a nonprofit  
1987 corporation whose certificate of incorporation provides that





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1988 it will have members.

1989 (29) NONMEMBERSHIP NONPROFIT CORPORATION means a  
1990 nonprofit corporation whose certificate of incorporation  
1991 provides that it will not have members.

1992 (30) NONPROFIT CORPORATION, except in the phrase  
1993 foreign nonprofit corporation, means a nonprofit corporation  
1994 incorporated under or existing under this chapter.

1995 (31) ORGANIZATIONAL DOCUMENTS means the public organic  
1996 record and private organizational documents of a nonprofit  
1997 corporation, foreign nonprofit corporation, business  
1998 corporation, foreign business corporation, or other  
1999 organization.

2000 (32) PRINCIPAL OFFICE means the office (in or out of  
2001 this state) where the principal executive offices of a  
2002 nonprofit corporation or foreign nonprofit corporation are  
2003 located.

2004 (33) PRIVATE ORGANIZATIONAL DOCUMENTS means (i) the  
2005 bylaws of a nonprofit corporation, foreign nonprofit  
2006 corporation, business corporation, or foreign business  
2007 corporation or (ii) the rules, regardless of whether in  
2008 writing, that govern the internal affairs of an unincorporated  
2009 entity or foreign unincorporated entity, are binding on all  
2010 its interest holders, and are not part of its public organic  
2011 record, if any. Where private organizational documents have  
2012 been amended or restated, the term means the private  
2013 organizational documents as last amended or restated.

2014 (34) PROCEEDING includes any civil suit and criminal,  
2015 administrative, and investigatory action.



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2016 (35) PUBLIC ORGANIC RECORD means (i) the certificate of  
2017 incorporation of a nonprofit corporation, foreign nonprofit  
2018 corporation, business corporation, or foreign business  
2019 corporation, or (ii) the document, if any, the filing of which  
2020 is required to create an unincorporated entity or foreign  
2021 unincorporated entity, or which creates the unincorporated  
2022 entity or foreign unincorporated entity and is required to be  
2023 filed. Where a public organic record has been amended or  
2024 restated, the term means the public organic record as last  
2025 amended or restated.

2026 (36) RECORD DATE means the date fixed for determining  
2027 the identity of the nonprofit corporation's members and their  
2028 interests for purposes of this chapter. Unless another time is  
2029 specified when the record date is fixed, the determination  
2030 shall be made as of the close of business at the principal  
2031 office of the nonprofit corporation on the date so fixed.

2032 (37) SECRETARY means the corporate officer to whom the  
2033 certificate of incorporation, bylaws, or board of directors  
2034 has delegated responsibility under Section 10A-3A-8.40(c) to  
2035 maintain the minutes of the meetings of the board of  
2036 directors, committees, and the members, and for authenticating  
2037 records of the nonprofit corporation.

2038 (38) SHARES means the units into which the proprietary  
2039 interests in a domestic or foreign business corporation are  
2040 divided.

2041 (39) TYPE OF ENTITY means a generic form of entity: (i)  
2042 recognized at common law; or (ii) formed under a governing  
2043 statute, regardless of whether some entities formed under that



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2044 law are subject to provisions of that law that create  
2045 different categories of the form of entity.

2046 (40) UNINCORPORATED ENTITY means an organization or  
2047 artificial legal person that either has a separate legal  
2048 existence or has the power to acquire an estate in real  
2049 property in its own name and that is not any of the following:  
2050 a corporation, foreign corporation, nonprofit corporation,  
2051 foreign nonprofit corporation, a series of a limited liability  
2052 company or of another type of entity, an estate, a trust, a  
2053 state, United States, or foreign government. The term includes  
2054 a general partnership, limited liability company, limited  
2055 partnership, business trust, joint stock association, and  
2056 unincorporated nonprofit association.

2057 (41) UNITED STATES includes a district, authority,  
2058 bureau, commission, department, and any other agency of the  
2059 United States.

2060 (42) VOTE, VOTING, or CASTING A VOTE includes the  
2061 giving of consent in writing without a meeting. The term does  
2062 not include either recording the fact of abstention or failing  
2063 to vote for a candidate or for approval or disapproval of a  
2064 matter, whether or not the person entitled to vote  
2065 characterizes that conduct as voting or casting a vote.

2066 (43) VOTING GROUP means one or more classes of members  
2067 that under the certificate of incorporation, bylaws, or this  
2068 chapter are entitled to vote and be counted together  
2069 collectively on a matter at a meeting of members. All members  
2070 entitled by the certificate of incorporation, bylaws, or this  
2071 chapter to vote generally on the matter are for that purpose a



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2072 single voting group.

2073 (44) VOTING POWER means the current power to vote in  
2074 the election of directors, or to vote on approval of any type  
2075 of fundamental transaction.

2076 "§10A-3A-1.23

2077 (a) The quorum and voting requirements applicable to a  
2078 ratifying action by the board of directors under Section  
2079 10A-3A-1.22(a) shall be the quorum and voting requirements  
2080 applicable to the corporate action proposed to be ratified at  
2081 the time the ratifying action is taken.

2082 (b) If the ratification of the defective corporate  
2083 action requires approval by the members under Section  
2084 10A-3A-1.22(c), and if the approval is to be given at a  
2085 meeting, the membership nonprofit corporation shall notify  
2086 each holder of valid and putative membership interests,  
2087 regardless of whether entitled to vote, ~~as of the record date~~  
2088 ~~for notice of the meeting and as of~~ (i) the date of the action  
2089 by the board of directors under Section 10A-3A-1.22(a) which  
2090 shall be the record date and (ii) the date of the occurrence  
2091 of the defective corporate action, provided that notice shall  
2092 not be required to be given to holders of valid or putative  
2093 membership interests whose identities or addresses for notice  
2094 cannot be determined from the records of the membership  
2095 nonprofit corporation. The notice must state that the purpose,  
2096 or one of the purposes, of the meeting, is to consider  
2097 ratification of a defective corporate action and must be  
2098 accompanied by (i) either a copy of the action taken by the  
2099 board of directors in accordance with Section 10A-3A-1.22(a)



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2100 or the information required by Section 10A-3A-1.22 (a) (1)  
2101 through (a) (4), and (ii) a statement that any claim that the  
2102 ratification of the defective corporate action and any  
2103 putative membership interest issued as a result of the  
2104 defective corporate action should not be effective, or should  
2105 be effective only on certain conditions, shall be brought  
2106 within 120 days from the applicable validation effective time.

2107 (c) Except as provided in subsection (d) with respect  
2108 to the voting requirements to ratify the election of a  
2109 director, the quorum and voting requirements applicable to the  
2110 approval by the members, if any, and if none, by the directors  
2111 shall be the quorum and voting requirements applicable to the  
2112 corporate action proposed to be ratified at the time of the  
2113 member or director approval.

2114 (d) The approval by members to ratify the election of a  
2115 director requires that the votes cast within the voting group  
2116 favoring the ratification exceed the votes cast opposing the  
2117 ratification of the election at a meeting at which a quorum is  
2118 present.

2119 (e) Putative membership ~~interest~~ interests on the  
2120 ~~record date for determining the members entitled to vote on~~  
2121 ~~any matter submitted to members under Section 10A-3A-1.22 (c)~~  
2122 of the action by the board of directors under Section  
2123 10A-3A-1.22 (a) (and without giving effect to any ratification  
2124 of putative membership interests that becomes effective as a  
2125 result of the vote) shall neither be entitled to vote nor  
2126 counted for quorum purposes in any vote to approve the  
2127 ratification of any defective corporate action.



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2128 (f) If the approval under this section of putative  
2129 membership interests would result in an overissue, in addition  
2130 to the approval required by Section 10A-3A-1.22, approval of  
2131 an amendment to the certificate of incorporation under Article  
2132 9 to increase the number of membership interests of an  
2133 authorized class or to authorize the creation of a class of  
2134 membership interests so there would be no overissue shall also  
2135 be required.

2136 (g) If the ratification of the defective corporate  
2137 action requires approval by a person or group of persons  
2138 specified in the certificate of incorporation, the directors  
2139 shall provide that person or group of persons with (i) either  
2140 a copy of the action taken by the board of directors in  
2141 accordance with Section 10A-3A-1.22(a) or the information  
2142 required by Section 10A-3A-1.22(a)(1) through (a)(4), and (ii)  
2143 a statement that any claim that the ratification of the  
2144 defective corporate action and any putative membership  
2145 interest issued as a result of the defective corporate action  
2146 should not be effective, or should be effective only on  
2147 certain conditions, shall be brought within 120 days from the  
2148 applicable validation effective time.

2149 "§10A-3A-1.26

2150 (a) If the defective corporate action ratified under  
2151 this Division B of Article 1 would have required under any  
2152 other section of this chapter a filing ~~in accordance with this~~  
2153 ~~chapter, then, regardless of whether a filing was previously~~  
2154 ~~made in respect of the defective corporate action and~~  
2155 instrument to be delivered to a filing officer for filing and



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2156 either (i) the filing instrument requires any change to give  
2157 effect to the defective corporate action in accordance with  
2158 Division B of Article 1 (including any change to the date and  
2159 time of the effectiveness of the filing instrument) or (ii) a  
2160 filing instrument under any other section of this chapter was  
2161 not previously delivered to a filing officer for filing in  
2162 respect of the defective corporate action, then, in lieu of a  
2163 filing instrument otherwise required by this chapter, the  
2164 nonprofit corporation shall file deliver a certificate of  
2165 validation to the appropriate filing officer for filing in  
2166 accordance with this section, and that certificate of  
2167 validation shall serve to amend or substitute for any other  
2168 filing instrument with respect to the defective corporate  
2169 action required by this chapter.

2170 (b) The certificate of validation must set forth:

2171 (1) the name of the nonprofit corporation;

2172 (2) the unique identifying number or other designation  
2173 as assigned by the Secretary of State;

2174 ~~(3) the defective corporate action that is the subject~~  
2175 ~~of the certificate of validation (including, in the case of~~  
2176 ~~any defective corporate action involving the issuance of~~  
2177 ~~putative membership interests, the number and type of shares~~  
2178 ~~of putative membership interests issued and the date or dates~~  
2179 ~~upon which that putative membership interest was purported to~~  
2180 ~~have been issued);~~

2181 ~~(4) the date of the defective corporate action;~~

2182 ~~(5) the nature of the failure of authorization in~~  
2183 ~~respect of the defective corporate action;~~



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2184           ~~(6)~~ (3) a statement that the defective corporate action  
2185 was ratified in accordance with Section 10A-3A-1.22, including  
2186 the date on which the board of directors ratified that  
2187 defective corporate action, and if applicable, the date on  
2188 which the members approved the ratification of that defective  
2189 corporate action, and the date on which the person or group of  
2190 persons specified in the certificate of incorporation approved  
2191 the ratification of that defective corporate action; and

2192           ~~(7)~~ (4) the information required by subsection (c).

2193           (c) The certificate of validation must also contain the  
2194 following information:

2195           ~~(1) if a filing was previously made in respect of the~~  
2196 ~~defective corporate action and no changes to that filing are~~  
2197 ~~required to give effect to the ratification of that defective~~  
2198 ~~corporate action in accordance with Section 10A-3A-1.22, the~~  
2199 ~~certificate of validation must set forth (i) the name, title,~~  
2200 ~~and filing date of the filing previously made and any~~  
2201 ~~certificate of correction to that filing, and (ii) a statement~~  
2202 ~~that a copy of the filing previously made, together with any~~  
2203 ~~certificate of correction to that filing, is attached as an~~  
2204 ~~exhibit to the certificate of validation;~~

2205           ~~(2)~~ (1) if a filing instrument was previously ~~made~~  
2206 delivered to a filing officer for filing in respect of the  
2207 defective corporate action and that filing instrument requires  
2208 any change to give effect to the ratification of that  
2209 defective corporate action in accordance with Section  
2210 10A-3A-1.22, the certificate of validation must set forth (i)  
2211 the name, title, and filing date of the filing instrument





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2212 previously~~made~~ delivered to a filing officer for filing and  
2213 any certificate of correction to that filing instrument, ~~and~~  
2214 (ii) a statement that a filing instrument containing all of  
2215 the information required to be included under the applicable  
2216 section or sections of this chapter to give effect to that  
2217 defective corporate action is attached as an exhibit to the  
2218 certificate of validation, and (iii) the date and time that  
2219 filing instrument is deemed to have become effective; or  
2220 ~~(3)~~ (2) if a filing instrument was not previously~~made~~  
2221 delivered to a filing officer for filing in respect of the  
2222 defective corporate action and the defective corporate action  
2223 ratified under Section 10A-3A-1.22 would have required a  
2224 filing instrument under any other section of this chapter, the  
2225 certificate of validation must set forth (i) a statement that  
2226 a filing instrument containing all of the information required  
2227 to be included under the applicable section or sections of  
2228 this chapter to give effect to that defective corporate action  
2229 is attached as an exhibit to the certificate of validation,  
2230 and (ii) the date and time that filing instrument is deemed to  
2231 have become effective."

2232 "§10A-3A-2.02

2233 Section 10A-1-3.05 shall not apply to this chapter.

2234 Instead:

2235 (a) The certificate of incorporation must set forth:

2236 (1) a name for the nonprofit corporation that satisfies  
2237 the requirements of Article 5 of Chapter 1;

2238 (2) the street and mailing address of the nonprofit  
2239 corporation's initial registered office, the county within



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2240 this state in which the street and mailing address is located,  
2241 and the name of the nonprofit corporation's initial registered  
2242 agent at that office as required by Article 5 of Chapter 1;

2243 (3) that the nonprofit corporation is incorporated  
2244 under this chapter;

2245 (4) the name and address of each incorporator; and

2246 (5) (i) if the nonprofit corporation will have members,  
2247 a statement to that effect; or

2248 (ii) if the nonprofit corporation will not have  
2249 members, a statement to that effect.

2250 (b) The certificate of incorporation may set forth:

2251 (1) the names and addresses of the individuals who are  
2252 to serve as the initial directors;

2253 (2) provisions not inconsistent with law regarding:

2254 (i) the purpose or purposes for which the nonprofit  
2255 corporation is organized;

2256 (ii) managing the activities and regulating the affairs  
2257 of the nonprofit corporation;

2258 (iii) defining, limiting, and regulating the powers of  
2259 the nonprofit corporation, its board of directors, and the  
2260 members;

2261 (iv) the characteristics, qualifications, rights,  
2262 limitations, and obligations attaching to each or any class of  
2263 members;

2264 (v) subject to Section 10A-3A-4.20, limiting a member's  
2265 right to inspect and copy the records of the nonprofit  
2266 corporation under Section 10A-3A-4.02 (b);

2267 (vi) the distribution of assets on dissolution;



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2268 (vii) provisions for the election, appointment, or  
2269 designation of directors;

2270 (viii) provisions granting inspection rights to a  
2271 person or group of persons under Section 10A-3A-4.07; and

2272 (ix) provisions specifying a person or group of persons  
2273 whose approval is required under Sections 10A-3A-9.30,  
2274 10A-3A-10.04, 10A-3A-11.04, 10A-3A-12.08, or 10A-3A-13.08;

2275 (3) any provision that under this chapter is permitted  
2276 to be set forth in the certificate of incorporation or  
2277 required or permitted to be set forth in the bylaws;

2278 (4) a provision eliminating or limiting the liability  
2279 of a director or officer to a nonprofit corporation or its  
2280 members for money damages for any action taken, or any failure  
2281 to take any action, as a director or officer, except liability  
2282 for (i) the amount of a financial benefit received by a  
2283 director or officer to which the director or officer is not  
2284 entitled, (ii) an intentional infliction of harm on the  
2285 nonprofit corporation or its members, (iii) in the case of a  
2286 director, a violation of Section 10A-3A-8.32, ~~or~~ (iv) an  
2287 intentional violation of criminal law ~~or~~, or (v) in the case of  
2288 an officer, any claim by or in the right of the nonprofit  
2289 corporation;

2290 (5) a provision permitting or making obligatory  
2291 indemnification of a director for liability as defined in  
2292 Section 10A-3A-8.50 to any person for any action taken, or any  
2293 failure to take any action, as a director, except liability  
2294 for (i) receipt of a financial benefit to which the director  
2295 is not entitled, (ii) an intentional infliction of harm on the



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2296 nonprofit corporation or its members, (iii) a violation of  
2297 Section 10A-3A-8.32, or (iv) an intentional violation of  
2298 criminal law;

2299 (6) a provision limiting or eliminating any duty of a  
2300 director or any other person to offer the nonprofit  
2301 corporation the right to have or participate in any, or one or  
2302 more classes or categories of, corporate opportunities, before  
2303 the pursuit or taking of the opportunity by the director or  
2304 other person; provided that the application of that provision  
2305 to an officer or a related person of that officer (i) also  
2306 requires approval of that application by the board of  
2307 directors, subsequent to the effective date of the provision,  
2308 by action of the disinterested or qualified directors taken in  
2309 compliance with the same procedures as are set forth in  
2310 Section 10A-3A-8.60, and (ii) may be limited by the  
2311 authorizing action of the board of directors; and

2312 (7) provisions required if the nonprofit corporation is  
2313 to be exempt from taxation under federal, state, or local law.

2314 (c) The certificate of incorporation need not set forth  
2315 any of the corporate powers enumerated in Sections 10A-1-2.11,  
2316 10A-1-2.12, and 10A-1-2.13.

2317 (d) Provisions of the certificate of incorporation may  
2318 be made dependent upon facts objectively ascertainable outside  
2319 the certificate of incorporation in accordance with Section  
2320 10A-3A-1.04.

2321 (e) As used in this section, "related person" means:

2322 (i) the individual's spouse; (ii) a child, stepchild,  
2323 grandchild, parent, stepparent, grandparent, sibling,



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2324 stepsibling, half sibling, aunt, uncle, niece, or nephew (or  
2325 spouse of any such person) of the individual or of the  
2326 individual's spouse; (iii) a natural person living in the same  
2327 home as the individual; (iv) an entity (other than the  
2328 nonprofit corporation or an entity controlled by the nonprofit  
2329 corporation) controlled by the individual or any person  
2330 specified above in this definition; (v) a domestic or foreign  
2331 (A) business or nonprofit corporation (other than the  
2332 nonprofit corporation or an entity controlled by the nonprofit  
2333 corporation) of which the individual is a director, (B)  
2334 unincorporated entity of which the individual is a general  
2335 partner or a member of the governing authority, or (C)  
2336 individual, trust or estate for whom or of which the  
2337 individual is a trustee, guardian, personal representative, or  
2338 like fiduciary; or (vi) a person that is, or an entity that  
2339 is, controlled by, an employer of the individual.

2340 (f) The certificate of incorporation may not contain  
2341 any provision that would impose liability on a member or a  
2342 director for the attorney's fees or expenses of the nonprofit  
2343 corporation or any other party in connection with an internal  
2344 corporate claim, as defined in Section 10A-3A-2.07(d).

2345 (g) The certificate of incorporation is a part of a  
2346 binding contract between the nonprofit corporation and (i) the  
2347 members in a membership nonprofit corporation and (ii) the  
2348 directors in a nonmembership nonprofit corporation, subject to  
2349 the provisions of this chapter.

2350 (h) For purposes of subsection (b)(4) only, unless the  
2351 certificate of incorporation otherwise provides, "officer"



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2352 means an individual appointed or elected in accordance with  
2353 Section 10A-3A-8.40 as (i) president, chief executive officer,  
2354 chief operating officer, chief financial officer, chief legal  
2355 officer, secretary, controller, treasurer, or chief accounting  
2356 officer of the nonprofit corporation and (ii) any officer of  
2357 the nonprofit corporation designated by resolution of the  
2358 board of directors as an "officer" for purposes of subsection  
2359 (b) (4). The board of directors may from time to time by  
2360 resolution determine that one or more of the officers  
2361 designated in accordance with subsection (h) (ii) shall no  
2362 longer be an "officer" for purposes of subsection (b) (4), but  
2363 no such resolution shall be effective as to any such officer,  
2364 or any act or omission of any such officer, prior to the  
2365 adoption of such resolution.

2366 (i) No provision in the certificate of incorporation  
2367 pursuant to subsection (b) (4) shall eliminate or limit the  
2368 liability of a director or officer for any act or omission  
2369 occurring prior to the date when the provision in the  
2370 certificate of incorporation becomes effective. Any amendment,  
2371 repeal, or elimination of a provision in the certificate of  
2372 incorporation pursuant to subsection (b) (4) shall not affect  
2373 its application with respect to an act or omission by a  
2374 director or officer occurring before the amendment, repeal, or  
2375 elimination unless the provision in the certificate of  
2376 incorporation provides otherwise at the time of the act or  
2377 omission."

2378 "§10A-3A-7.04

2379 (a) Unless otherwise provided in the certificate of



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2380 incorporation~~+~~, any action required or permitted by this  
2381 chapter to be taken at any meeting of the members may be taken  
2382 without a meeting, and without prior notice, if one or more  
2383 consents in writing setting forth the action so taken are  
2384 signed by the members having not less than the minimum number  
2385 of votes that would be required to authorize or take the  
2386 action at a meeting at which all members entitled to vote on  
2387 the action were present and voted. The action must be  
2388 evidenced by one or more written consents describing the  
2389 action taken, signed by the members approving the action and  
2390 delivered to the membership nonprofit corporation for filing  
2391 by the membership nonprofit corporation with the minutes or  
2392 corporate records.

2393 (b) If not otherwise fixed under Section 10A-3A-7.07  
2394 and if prior action by the board of directors is not required  
2395 respecting the action to be taken without a meeting, the  
2396 record date for determining the members entitled to take  
2397 action without a meeting shall be the first date on which a  
2398 ~~signed~~ written consent signed by a member is delivered to the  
2399 membership nonprofit corporation. If not otherwise fixed under  
2400 Section 10A-3A-7.07 and if prior action by the board of  
2401 directors is required respecting the action to be taken  
2402 without a meeting, the record date shall be the close of  
2403 business on the day the resolution of the board of directors  
2404 taking the prior action is adopted. No written consent of a  
2405 member shall be effective to take the corporate action  
2406 referred to therein unless, within 60 days of the earliest  
2407 date on which a consent is delivered to the membership



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2408 nonprofit corporation as required by this section, written  
2409 consents signed by sufficient members to take the action have  
2410 been delivered to the membership nonprofit corporation. Any  
2411 ~~person executing~~ signing a consent may provide, whether  
2412 through instruction to an agent or otherwise, that the consent  
2413 will be effective at a future time, including a time  
2414 determined upon the happening of an event, occurring not later  
2415 than 60 days after the instruction is given or the provision  
2416 is made, if evidence of the instruction or provision is  
2417 provided to the membership nonprofit corporation. ~~A~~ If a  
2418 person signs a consent when that person is not a member, then  
2419 that person's consent shall not be valid unless that person is  
2420 a member as of the record date for determining members  
2421 entitled to consent to the action. Unless a person's written  
2422 consent states that it is irrevocable, that written consent  
2423 may be revoked by that person by a writing to that effect  
2424 delivered to the membership nonprofit corporation before  
2425 unrevoked written consents sufficient in number to take the  
2426 corporate action have been delivered to the membership  
2427 nonprofit corporation.

2428 (c) A consent signed pursuant to the provisions of this  
2429 section has the effect of a vote taken at a meeting and may be  
2430 described as such in any document. Unless the certificate of  
2431 incorporation, bylaws, or a resolution of the board of  
2432 directors provides for a reasonable delay to permit tabulation  
2433 of written consents, the action taken by written consent shall  
2434 be effective when written consents signed by sufficient  
2435 members to take the action have been delivered to the





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2436 membership nonprofit corporation.

2437 (d) If action is taken by less than unanimous written  
2438 consent of the voting members, the membership nonprofit  
2439 corporation shall give its nonconsenting voting members  
2440 written notice of the action not more than 10 days after (i)  
2441 written consents sufficient to take the action have been  
2442 delivered to the membership nonprofit corporation or (ii) any  
2443 later date that tabulation of consents is completed pursuant  
2444 to an authorization under subsection (c). The notice must  
2445 reasonably describe the action taken.

2446 (e) The notice requirements in subsection (d) shall not  
2447 delay the effectiveness of actions taken by written consent,  
2448 and a failure to comply with those notice requirements shall  
2449 not invalidate actions taken by written consent, provided that  
2450 this subsection shall not be deemed to limit judicial power to  
2451 fashion any appropriate remedy in favor of a member adversely  
2452 affected by a failure to give the notice within the required  
2453 time period.

2454 "§10A-3A-7.05

2455 (a) A membership nonprofit corporation shall notify  
2456 members of the place, if any, date, and time of each annual,  
2457 regular, or special meeting of the members no fewer than 10  
2458 nor more than 60 days before the meeting date. If the board of  
2459 directors has authorized participation by means of remote  
2460 communication pursuant to Section 10A-3A-7.09 for any class of  
2461 members or voting group, the notice to that class of members  
2462 or voting group must describe the means of remote  
2463 communication to be used. The notice must include the record



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2464 date for determining the members entitled to vote at the  
2465 meeting, if that date is different from the record date for  
2466 determining members entitled to notice of the meeting. Unless  
2467 the certificate of incorporation requires otherwise, the  
2468 membership nonprofit corporation is required to give notice  
2469 only to members entitled to vote at the meeting as of the  
2470 record date for determining the members entitled to notice of  
2471 the meeting.

2472 (b) Unless this chapter, the certificate of  
2473 incorporation, or the bylaws require otherwise, notice of an  
2474 annual or regular meeting of the members need not include a  
2475 description of the purpose or purposes for which the meeting  
2476 is called.

2477 (c) Notice of a special meeting of members must include  
2478 a description of the purpose or purposes for which the meeting  
2479 is called.

2480 (d) If not otherwise fixed under Section 10A-3A-7.03 or  
2481 Section 10A-3A-7.07, the record date for determining members  
2482 entitled to notice of and to vote at an annual, regular, or  
2483 special meeting of the members is the earlier of (i) the date  
2484 of the action by the board of directors calling the meeting of  
2485 the members or (ii) the day before the first notice is  
2486 delivered to members.

2487 (e) Unless the certificate of incorporation or bylaws  
2488 require otherwise, if an annual, regular, or special meeting  
2489 of the members is adjourned to a different place, if any,  
2490 date, or time (including an adjournment taken to address a  
2491 technical failure to convene or continue a meeting using



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2492 remote communication pursuant to Section 10A-3A-7.09), notice  
2493 need not be given of the new place, if any, date, or time if  
2494 the new place, if any, date, or time is (i) announced at the  
2495 meeting before adjournment or (ii) displayed, during the time  
2496 scheduled for the meeting, on the same electronic network used  
2497 to enable members and proxy holders to participate in the  
2498 meeting by means of remote communication. If a new record date  
2499 for the adjourned meeting is or must be fixed under Section  
2500 10A-3A-7.07, however, notice of the adjourned meeting shall be  
2501 given under this section to members entitled to vote at the  
2502 adjourned meeting as of the record date fixed for notice of  
2503 the adjourned meeting.

2504 "§10A-3A-9.05

2505 Except as otherwise provided in the certificate of  
2506 incorporation:

2507 (1) the board of directors of a nonmembership nonprofit  
2508 corporation, or if the initial board of directors of a  
2509 nonmembership nonprofit corporation is not named in the  
2510 certificate of incorporation and has not yet been elected,  
2511 appointed, or designated, its incorporators, may adopt  
2512 amendments to the nonmembership nonprofit corporation's  
2513 certificate of incorporation; and

2514 (2) ~~an amendment adopted by the board of directors~~  
2515 under this section must also be approved by that person or  
2516 group of persons, if any, whose approval is required by the  
2517 certificate of incorporation in accordance with Section  
2518 10A-3A-9.30.

2519 "§10A-3A-9.07



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2520           (a) (1) A membership nonprofit corporation's board of  
2521 directors may restate its certificate of incorporation at any  
2522 time, ~~without member~~ the approval of the members or any person  
2523 or group of persons specified in the certificate of  
2524 incorporation, to consolidate all amendments into a single  
2525 document. Unless the certificate of incorporation of a  
2526 membership nonprofit corporation provides otherwise, the  
2527 restated certificate of incorporation may amend the  
2528 certificate of incorporation with those amendments that the  
2529 board of directors is permitted to adopt in accordance with  
2530 Sections 10A-3A-9.02 and 10A-3A-9.03(g) without the approval  
2531 of the members or any person or group of persons specified in  
2532 the certificate of incorporation. Unless the certificate of  
2533 incorporation of a membership nonprofit corporation provides  
2534 otherwise, the restated certificate of incorporation of a  
2535 membership nonprofit corporation may also amend the  
2536 certificate of incorporation with those amendments that the  
2537 member or any person or group of persons specified in the  
2538 certificate of incorporation must approve in accordance with  
2539 Sections 10A-3A-9.02, 10A-3A-9.03, 10A-3A-9.04, and  
2540 10A-3A-9.30.

2541           (2) A nonmembership nonprofit corporation's board of  
2542 directors may restate its certificate of incorporation at any  
2543 time without the approval of any person or group of persons  
2544 specified in the certificate of incorporation to consolidate  
2545 all amendments into a single document. Unless the certificate  
2546 of incorporation of a nonmembership nonprofit corporation  
2547 provides otherwise, the restated certificate of incorporation



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2548 may amend the certificate of incorporation with those  
2549 amendments that the board of directors is permitted to adopt  
2550 in accordance with Section 10A-3A-9.05 without the approval of  
2551 any person or group of persons specified in the certificate of  
2552 incorporation. Unless the certificate of incorporation of a  
2553 nonmembership nonprofit corporation provides otherwise, the  
2554 restated certificate of incorporation of a nonmembership  
2555 nonprofit corporation may also amend the certificate of  
2556 incorporation with those amendments that any person or group  
2557 of persons specified in the certificate of incorporation must  
2558 approve in accordance with Sections 10A-3A-9.02, 10A-3A-9.05,  
2559 and 10A-3A-9.30.

2560 (b) If the restated certificate of incorporation  
2561 includes one or more new amendments, the amendments must be  
2562 adopted and approved as provided in (i) Section 10A-3A-9.02,  
2563 (ii) Sections 10A-3A-9.03 and 10A-3A-9.04, or ~~(ii)~~ (iii)  
2564 Section 10A-3A-9.05.

2565 (c) A nonprofit corporation that restates its  
2566 certificate of incorporation shall deliver to the Secretary of  
2567 State for filing a certificate of restatement setting forth:

2568 (1) the name of the nonprofit corporation;

2569 (2) the text of the restated certificate of  
2570 incorporation;

2571 (3) a statement that the restated certificate of  
2572 incorporation consolidates all amendments into a single  
2573 document;

2574 (4) if a new amendment is included in the restated  
2575 certificate of incorporation, the statements required under



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2576 Section 10A-3A-9.06 with respect to the new amendment; and  
2577 (5) the unique identifying number or other designation  
2578 as assigned by the Secretary of State.

2579 (d) The duly adopted restated certificate of  
2580 incorporation supersedes the original certificate of  
2581 incorporation and all amendments to the certificate of  
2582 incorporation.

2583 (e) Unless the certificate of incorporation provides  
2584 otherwise, a restated certificate of incorporation may omit  
2585 the information that may be deleted pursuant to Section  
2586 10A-3A-9.03(g)."

2587 "§10A-3A-10.01

2588 In a membership nonprofit corporation, ~~no~~:

2589 (a) No approval of the members or any person or group  
2590 of persons specified in the certificate of incorporation is  
2591 required, unless the certificate of incorporation otherwise  
2592 provides:

2593 ~~(a)~~ (1) to sell, lease, exchange, or otherwise dispose  
2594 of any or all of the membership nonprofit corporation's assets  
2595 in the usual and regular course of the membership nonprofit  
2596 corporation's activities;

2597 ~~(b)~~ (2) to mortgage, pledge, dedicate to the repayment  
2598 of indebtedness (whether with or without recourse), or  
2599 otherwise encumber any or all of the membership nonprofit  
2600 corporation's assets, regardless of whether in the usual and  
2601 regular course of its activities; or

2602 ~~(c)~~ (3) to transfer any or all of the membership  
2603 nonprofit corporation's assets to one or more corporations or



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2604 other entities all of the memberships or interests of which  
2605 are owned by the membership nonprofit corporation.

2606 (b) Unless the certificate of incorporation otherwise  
2607 provides, without limiting the rights of a secured party under  
2608 applicable law, no approval by members or any person or group  
2609 of persons specified in the certificate of incorporation shall  
2610 be required by Section 10A-3A-10.02 for a sale, lease,  
2611 exchange, or other disposition of any of the membership  
2612 nonprofit corporation's assets if those assets are mortgaged,  
2613 pledged, dedicated to the repayment of indebtedness, or  
2614 otherwise encumbered for the benefit of a secured party or  
2615 other creditor and either:

2616 (1) The secured party or other creditor exercises its  
2617 rights under the law governing the mortgage, pledge,  
2618 dedication, or encumbrance, or other applicable law, whether  
2619 under the Uniform Commercial Code, a real property law, or  
2620 other law, to effect the sale, lease, exchange, or other  
2621 disposition of those assets without the consent of the  
2622 corporation; or

2623 (2) In lieu of the secured party or other creditor  
2624 exercising such rights, the board of directors of the  
2625 membership nonprofit corporation authorizes an alternative  
2626 sale, lease, exchange, or other disposition of those assets,  
2627 whether with the secured party or other creditor, that results  
2628 in the reduction or elimination of the total liabilities or  
2629 obligations secured by those assets, provided that (i) the  
2630 value of those assets is less than or equal to the total  
2631 amount of the liabilities or obligations being eliminated or



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2632 reduced and (ii) the sale, lease, exchange, or other  
2633 disposition of those assets is not prohibited by the law  
2634 governing the mortgage, pledge, dedication, or encumbrance.  
2635 The provision of consideration to the membership nonprofit  
2636 corporation shall not create a presumption that the value of  
2637 the assets is greater than the total amount of the liabilities  
2638 or obligations being eliminated or reduced.

2639 (c) A failure to satisfy the condition in subsection  
2640 (b) (2) (i) shall not result in the invalidation of a sale,  
2641 lease, exchange, or other disposition of the membership  
2642 nonprofit corporation's assets if the transferee of those  
2643 assets (i) provided value therefor (which may include the  
2644 reduction or elimination of the total liabilities or  
2645 obligations secured by those assets) and (ii) acted in good  
2646 faith (as defined in Section 7-1-201(b)). The preceding  
2647 sentence shall not apply to a proceeding against the  
2648 membership nonprofit corporation and any other necessary  
2649 parties to enjoin the sale, lease, exchange, or other  
2650 disposition of the membership nonprofit corporation's assets  
2651 before the consummation thereof and shall not eliminate any  
2652 liability for monetary damages for any claim, including a  
2653 claim in the right of the membership nonprofit corporation,  
2654 based upon a violation of a duty by a current or former  
2655 director or officer, or other person.

2656 (d) A provision of the certificate of incorporation  
2657 that requires the authorization or consent of members or any  
2658 person or group of persons specified in the certificate of  
2659 incorporation for a sale, lease, exchange, or other





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2660 disposition of the membership nonprofit corporation's assets  
2661 shall not apply to a transaction permitted by subsection (b)  
2662 unless that provision expressly so requires.

2663 "§10A-3A-10.03

2664 ~~Except as otherwise provided in~~In a nonmembership  
2665 nonprofit corporation:

2666 (a) Unless the certificate of incorporation otherwise  
2667 provides:

2668 (1) a sale, lease, exchange, mortgage, pledge, or other  
2669 disposition of all, or substantially all, the property and  
2670 assets of the nonmembership nonprofit corporation may be  
2671 approved by the board of directors; and

2672 (2) a sale, lease, exchange, mortgage, pledge, or other  
2673 disposition of all, or substantially all, of the property and  
2674 assets of the nonmembership nonprofit corporation approved by  
2675 the board of directors under this section must also be  
2676 approved by that person or group of persons whose approval is  
2677 required by the certificate of incorporation in accordance  
2678 with Section 10A-3A-10.04.

2679 (b) Unless the certificate of incorporation otherwise  
2680 provides, without limiting the rights of a secured party under  
2681 applicable law, no approval by any person or group of persons  
2682 specified in the certificate of incorporation shall be  
2683 required by this section for a sale, lease, exchange, or other  
2684 disposition of any of the nonmembership nonprofit  
2685 corporation's assets if those assets are mortgaged, pledged,  
2686 dedicated to the repayment of indebtedness, or otherwise  
2687 encumbered for the benefit of a secured party or other



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2688 creditor and either:

2689 (1) The secured party or other creditor exercises its  
2690 rights under the law governing the mortgage, pledge,  
2691 dedication, or encumbrance, or other applicable law, whether  
2692 under the Uniform Commercial Code, a real property law, or  
2693 other law, to effect the sale, lease, exchange, or other  
2694 disposition of those assets without the consent of the  
2695 nonmembership nonprofit corporation; or

2696 (2) In lieu of the secured party or other creditor  
2697 exercising such rights, the board of directors of the  
2698 nonmembership nonprofit corporation authorizes an alternative  
2699 sale, lease, exchange, or other disposition of those assets,  
2700 whether with the secured party or other creditor, that results  
2701 in the reduction or elimination of the total liabilities or  
2702 obligations secured by those assets, provided that (i) the  
2703 value of those assets is less than or equal to the total  
2704 amount of the liabilities or obligations being eliminated or  
2705 reduced and (ii) the sale, lease, exchange, or other  
2706 disposition of those assets is not prohibited by the law  
2707 governing the mortgage, pledge, dedication, or encumbrance.  
2708 The provision of consideration to the nonmembership nonprofit  
2709 corporation shall not create a presumption that the value of  
2710 the assets is greater than the total amount of the liabilities  
2711 or obligations being eliminated or reduced.

2712 (c) A failure to satisfy the condition in subsection  
2713 (b) (2) (i) shall not result in the invalidation of a sale,  
2714 lease, exchange, or other disposition of the nonmembership  
2715 nonprofit corporation's assets if the transferee of those



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2716 assets (i) provided value therefor (which may include the  
2717 reduction or elimination of the total liabilities or  
2718 obligations secured by those assets) and (ii) acted in good  
2719 faith (as defined in Section 7-1-201(b)). The preceding  
2720 sentence shall not apply to a proceeding against the  
2721 nonmembership nonprofit corporation and any other necessary  
2722 parties to enjoin the sale, lease, exchange, or other  
2723 disposition of the nonmembership nonprofit corporation's  
2724 assets before the consummation thereof and shall not eliminate  
2725 any liability for monetary damages for any claim, including a  
2726 claim in the right of the nonmembership nonprofit corporation,  
2727 based upon a violation of a duty by a current or former  
2728 director or officer, or other person.

2729 (d) A provision of the certificate of incorporation  
2730 that requires the authorization or consent of any person or  
2731 group of persons specified in the certificate of incorporation  
2732 for a sale, lease, exchange, or other disposition of the  
2733 nonmembership nonprofit corporation's assets shall not apply  
2734 to a transaction permitted by subsection (b) unless that  
2735 provision expressly so requires.

2736 "§10A-3A-10.04

2737 (a) The certificate of incorporation of a membership  
2738 nonprofit corporation may require that a disposition of assets  
2739 under either or both Section 10A-3A-10.01 and Section  
2740 10A-3A-10.02 be approved in writing by a specified person or  
2741 group of persons in addition to the board of directors and  
2742 members.

2743 (b) The certificate of incorporation of a nonmembership



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2744 nonprofit corporation may require that a disposition of assets  
2745 under Section 10A-3A-10.03 be approved in writing by a  
2746 specified person or group of persons in addition to the board  
2747 of directors.

2748 (c) A requirement in the certificate of incorporation  
2749 described in subsection (a) or (b) may only be approved by the  
2750 written approval of the specified person or group of persons."

2751 "§10A-3A-11.07

2752 (a) A dissolved nonprofit corporation continues its  
2753 existence as a nonprofit corporation but may not carry on any  
2754 activity except as is appropriate to wind up and liquidate its  
2755 activities and affairs, including:

2756 (1) collecting its assets;

2757 (2) disposing of its properties that will not be  
2758 distributed in kind;

2759 (3) discharging or making provisions for discharging  
2760 its liabilities;

2761 (4) distributing its remaining property as required by  
2762 law, its certificate of incorporation, bylaws, and as approved  
2763 when the dissolution was authorized; and

2764 (5) doing every other act necessary to wind up and  
2765 liquidate its activities and affairs.

2766 (b) In winding up its activities and affairs, a  
2767 dissolved nonprofit corporation may:

2768 (1) preserve the nonprofit corporation's activities and  
2769 affairs and property as a going concern for a reasonable time;

2770 (2) prosecute, defend, or settle actions or proceedings  
2771 whether civil, criminal, or administrative;



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2772 (3) transfer the nonprofit corporation's assets;  
2773 (4) resolve disputes by mediation or arbitration; and  
2774 (5) merge or convert in accordance with Article 12 or  
2775 13 of this chapter or Article 8 of Chapter 1.  
2776 (c) Dissolution of a nonprofit corporation does not:  
2777 (1) transfer title to the nonprofit corporation's  
2778 property;  
2779 (2) subject its directors or officers to standards of  
2780 conduct different from those prescribed in Article 8 of this  
2781 chapter;  
2782 (3) change:  
2783 (i) quorum or voting requirements for its board of  
2784 directors or members;  
2785 (ii) provisions for selection, resignation, or removal  
2786 of its directors or officers or both; or  
2787 (iii) provisions for amending its bylaws;  
2788 (4) prevent commencement of a proceeding by or against  
2789 the nonprofit corporation in its corporate name;  
2790 (5) abate or suspend a proceeding pending by or against  
2791 the nonprofit corporation on the effective date of  
2792 dissolution; or  
2793 (6) terminate the authority of the registered agent of  
2794 the nonprofit corporation.  
2795 (d) A distribution in liquidation under this section  
2796 may only be made by a dissolved nonprofit corporation.  
2797 "§10A-4-1.03  
2798 As used in this chapter, unless the context otherwise  
2799 requires, the term:



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2800 (1) DISQUALIFIED PERSON. Any person who is not a  
2801 qualified person.

2802 (2) DOMESTIC PROFESSIONAL CORPORATION. A business  
2803 professional corporation ~~for profit~~ or nonprofit professional  
2804 corporation organized pursuant to ~~the provisions of this~~  
2805 chapter.

2806 (3) FOREIGN PROFESSIONAL CORPORATION. A corporation or  
2807 unincorporated association, for profit or nonprofit, organized  
2808 for the purpose of rendering professional services under a law  
2809 other than the law of ~~Alabama~~ this state.

2810 (4) LICENSING AUTHORITY. As defined in Section  
2811 ~~10A-1-1.03(49)~~ 10A-1-1.03.

2812 (5) PROFESSIONAL SERVICE. As defined in Section  
2813 ~~10A-1-1.03(80)~~ 10A-1-1.03.

2814 (6) QUALIFIED PERSON. With respect to any domestic  
2815 professional corporation:

2816 a. An individual who is authorized by law of ~~Alabama~~  
2817 this state or of any qualified state to render a professional  
2818 service permitted by the certificate of ~~formation~~  
2819 incorporation of the professional corporation;

2820 b. A general partnership in which all the partners are  
2821 qualified persons with respect to the professional  
2822 corporation; and

2823 c. A professional corporation, domestic or foreign, in  
2824 which all the ~~shareholders~~ stockholders are qualified persons  
2825 with respect to the professional corporation.

2826 d. A limited liability company in which all the members  
2827 are qualified persons with respect to the professional



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2828 corporation.

2829 "Qualified person" does not include any person during  
2830 any period in which the person's authorization to render  
2831 professional services has been completely terminated or  
2832 suspended.

2833 (7) QUALIFIED STATE. Any state, other than ~~Alabama~~ this  
2834 state, or territory of the United States or the District of  
2835 Columbia which allows individuals authorized to render  
2836 professional services in ~~Alabama~~ this state and not in the  
2837 other state, or partnerships of the individuals, or domestic  
2838 professional corporations or professional associations owned  
2839 by the individuals to own ~~shares of~~ stock in professional  
2840 corporations or to be members of professional associations  
2841 organized under its laws."

2842 "§10A-4-2.01

2843 ~~Domestic~~ A domestic professional ~~corporations~~  
2844 corporation may be organized under this chapter ~~only for the~~  
2845 ~~purpose of rendering professional services and services~~  
2846 ~~ancillary thereto within a single profession, except that the~~  
2847 ~~same professional corporation or nonprofit professional~~  
2848 ~~corporation may render medical, dental, and other health~~  
2849 ~~related services~~ for the purpose of, and shall have the power  
2850 to render, professional services if the domestic professional  
2851 corporation complies with the rules of the licensing authority  
2852 for such profession; provided that in the case of a  
2853 professional corporation, at least one ~~shareholder~~ stockholder  
2854 of the professional corporation is duly licensed to provide  
2855 each professional service for which the professional



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2856 corporation is organized, or, in the case of a nonprofit  
2857 professional corporation, all of the professional services  
2858 rendered by the professional corporation are rendered by  
2859 persons duly licensed to render the professional service."

2860 "§10A-4-2.02

2861 (a) Any corporation whose certificate of ~~formation~~  
2862 incorporation includes as a stated purpose the performance of  
2863 professional services may be incorporated under this chapter  
2864 by stating in its certificate of ~~formation~~ incorporation that  
2865 it is incorporated under this chapter.

2866 (b) A domestic professional ~~business~~ corporation, ~~other~~  
2867 ~~than~~ that is not a nonprofit professional corporation, ~~which~~  
2868 ~~is subject to this chapter~~ shall cease being governed by this  
2869 chapter and shall be governed by the Alabama Business  
2870 Corporation Law, ~~if it is a domestic corporation,~~ if it amends  
2871 its certificate of ~~formation~~ incorporation to delete the  
2872 statement that it is organized under this chapter, and  
2873 conforms its ~~articles~~ certificate of incorporation to the  
2874 Alabama Business Corporation Law ~~and, if it is a foreign~~  
2875 ~~corporation, complies with the provisions of this title~~  
2876 ~~applicable to foreign entities.~~ A domestic nonprofit  
2877 professional corporation ~~which is subject to this chapter~~  
2878 shall cease being governed by this chapter and shall be  
2879 governed by the Alabama Nonprofit Corporation Law, ~~if it is a~~  
2880 ~~domestic corporation,~~ if it amends its certificate of  
2881 ~~formation~~ incorporation to delete the statement that it is  
2882 organized under this chapter, and conforms its certificate of  
2883 incorporation to the Alabama Nonprofit Corporation Law ~~and, if~~





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2884 ~~it is a foreign corporation, complies with the provisions of~~  
2885 ~~this title applicable to foreign entities.~~

2886 (c) Any corporation which is not subject to this  
2887 chapter may become subject to this chapter, if it is a  
2888 domestic corporation, by conforming its ~~articles~~ certificate  
2889 of incorporation to this chapter.

2890 (d) Any foreign professional corporation which renders  
2891 professional services in ~~Alabama~~ this state shall be subject  
2892 to this chapter."

2893 "§10A-4-2.03

2894 (a) Subject to Section 10A-4-5.07, a domestic  
2895 professional corporation, including a professional corporation  
2896 that is a nonprofit corporation, shall have all the powers  
2897 necessary or convenient to effectuate its purposes, including  
2898 those enumerated in Sections 10A-1-2.11, 10A-1-2.12, and  
2899 10A-1-2.13.

2900 (b) A domestic professional corporation shall not  
2901 engage in any profession other than the profession or  
2902 professions permitted by its certificate of ~~formation~~  
2903 incorporation, except that a domestic professional corporation  
2904 may invest its funds in real estate, mortgages, stocks, bonds,  
2905 or any other type investment."

2906 "§10A-4-2.04

2907 A professional corporation, domestic or foreign, may  
2908 render professional services in ~~Alabama~~ this state only  
2909 through individuals permitted to render the services in  
2910 ~~Alabama~~ this state; but nothing in this chapter shall be  
2911 construed to require that any individual who is employed by a



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2912 professional corporation be licensed to perform services for  
2913 which no license is otherwise required or to prohibit the  
2914 rendering of professional services by a licensed individual  
2915 acting in ~~his or her~~ that person's individual capacity,  
2916 notwithstanding the individual may be a ~~shareholder~~  
2917 stockholder, member, director, officer, employee, or agent of  
2918 a professional corporation, domestic or foreign."

2919 "§10A-4-3.01

2920 (a) A domestic professional corporation may issue  
2921 ~~shares, fractional shares~~ stock, fractions of a share of  
2922 stock, and rights or options to purchase ~~shares~~ stock only to  
2923 qualified persons.

2924 (b) Where deemed necessary by the licensing authority  
2925 for any profession in order to prevent violations of the  
2926 ethical standards of the profession, the licensing authority  
2927 may, within its rule-making power, by rule further restrict,  
2928 condition, or abridge the authority of domestic professional  
2929 corporations to issue ~~shares~~ stock, but no rule shall, of  
2930 itself, have the effect of causing a ~~shareholder~~ stockholder  
2931 of a professional corporation at the time the rule becomes  
2932 effective to become a disqualified person unless and to the  
2933 extent specified by the licensing authority.

2934 (c) A ~~shareholder~~ stockholder of a domestic  
2935 professional corporation may transfer or pledge ~~shares,~~  
2936 ~~fractional shares~~ stock, fractions of a share of stock, and  
2937 rights or options to purchase ~~shares~~ stock of the professional  
2938 corporation only to qualified persons.

2939 (d) Any issuance or transfer of ~~shares~~ stock in



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2940 violation of this section shall be void, however, nothing  
2941 contained herein shall prohibit the transfer of ~~shares~~ stock  
2942 of a domestic professional corporation by operation of law or  
2943 court decree.

2944 (e) Nothing in this section shall require domestic  
2945 nonprofit professional corporations to issue ~~shares~~ stock. ~~The~~  
2946 Domestic nonprofit professional corporations may have members  
2947 and all members must be qualified persons. A licensing  
2948 authority may, within its rule-making power, by rule further  
2949 restrict, condition, or abridge membership in domestic  
2950 nonprofit corporations, but no rule shall, of itself, have the  
2951 effect of causing a member of a domestic nonprofit  
2952 professional corporation at the time the rule becomes  
2953 effective to become a disqualified person unless and to the  
2954 extent specified by the licensing authority."

2955 "§10A-4-3.02

2956 (a) Upon the death of a ~~shareholder~~ stockholder of a  
2957 domestic professional corporation, or if a ~~shareholder~~  
2958 stockholder of a domestic professional corporation becomes a  
2959 disqualified person, or if ~~shares~~ stock of a domestic  
2960 professional corporation ~~are~~ is transferred by operation of  
2961 law or court decree to a disqualified person, the ~~shares of~~  
2962 stock owned by the deceased ~~shareholder~~ stockholder or ~~of~~ the  
2963 disqualified person may be transferred to a qualified person  
2964 and, if not so transferred, shall be purchased or redeemed by  
2965 the domestic professional corporation to the extent of funds  
2966 which may be legally made available for the purchase.

2967 (b) If the price for the ~~shares~~ stock is not fixed by



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2968 the governing documents of the domestic professional  
2969 corporation or by private agreement, the domestic professional  
2970 corporation, within six months after the death or 30 days  
2971 after the disqualification or transfer, as the case may be,  
2972 shall make a written offer to pay for the ~~shares~~ stock at a  
2973 specified price deemed by the domestic professional  
2974 corporation to be the fair value thereof as of the date of the  
2975 death, disqualification, or transfer. The offer shall be given  
2976 to the executor or administrator of the estate of a deceased  
2977 ~~shareholder~~ stockholder or to the disqualified ~~shareholder~~  
2978 person or transferee and shall be accompanied by a balance  
2979 sheet of the domestic professional corporation, as of the  
2980 latest available date and not more than 12 months prior to the  
2981 making of the offer, and a profit and loss statement of the  
2982 domestic professional corporation for the 12 months' period  
2983 ended on the date of the balance sheet.

2984 (c) If within 30 days after the date of the written  
2985 offer from the domestic professional corporation the fair  
2986 value of the ~~shares~~ stock is agreed upon between the  
2987 disqualified person and the domestic professional corporation,  
2988 payment therefor shall be made within 90 days, or other period  
2989 as the parties may fix by agreement, after the date of the  
2990 offer, upon surrender of the certificate or certificates  
2991 representing the ~~shares~~ stock. Upon payment of the agreed  
2992 value the disqualified persons shall cease to have any  
2993 interest in the ~~shares~~ stock.

2994 (d) If within 30 days from the date of the written  
2995 offer from the domestic professional corporation, the



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2996 disqualified person and the domestic professional corporation  
2997 do not so agree, then either party may commence a civil action  
2998 in the designated court, and if none, in the circuit court for  
2999 the county in which the domestic professional corporation's  
3000 principal office is located in this state, and if none in this  
3001 state, in the circuit court for the county in which the  
3002 domestic professional corporation's most recent registered  
3003 office is located requesting that the fair value of the ~~shares~~  
3004 stock be found and determined. The disqualified person,  
3005 wherever residing, shall be made a party to the proceeding as  
3006 an action against ~~his or her shares~~ the disqualified person's  
3007 stock quasi in rem. Service shall be made in accordance with  
3008 the rules of civil procedure. The disqualified person shall be  
3009 entitled to judgment against the domestic professional  
3010 corporation for the amount of the fair value of ~~his or her~~  
3011 ~~shares~~ the disqualified person's stock as of the date of  
3012 death, disqualification, or transfer upon surrender to the  
3013 domestic professional corporation of the certificate or  
3014 certificates representing the ~~shares~~ stock. The court may, in  
3015 its discretion, order that the judgment be paid in  
3016 installments and with interest and on terms as the court may  
3017 determine. The court may, if it so elects, appoint one or more  
3018 persons as appraisers to receive evidence and recommend a  
3019 decision on the question of fair value. The appraisers shall  
3020 have the power and authority as shall be specified in the  
3021 order of their appointment or an amendment thereof.

3022 (e) The judgment shall include an allowance for  
3023 interest at the rate the court finds to be fair and equitable



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3024 in all the circumstances, from the date of death,  
3025 disqualification, or transfer.

3026 (f) The costs and expenses of any proceeding shall be  
3027 determined by the court and shall be assessed against the  
3028 domestic professional corporation, but all or any part of the  
3029 costs and expenses may be apportioned and assessed as the  
3030 court may deem equitable against the disqualified person if  
3031 the court shall find that the action of the disqualified  
3032 person in failing to accept the offer was arbitrary or  
3033 vexatious or not in good faith. The expenses shall include  
3034 reasonable compensation for and reasonable expenses of the  
3035 appraisers and a reasonable attorney's fee but shall exclude  
3036 the fees and expenses of counsel for and of experts employed  
3037 by any party; but if the fair value of the ~~shares~~ stock as  
3038 determined materially exceeds the amount which the domestic  
3039 professional corporation offered to pay therefor, or if no  
3040 offer was made, the court in its discretion may award to the  
3041 disqualified person the sum the court determines to be  
3042 reasonable compensation to any expert or experts employed by  
3043 the disqualified person in the proceeding.

3044 (g) If a purchase, redemption, or transfer of the  
3045 ~~shares~~ stock of a deceased stockholder or disqualified  
3046 ~~shareholder~~ person or of a transferee who is a disqualified  
3047 person is not completed within 12 months after the death of  
3048 the deceased ~~shareholder~~ stockholder or 12 months after the  
3049 disqualification or transfer, as the case may be, the domestic  
3050 professional corporation shall forthwith cancel the ~~shares~~  
3051 stock on its books and the disqualified person shall have no



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3052 further interest as a ~~shareholder~~ stockholder in the domestic  
3053 professional corporation other than ~~his or her~~ the  
3054 disqualified person's right to payment for the ~~shares~~ stock  
3055 under this section.

3056 (h) ~~Shares acquired by a domestic professional~~  
3057 ~~corporation pursuant to payment of the agreed value therefor~~  
3058 ~~or to payment of the judgment entered therefor, as in this~~  
3059 ~~section provided, may be held, cancelled, or disposed of by~~  
3060 ~~the domestic professional corporation as in the case of other~~  
3061 ~~treasury shares.~~ (1) A professional corporation may acquire its  
3062 own stock, and, the stock so acquired shall constitute  
3063 authorized but unissued stock, provided however:

3064 (A) the certificate of incorporation may provide that  
3065 the acquired stock shall constitute authorized, issued, but  
3066 not outstanding stock;

3067 (B) the certificate of incorporation may prohibit the  
3068 reissue of the acquired stock, in which case, the number of  
3069 authorized shares of stock is reduced by the number of shares  
3070 of stock acquired; or

3071 (C) if the certificate incorporation does not (i)  
3072 provide that the acquired stock shall constitute authorized  
3073 but unissued stock, (ii) prohibit the reissuance of the  
3074 acquired stock, or (iii) provide that the acquired stock shall  
3075 constitute authorized, issued, but not outstanding stock, then  
3076 the board of directors may determine, at or prior to the time  
3077 of the acquisition, that the acquired stock will constitute  
3078 authorized, issued, but not outstanding stock.

3079 (2) If the board of directors determines that any



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3080 acquired stock was to be authorized, issued, but not  
3081 outstanding in accordance with subsection (h) (1) (C), then the  
3082 board of directors may thereafter determine that the acquired  
3083 stock shall be converted to stock that is authorized but not  
3084 issued.

3085 (i) This section shall not be deemed to require the  
3086 purchase of ~~shares~~ stock of a disqualified person where the  
3087 period of the disqualification is for less than 12 months from  
3088 the date of disqualification or transfer.

3089 (j) Any provision regarding purchase, redemption, or  
3090 transfer of ~~shares~~ stock of a domestic professional  
3091 corporation contained in the certificate of ~~formation~~  
3092 incorporation, bylaws, or any private agreement shall be  
3093 specifically enforceable in the courts of ~~Alabama~~ this state.

3094 (k) Nothing herein contained shall prevent or relieve a  
3095 domestic professional corporation from paying pension benefits  
3096 or other deferred compensation for services rendered to or on  
3097 behalf of a former ~~shareholder~~ stockholder as otherwise  
3098 permitted by law.

3099 (l) A domestic professional corporation may purchase  
3100 its own ~~shares~~ stock from a disqualified person without regard  
3101 to the availability of capital or surplus for the purchase;  
3102 however, no purchase of or payment for the ~~shares~~ stock shall  
3103 be made at a time when the domestic professional corporation  
3104 is insolvent or when the purchase or payment would make it  
3105 insolvent.

3106 (m) The foregoing provisions of this section shall not  
3107 apply to a domestic nonprofit professional corporation. Any





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3108 member of a corporation who becomes a disqualified person must  
3109 cease being a member not more than 12 months after the date of  
3110 disqualification if he or she is then a disqualified person."

3111 "§10A-4-3.03

3112 (a) Every individual who renders professional services  
3113 as an employee of a ~~domestic or~~ professional corporation shall  
3114 be liable for any negligent or wrongful act or omission in  
3115 which ~~he or she~~ that individual personally participates to the  
3116 same extent as if ~~he or she~~ that individual rendered the  
3117 services as a sole practitioner.

3118 (b) ~~The~~ Except as otherwise provided in subsection (a),  
3119 the personal liability of a ~~shareholder~~ stockholder, employee,  
3120 director, or officer of a domestic professional corporation,  
3121 other than a domestic nonprofit professional corporation,  
3122 shall be no greater in any respect than that of a ~~shareholder~~  
3123 stockholder, employee, director, or officer of a corporation  
3124 ~~organized under~~ governed by the Alabama Business Corporation  
3125 Law.

3126 (c) ~~The~~ Except as otherwise provided in subsection (a),  
3127 the personal liability of a member, employee, director, or  
3128 officer of a domestic nonprofit professional corporation shall  
3129 be no greater in any respect than that of a member, employee,  
3130 director, or officer of a corporation ~~organized under~~ governed  
3131 by the Alabama Nonprofit Corporation Law.

3132 (d) ~~The~~ Except as otherwise provided in subsection (a),  
3133 the personal liability of a ~~shareholder~~ stockholder, member,  
3134 employee, director, or officer of a foreign professional  
3135 corporation shall be determined under the law of the



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3136 jurisdiction in which it is organized."

3137 "§10A-4-3.05

3138 A voting trust with respect to ~~shares~~ stock of a  
3139 domestic professional corporation shall not be valid unless  
3140 all the trustees and beneficiaries thereof are qualified  
3141 persons, except that a voting trust may be validly continued  
3142 for a period of 12 months after the death of a deceased  
3143 beneficiary or after a beneficiary has become a disqualified  
3144 person."

3145 "§10A-4-3.06

3146 At least one director of a domestic professional  
3147 corporation and the president of a domestic professional  
3148 corporation shall be qualified persons with respect to the  
3149 domestic professional corporation; provided, however, that the  
3150 foregoing restriction shall not apply for a period of 12  
3151 months after the death of the sole ~~shareholder~~ stockholder of  
3152 a domestic professional corporation."

3153 "§10A-4-4.01

3154 Administrators, executors, guardians, conservators, or  
3155 receivers of the estates of ~~shareholders~~ stockholders of a  
3156 domestic professional corporation who hold all of the  
3157 outstanding ~~shares~~ stock of the domestic professional  
3158 corporation may amend the certificate of ~~formation~~  
3159 incorporation by signing a written consent to the certificate  
3160 of amendment and delivering the certificate of amendment for  
3161 filing to the Secretary of State. The certificate of amendment  
3162 shall set forth, in addition to the information required to be  
3163 included in the certificate of amendment by the Alabama



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3164 Business Corporation Law, a statement that the administrators,  
3165 executors, guardians, conservators, or receivers own all the  
3166 outstanding ~~shares~~ stock."

3167 "§10A-4-4.02

3168 (a) A domestic professional corporation may convert to  
3169 or merge with another corporation, professional corporation,  
3170 or another type of entity, domestic or foreign, if permitted  
3171 under the Alabama Business Corporation Law, the Alabama  
3172 Nonprofit Corporation Law, or ~~may merge with or convert to~~  
3173 ~~another type of entity as permitted by~~ Article 8 of Chapter 1.  
3174 Upon the merger, ~~consolidation~~, or conversion, if the  
3175 surviving or new corporation or converted entity, as the case  
3176 may be, is to render professional services in ~~Alabama~~ this  
3177 state, it shall comply with ~~the provisions of~~ this chapter.

3178 (b) An unincorporated professional association  
3179 organized under Article 1 of Chapter 30 may merge ~~or~~  
3180 ~~consolidate~~ with a domestic professional corporation ~~organized~~  
3181 ~~under this chapter~~. In the merger, the unincorporated  
3182 professional association shall follow the procedure specified  
3183 in the Alabama Business Corporation Law ~~shall apply~~, provided  
3184 that:

3185 (1) The surviving corporation shall be a domestic  
3186 professional corporation,

3187 (2) The following terms, when used in the Alabama  
3188 Business Corporation Law to refer to an unincorporated  
3189 professional association, shall have the following meanings:

3190 a. ~~"Board of directors" shall mean~~ BOARD OF DIRECTORS  
3191 means "board of governors,".



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3192           b. ~~"Corporation" shall mean~~ CORPORATION means  
3193 ~~"unincorporated association,"~~.

3194           c. ~~"Shares or securities"~~ STOCK or SECURITIES in the  
3195 case of an unincorporated professional association which is a  
3196 nonstock organization, ~~shall mean~~ means the undivided  
3197 interests of the members in the assets of the association, ~~τ~~.

3198           d. ~~"Shareholder"~~ STOCKHOLDER in the case of an  
3199 unincorporated association which is a nonstock organization,  
3200 ~~shall mean~~ means "member."

3201           (3) The plan of merger or plan of conversion shall be  
3202 approved by a vote of ~~two-thirds~~ two-thirds of the members of  
3203 the professional association."

3204           "§10A-4-5.01

3205           The Attorney General may institute proceedings to  
3206 involuntarily dissolve a domestic professional corporation ~~or~~  
3207 ~~a domestic nonprofit professional corporation~~. A licensing  
3208 authority may request that the Attorney General institute ~~such~~  
3209 the proceedings."

3210           "§10A-4-5.02

3211           (a) A foreign professional corporation shall be  
3212 entitled to register under Article 7 of Chapter 1 for  
3213 authority to render professional services in ~~Alabama~~ this  
3214 state only if:

3215           (1) A domestic professional corporation ~~incorporated~~  
3216 ~~under this chapter~~ would be allowed to register or procure a  
3217 certificate of authority or equivalent authorization to render  
3218 professional services in the state under whose laws the  
3219 foreign professional corporation is organized;



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3220 (2) The foreign professional corporation meets the  
3221 requirements of Section 10A-4-2.01;

3222 (3) The foreign professional corporation designates the  
3223 Alabama licensed individual or individuals through whom it  
3224 will render professional services in ~~Alabama~~ this state and  
3225 the individual or individuals are not, at the time of the  
3226 designation, so designated by any other foreign professional  
3227 corporation;

3228 (4) The name of the foreign professional corporation  
3229 meets the requirements of Section 10A-1-5.08, provided that  
3230 the foreign professional corporation can meet the requirements  
3231 of Section 10A-1-5.08 by adding at the end of its name, for  
3232 use in ~~Alabama~~ this state, the words "professional  
3233 corporation" or the abbreviation "P.C."; and

3234 (5) All the ~~shareholders~~ stockholders, or all the  
3235 members, in the case of a nonprofit professional corporation  
3236 which has members, at least one director, and the president of  
3237 the foreign professional corporation are licensed in at least  
3238 one state or territory of the United States or the District of  
3239 Columbia to render the professional services which the foreign  
3240 professional corporation would render in ~~Alabama~~ this state.

3241 (6) The foreign professional corporation includes in  
3242 its application a statement acknowledging that it will be  
3243 subject to the jurisdiction of the Alabama regulatory and  
3244 licensing authorities with respect to any professional  
3245 services rendered to clients or patients in ~~Alabama~~ this  
3246 state.

3247 (b) No foreign professional corporation shall maintain



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3248 an office in ~~Alabama~~ this state for the conduct of business or  
3249 professional practice until it has obtained a certificate of  
3250 authority to render professional services in ~~Alabama~~ this  
3251 state."

3252 "§10A-4-5.03

3253 The certificate of authority of a foreign professional  
3254 corporation may be revoked by the Secretary of State if the  
3255 foreign professional corporation fails to comply with any  
3256 provision of this chapter applicable to ~~it~~ the foreign  
3257 professional corporation. Each licensing authority in ~~Alabama~~  
3258 this state shall certify to the Secretary of State, from time  
3259 to time, the names of all foreign professional corporations  
3260 which have given cause for revocation as provided in this  
3261 chapter, together with the facts pertinent thereto. Whenever a  
3262 licensing authority shall certify the name of a foreign  
3263 professional corporation to the Secretary of State as having  
3264 given cause for revocation, the licensing authority shall  
3265 concurrently mail to the foreign professional corporation at  
3266 its registered office in ~~Alabama~~ this state notice that the  
3267 certification has been made. No certificate of authority of a  
3268 foreign professional corporation shall be revoked by the  
3269 Secretary of State unless ~~he or she~~ the Secretary of State  
3270 shall have given the foreign professional corporation not less  
3271 than 60 days' notice thereof and the foreign professional  
3272 corporation shall fail prior to revocation to correct the  
3273 noncompliance."

3274 "§10A-4-5.04

3275 (a) Every business professional corporation, domestic



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3276 or foreign, is required to file an annual report under the  
3277 Alabama Business Corporation Law, and shall include in the  
3278 annual report, in addition to the items required by the  
3279 Alabama Business Corporation Law:

3280 (1) A statement that all the ~~shareholders~~ stockholders,  
3281 at least one director, and the president of the corporation  
3282 are qualified persons with respect to the corporation, and

3283 (2) In the case of a foreign professional corporation,  
3284 the name or names of the Alabama licensed professional or  
3285 professionals through whom the foreign professional  
3286 corporation will render professional services in ~~Alabama~~ this  
3287 state.

3288 (b) Financial information contained in the annual  
3289 report of a professional corporation, other than the amount of  
3290 stated capital of the corporation, shall not be open to public  
3291 inspection nor shall the licensing authority disclose any  
3292 facts or information obtained therefrom except insofar as its  
3293 official duty may require the same to be made public or in the  
3294 event the information is required for evidence in any criminal  
3295 proceedings or in any other action by the State of Alabama."

3296 "§10A-4-5.05

3297 (a) Each licensing authority of ~~Alabama~~ this state may  
3298 propound to any professional corporation, domestic or foreign,  
3299 organized to practice a profession within the jurisdiction of  
3300 the licensing authority, and to any officer or director  
3301 thereof, the interrogatories as may be reasonably necessary  
3302 and proper to enable the licensing authority to ascertain  
3303 whether the professional corporation has complied with all the



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3304 provisions of this chapter applicable to the professional  
3305 corporation. The interrogatories shall be answered within 30  
3306 days after the mailing thereof, or within the additional time  
3307 as shall be fixed by the licensing authority, and the answers  
3308 thereto shall be full and complete and shall be made in  
3309 writing and under oath. If the interrogatories be directed to  
3310 an individual they shall be answered by him or her, and if  
3311 directed to a professional corporation they shall be answered  
3312 by the president, vice president, secretary, or assistant  
3313 secretary thereof. The licensing authority shall certify to  
3314 the Attorney General, for such action as the Attorney General  
3315 may deem appropriate, all interrogatories and answers thereto  
3316 which disclosed a violation of any of the provisions of this  
3317 chapter.

3318 (b) Interrogatories propounded by a licensing authority  
3319 and the answers thereto shall not be open to public inspection  
3320 nor shall the licensing authority disclose any facts or  
3321 information obtained therefrom except insofar as its official  
3322 duty may require the same to be made public or in the event  
3323 the interrogatories or the answers thereto are required for  
3324 evidence in any criminal proceedings or in any other action by  
3325 ~~the State of Alabama~~ this state."

3326 "§10A-4-5.06

3327 (a) Each officer and director of a professional  
3328 corporation, domestic or foreign, who signs any ~~articles~~  
3329 certificate, statement, report, application, answer to an  
3330 interrogatory, or other document filed pursuant to this  
3331 article with the licensing authority having jurisdiction which





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3332 is known to the officer or director to be false in any  
3333 material respect, shall be deemed to be guilty of a Class C  
3334 misdemeanor.

3335 (b) If any professional corporation, domestic or  
3336 foreign, or individual shall fail to answer interrogatories  
3337 directed to the professional corporation or to the individual  
3338 under Section 10A-4-5.05, the licensing authority which  
3339 propounded the interrogatories may seek an order from ~~the~~ a  
3340 circuit court compelling with competent jurisdiction to compel  
3341 an answer."

3342 "§10A-4-5.08

3343 (a) The provisions of this chapter shall apply to all  
3344 existing corporations organized under the statute formerly  
3345 codified as Article 11 of Chapter 4, Title 10 and repealed by  
3346 Acts 1983, No. 83-514, effective January 1, 1984; provided,  
3347 that any professional corporation, or nonprofit corporation,  
3348 in existence on December 31, 1983, in which duly licensed  
3349 medical and dental professionals are ~~shareholders~~  
3350 stockholders, or in the case of a nonprofit professional  
3351 corporation, render medical and dental services, shall be  
3352 deemed to be in compliance with Sections 10A-4-2.01 and  
3353 10A-4-2.03, as amended, and other applicable provisions of  
3354 this chapter. The repeal of a prior act by this chapter shall  
3355 not impair, or otherwise affect, the organization or continued  
3356 existence of an existing domestic professional corporation nor  
3357 the right of any foreign professional corporation presently  
3358 qualified to render professional services in ~~Alabama~~ this  
3359 state to continue to do so without again qualifying to render



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3360 professional services in ~~Alabama~~ this state.

3361 (b) Any unincorporated professional association  
3362 organized under ~~Section 10A-30-1.01~~ Article 1 of Chapter 30  
3363 may become subject to the provisions of this chapter by  
3364 amending its certificate of association as a certificate of  
3365 ~~formation~~ incorporation in compliance with this chapter, and  
3366 delivering its certificate of ~~formation~~ incorporation to the  
3367 Secretary of State for filing.

3368 (c) Any domestic nonprofit corporation rendering  
3369 professional services may become subject to the provisions of  
3370 this chapter by amending its certificate of ~~formation~~  
3371 incorporation in compliance with this chapter and delivering  
3372 the amendment to its certificate of ~~formation~~ incorporation to  
3373 the Secretary of State for filing.

3374 (d) The provisions of this chapter shall not apply to  
3375 any unincorporated professional association now in existence  
3376 under Section 10A-30-1.01, or to any domestic nonprofit  
3377 corporation rendering professional services unless the  
3378 association or nonprofit corporation voluntarily becomes  
3379 subject to this chapter as herein provided, and nothing  
3380 contained in this chapter shall alter or affect any existing  
3381 or future right or privilege permitting or not prohibiting  
3382 performance of professional services through the use of any  
3383 other form of business organization."

3384 "§10A-5A-1.08

3385 (a) Except as otherwise provided in subsections (b) and

3386 (c) :

3387 (1) the limited liability company agreement governs



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3388 relations among the members as members and between the members  
3389 and the limited liability company; and

3390 (2) to the extent the limited liability company  
3391 agreement does not otherwise provide for a matter described in  
3392 subsection (a)(1), this chapter governs the matter.

3393 (b)(1) To the extent that, at law or in equity, a  
3394 member or other person has duties, including fiduciary duties,  
3395 to the limited liability company, or to another member or to  
3396 another person that is a party to or is otherwise bound by a  
3397 limited liability company agreement, the member's or other  
3398 person's duties may be expanded or restricted or eliminated by  
3399 a written limited liability company agreement, but the implied  
3400 contractual covenant of good faith and fair dealing may not be  
3401 eliminated.

3402 (2) A written limited liability company agreement may  
3403 provide for the limitation or elimination of any and all  
3404 liabilities for breach of contract and breach of duties,  
3405 including fiduciary duties, of a member or other person to a  
3406 limited liability company or to another member or to another  
3407 person that is a party to or is otherwise bound by a limited  
3408 liability company agreement, but a limited liability company  
3409 agreement may not limit or eliminate liability for any act or  
3410 omission that constitutes a bad faith violation of the implied  
3411 contractual covenant of good faith and fair dealing.

3412 (3) A member or other person shall not be liable to a  
3413 limited liability company or to another member or to another  
3414 person that is a party to or is otherwise bound by a limited  
3415 liability company agreement for breach of fiduciary duty for



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3416 the member's or other person's good faith reliance on the  
3417 limited liability company agreement.

3418 (4) A limited liability company agreement may provide  
3419 ~~that~~ any or all of the following:

3420 (A) a member, dissociated member, or transferee who  
3421 fails to perform in accordance with, or to comply with the  
3422 terms and conditions of, the limited liability company  
3423 agreement shall be subject to specified penalties or specified  
3424 consequences; ~~and~~

3425 (B) at the time or upon the happening of events  
3426 specified in the limited liability company agreement, a  
3427 member, dissociated member, or transferee may be subject to  
3428 specified penalties or specified consequences; ~~and~~

3429 (C) subject to Section 10A-5A-1.08(c), an act or  
3430 transaction under the limited liability company agreement by  
3431 the limited liability company, a member, dissociated member,  
3432 or transferee is void or voidable.

3433 (5) A penalty or consequence that may be specified  
3434 under paragraph (4) of this subsection may include and take  
3435 the form of reducing or eliminating the defaulting member's or  
3436 transferee's proportionate interest in a limited liability  
3437 company, subordinating the member's or transferee's  
3438 transferable interest to that of non-defaulting members or  
3439 transferees, forcing a sale of that transferable interest,  
3440 forfeiting the defaulting member's or transferee's  
3441 transferable interest, the lending by other members or  
3442 transferees of the amount necessary to meet the defaulting  
3443 member's or transferee's commitment, a fixing of the value of



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3444 the defaulting member's or transferee's transferable interest  
3445 by appraisal or by formula and redemption or sale of the  
3446 transferable interest at that value, or other penalty or  
3447 consequence.

3448 (6) A written limited liability company agreement may  
3449 supersede, in whole or in part, the provisions of Division C  
3450 of Article 3 of Chapter 1.

3451 (c) A limited liability company agreement may not:

3452 (1) vary the nature of the limited liability company as  
3453 a separate legal entity under Section 10A-5A-1.04(a);

3454 (2) vary the law applicable under Section 10A-5A-1.05;

3455 (3) restrict the rights under this chapter of a person  
3456 other than a member, dissociated member, or transferee;

3457 (4) vary the power of the court under Section  
3458 10A-5A-2.05;

3459 (5) eliminate the implied contractual covenant of good  
3460 faith and fair dealing as provided under Section  
3461 10A-5A-1.08(b)(1);

3462 (6) eliminate or limit the liability of a member or  
3463 other person for any act or omission that constitutes a bad  
3464 faith violation of the implied contractual covenant of good  
3465 faith and fair dealing as provided under Section  
3466 10A-5A-1.08(b)(2);

3467 (7) waive the requirements of Section 10A-5A-4.04(c);

3468 (8) vary the law applicable under Section  
3469 10A-5A-4.06(c);

3470 (9) reduce the limitations period specified under  
3471 Section 10A-5A-4.06(d) for an action commenced under other



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3472 applicable law;

3473 (10) waive the prohibition on issuance of a certificate  
3474 of a transferable interest in bearer form under Section  
3475 10A-5A-5.02(c);

3476 (11) vary the power of a court to decree dissolution in  
3477 the circumstances specified in Section 10A-5A-7.01(d) or in  
3478 Section 10A-5A-11.09(e);

3479 (12) vary the requirement to wind up a limited  
3480 liability company's activities and affairs as specified in  
3481 Section 10A-5A-7.02(a);

3482 (13) vary the provisions of Section 10A-5A-8.01;

3483 (14) vary the right of a member under Section  
3484 10A-5A-10.09;~~or~~

3485 (15) waive the requirements of Section  
3486 10A-5A-11.02(b)~~;~~ or

3487 (16) vary the provisions of Section 10A-5A-1.11(c),  
3488 (d), or (e)."

3489 "§10A-5A-2.01

3490 (a) In order to form a limited liability company, one  
3491 or more organizers must execute a certificate of formation and  
3492 deliver it for filing to the filing officer provided for in  
3493 subsection (e). Section 10A-1-3.05 shall not apply to this  
3494 chapter. Instead, the certificate of formation shall set  
3495 forth:

3496 (1) the name of the limited liability company, which  
3497 must comply with Article 5 of Chapter 1;

3498 (2) the street address in this state, including the  
3499 county, of the registered office required by Article 5 of



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3500 Chapter 1;

3501 (3) the name of the registered agent at the registered  
3502 office required by Article 5 of Chapter 1;

3503 (4) a statement that there is at least one member of  
3504 the limited liability company;

3505 (5) if applicable, a statement as provided in Section  
3506 10A-5A-11.02(b) (3); and

3507 (6) any other matters the members determine to include  
3508 therein.

3509 (b) A limited liability company is formed when its  
3510 certificate of formation becomes effective in accordance with  
3511 Article 4 of Chapter 1.

3512 (c) The fact that a certificate of formation has been  
3513 filed and is effective in accordance with Article 4 of Chapter  
3514 1 is notice of the matters required to be included by  
3515 subsections (a) (1), (a) (2), (a) (3), and (a) (4) and if  
3516 applicable, (a) (5), but is not notice of any other fact.

3517 (d) A limited liability company agreement shall be  
3518 entered into either before, after, or at the time of the  
3519 filing of the certificate of formation and, whether entered  
3520 into before, after, or at the time of the filing, may be made  
3521 effective as of the filing of the certificate of formation or  
3522 at any other time or date provided in the limited liability  
3523 company agreement.

3524 (e) A certificate of formation shall be delivered for  
3525 filing to the Secretary of State."

3526 "§10A-5A-2.02

3527 Division B of Article 3 of Chapter 1 shall not apply to



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3528 this chapter. Instead:

3529 (a) A certificate of formation may be amended at any  
3530 time.

3531 (b) A certificate of formation may be restated with or  
3532 without amendment at any time.

3533 (c) To amend its certificate of formation, a limited  
3534 liability company must deliver a certificate of amendment for  
3535 filing to the Secretary of State which certificate of  
3536 amendment shall state:

3537 (1) the name of the limited liability company;

3538 (2) the unique identifying number or other designation  
3539 as assigned by the Secretary of State; and

3540 (3) the changes the amendment makes to the certificate  
3541 of formation as most recently amended or restated.

3542 (d) To restate its certificate of formation, a limited  
3543 liability company must deliver a restated certificate of  
3544 formation for filing to the Secretary of State. A restated  
3545 certificate of formation must:

3546 (1) be designated as such in the heading;

3547 (2) state the limited liability company's name;

3548 (3) state the unique identifying number or other  
3549 designation as assigned by the Secretary of State; and

3550 (4) set forth any amendment or change effected in  
3551 connection with the restatement of the certificate of  
3552 formation.

3553 Any such restatement that effects an amendment shall be  
3554 subject to any other provision of this chapter, not  
3555 inconsistent with this section, which would apply if a





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3556 separate certificate of amendment were filed to effect the  
3557 amendment or change.

3558 (e) The original certificate of formation, as  
3559 theretofore amended, shall be superseded by the restated  
3560 certificate of formation and thenceforth, the restated  
3561 certificate of formation, including any further amendment or  
3562 changes made thereby, shall be the certificate of formation of  
3563 the limited liability company, but the original effective date  
3564 of formation shall remain unchanged.

3565 (f) An amended or restated certificate of formation may  
3566 contain only provisions that would be permitted at the time of  
3567 the amendment if the amended or restated certificate of  
3568 formation were a newly filed original certificate of  
3569 formation.

3570 (g) A restated certificate of formation may omit any  
3571 information that is not required to be in the certificate of  
3572 formation under this chapter, including the name and address  
3573 of the initial registered agent or registered office, if a  
3574 statement of change is on file with the Secretary of State.  
3575 Any omission other than the initial registered agent, shall be  
3576 an amendment to the certificate of formation, which amendment  
3577 must be approved in accordance with the limited liability  
3578 company agreement, and if the limited liability company  
3579 agreement does not state the approval required for an  
3580 amendment of the certificate of formation, then the amendment  
3581 must be approved by all of the members."

3582 "§10A-5A-3.02

3583 No person shall have the power to bind the limited



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3584 liability company, or a series thereof, except:

3585 (a) to the extent the person is authorized to act as  
3586 the agent of the limited liability company or a series thereof  
3587 under or pursuant to the limited liability company agreement;

3588 (b) to the extent the person is authorized to act as  
3589 the agent of the limited liability company or a series thereof  
3590 ~~pursuant to~~ in accordance with Sections 10A-5A-4.07,  
3591 10A-5A-7.03, or 10A-5A-11.11; or

3592 (c) to the extent provided by law other than this  
3593 chapter."

3594 "§10A-5A-8.01

3595 (a) A limited liability company shall have the power to  
3596 render professional services if it complies with the rules of  
3597 the licensing authority for such profession.

3598 (b) Every individual who renders professional services  
3599 as a member or as an employee of a limited liability company  
3600 shall be liable for any negligent or wrongful act or omission  
3601 in which the individual personally participates to the same  
3602 extent the individual would be liable if the individual  
3603 rendered the services as a sole practitioner.

3604 (c) Except as otherwise provided in subsection (b), the  
3605 personal liability of a member of any limited liability  
3606 company engaged in providing professional services shall be  
3607 governed by Section 10A-5A-3.01.

3608 (d) ~~The~~ Except as otherwise provided in subsection (b),  
3609 the personal liability of a member, manager, or employee of a  
3610 foreign limited liability company engaged in providing  
3611 professional services shall be determined under the law of the



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3612 jurisdiction in which the foreign limited liability company is  
3613 organized.

3614 (e) Nothing in this article shall restrict or limit in  
3615 any manner the authority or duty of a licensing authority with  
3616 respect to individuals rendering a professional service within  
3617 the jurisdiction of the licensing authority. Nothing in this  
3618 article shall restrict or limit any law, rule, or regulation  
3619 pertaining to standards of professional conduct.

3620 (f) Nothing in this article shall limit the authority  
3621 of a licensing authority to impose requirements in addition to  
3622 those stated in this chapter on any limited liability company  
3623 or foreign limited liability company rendering professional  
3624 services within the jurisdiction of the licensing authority.

3625 (g) A member's transferrable interest in a limited  
3626 liability company organized to render professional services  
3627 may be voluntarily transferred only to a qualified person."

3628 "§10A-8A-1.08

3629 (a) Except as otherwise provided in subsections (b) and  
3630 (c):

3631 (1) the partnership agreement governs relations among  
3632 the partners as partners and between the partners and the  
3633 partnership; and

3634 (2) to the extent the partnership agreement does not  
3635 otherwise provide for a matter described in subsection (a)(1),  
3636 this chapter governs the matter.

3637 (b) (1) To the extent that, at law or in equity, a  
3638 partner or other person has duties, including fiduciary  
3639 duties, to a partnership or to another partner or to another



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3640 person that is a party to or is otherwise bound by a  
3641 partnership agreement, the partner's or other person's duties  
3642 may be expanded or restricted or eliminated by provisions in a  
3643 written partnership agreement, but the implied contractual  
3644 covenant of good faith and fair dealing may not be eliminated.

3645 (2) A written partnership agreement may provide for the  
3646 limitation or elimination of any and all liabilities for  
3647 breach of contract and breach of duties, including fiduciary  
3648 duties, of a partner or other person to a partnership or to  
3649 another partner or to another person that is a party to or is  
3650 otherwise bound by a partnership agreement, but a partnership  
3651 agreement may not limit or eliminate liability for any act or  
3652 omission that constitutes a bad faith violation of the implied  
3653 contractual covenant of good faith and fair dealing.

3654 (3) A partner or other person shall not be liable to a  
3655 partnership or to another partner or to another person that is  
3656 a party to or is otherwise bound by a partnership agreement  
3657 for breach of fiduciary duty for the partner's or other  
3658 person's good faith reliance on the partnership agreement.

3659 (4) A partnership agreement may provide that:

3660 (A) a partner, dissociated partner, or transferee who  
3661 fails to perform in accordance with, or to comply with the  
3662 terms and conditions of, the partnership agreement shall be  
3663 subject to specified penalties or specified consequences; ~~and~~

3664 (B) at the time or upon the happening of events  
3665 specified in the partnership agreement, a partner, dissociated  
3666 partner, or transferee may be subject to specified penalties  
3667 or specified consequences; ~~and~~



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3668           (C) subject to Section 10A-8A-1.08(c), an act or  
3669 transaction under the partnership agreement by the  
3670 partnership, a partner, a dissociated partner, or a transferee  
3671 is void or voidable.

3672           (5) A penalty or consequence that may be specified  
3673 under paragraph (4) of this subsection may include and take  
3674 the form of reducing or eliminating the defaulting partner's  
3675 or transferee's proportionate transferable interest in a  
3676 partnership, subordinating the partner's or transferee's  
3677 transferable interest to that of non-defaulting partners or  
3678 transferees, forcing a sale of that transferable interest,  
3679 forfeiting the defaulting partner's or transferee's  
3680 transferable interest, the lending by other partners or  
3681 transferees of the amount necessary to meet the defaulting  
3682 partner's or transferee's commitment, a fixing of the value of  
3683 the defaulting partner's or transferee's transferable interest  
3684 by appraisal or by formula and redemption or sale of the  
3685 transferable interest at that value, or other penalty or  
3686 consequence.

3687           (6) A written partnership agreement may supersede, in  
3688 whole or in part, the provisions of Division C and Division D  
3689 of Article 3 of Chapter 1.

3690           (c) A partnership agreement may not:

3691           (1) vary the nature of the partnership as a separate  
3692 legal entity under Section 10A-8A-1.04(a);

3693           (2) vary a partnership's power under Section  
3694 10A-8A-1.05 to sue, be sued, and defend in its own name;

3695           (3) vary the law applicable to a limited liability



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3696 partnership under Section 10A-8A-1.06;

3697 (4) restrict rights under this chapter of a person  
3698 other than a partner, a dissociated partner, or a transferee;

3699 (5) vary the requirements of Section 10A-8A-2.03;

3700 (6) unreasonably restrict the right of access to books  
3701 and records under Section 10A-8A-4.10, but the partnership  
3702 agreement may impose reasonable restrictions on the  
3703 availability and use of information obtained under those  
3704 sections and may define appropriate remedies, including  
3705 liquidated damages, for a breach of any reasonable restriction  
3706 on use;

3707 (7) eliminate the implied contractual covenant of good  
3708 faith and fair dealing as provided under Section  
3709 10A-8A-1.08(b)(1);

3710 (8) eliminate or limit the liability of a partner or  
3711 other person for any act or omission that constitutes a bad  
3712 faith violation of the implied contractual covenant of good  
3713 faith and fair dealing as provided under Section  
3714 10A-8A-1.08(b)(2);

3715 (9) waive the requirements of Section 10A-8A-4.04(e);

3716 (10) reduce the limitations period specified under  
3717 Section 10A-8A-4.09(e) for an action commenced under other  
3718 applicable law;

3719 (11) waive the prohibition on issuance of a certificate  
3720 of a transferable interest in bearer form under Section  
3721 10A-8A-5.02(c);

3722 (12) vary the power of a person to dissociate as a  
3723 partner under Section 10A-8A-6.02(a) except that the



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3724 partnership agreement may require that the notice under  
3725 Section 10A-8A-6.01(1) be in a writing or in a specific form  
3726 thereof;

3727 (13) vary the right of a court to expel a partner in  
3728 the events specified in Section 10A-8A-6.01(5);

3729 (14) vary the power of a court to decree dissolution in  
3730 the circumstances specified in Section 10A-8A-8.01(4) or (5);

3731 (15) vary the requirement to wind up the partnership's  
3732 business or not for profit activity as specified in Section  
3733 10A-8A-8.01(4), (5), (6), or (7);

3734 (16) vary the right of a partner to approve or consent  
3735 to the cancellation of a statement of limited liability  
3736 partnership as specified in Section 10A-8A-10.01(m); ~~or~~

3737 (17) vary the rights of a partner under Section  
3738 10A-8A-9.10~~+~~; or

3739 (18) vary the provisions of Section 10A-8A-1.14(c),  
3740 (d), or (e)."

3741 "§10A-8A-10.02

3742 (a) A limited liability partnership shall have the  
3743 power to render professional services if it complies with the  
3744 rules of the licensing authority for such profession.

3745 (b) Every individual who renders professional services  
3746 as a partner or as an employee of a limited liability  
3747 partnership shall be liable for any negligent or wrongful act  
3748 or omission in which the individual personally participates to  
3749 the same extent the individual would be liable if the  
3750 individual rendered the services as a sole practitioner.

3751 (c) Except as otherwise provided in subsection (b), the



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3752 personal liability of a partner of any limited liability  
3753 partnership engaged in providing professional services shall  
3754 be governed by Section 10A-8A-3.06.

3755 (d) ~~The~~ Except as otherwise provided in subsection (b),  
3756 the personal liability of a partner or employee of a foreign  
3757 limited liability partnership engaged in providing  
3758 professional services shall be determined under the law of the  
3759 jurisdiction which governs the foreign limited liability  
3760 partnership.

3761 (e) Nothing in this article shall restrict or limit in  
3762 any manner the authority or duty of a licensing authority with  
3763 respect to individuals rendering a professional service within  
3764 the jurisdiction of the licensing authority. Nothing in this  
3765 article shall restrict or limit any law, rule, or regulation  
3766 pertaining to standards of professional conduct.

3767 (f) Nothing in this article shall limit the authority  
3768 of a licensing authority to impose requirements in addition to  
3769 those stated in this chapter on any limited liability  
3770 partnership or foreign limited liability partnership rendering  
3771 professional services within the jurisdiction of the licensing  
3772 authority.

3773 (g) A partner's transferable interest in a limited  
3774 liability partnership organized to render professional  
3775 services may be voluntarily transferred only to a qualified  
3776 person."

3777 "§10A-9A-1.08

3778 (a) Except as otherwise provided in subsections (b) and  
3779 (c) :





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3780 (1) the partnership agreement governs relations among  
3781 the partners as partners and between the partners and the  
3782 partnership; and

3783 (2) to the extent the partnership agreement does not  
3784 otherwise provide for a matter described in subsection (a)(1),  
3785 this chapter governs the matter.

3786 (b)(1) To the extent that, at law or in equity, a  
3787 partner or other person has duties, including fiduciary  
3788 duties, to a limited partnership or to another partner or to  
3789 another person that is a party to or is otherwise bound by a  
3790 partnership agreement, the partner's or other person's duties  
3791 may be expanded or restricted or eliminated by provisions in a  
3792 written partnership agreement, but the implied contractual  
3793 covenant of good faith and fair dealing may not be eliminated.

3794 (2) A written partnership agreement may provide for the  
3795 limitation or elimination of any and all liabilities for  
3796 breach of contract and breach of duties, including fiduciary  
3797 duties, of a partner or other person to a limited partnership  
3798 or to another partner or to another person that is a party to  
3799 or is otherwise bound by a partnership agreement, but a  
3800 partnership agreement may not limit or eliminate liability for  
3801 any act or omission that constitutes a bad faith violation of  
3802 the implied contractual covenant of good faith and fair  
3803 dealing.

3804 (3) A partner or other person shall not be liable to a  
3805 limited partnership or to another partner or to another person  
3806 that is a party to or is otherwise bound by a partnership  
3807 agreement for breach of fiduciary duty for the partner's or



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3808 other person's good faith reliance on the partnership  
3809 agreement.

3810 (4) A partnership agreement may provide ~~that~~ any of the  
3811 following:

3812 (A) a partner, dissociated partner, or transferee who  
3813 fails to perform in accordance with, or to comply with the  
3814 terms and conditions of, the partnership agreement shall be  
3815 subject to specified penalties or specified consequences; ~~and~~

3816 (B) at the time or upon the happening of events  
3817 specified in the partnership agreement, a partner, dissociated  
3818 partner, or transferee may be subject to specified penalties  
3819 or specified consequences; ~~;~~ and

3820 (C) subject to Section 10A-9A-1.08(c), an act or  
3821 transaction under the partnership agreement by the  
3822 partnership, a partner, a dissociated partner, or a transferee  
3823 is void or voidable.

3824 (5) A penalty or consequence that may be specified  
3825 under paragraph (4) of this subsection may include and take  
3826 the form of reducing or eliminating the defaulting partner's  
3827 or transferee's proportionate interest in a limited  
3828 partnership, subordinating the partner's or transferee's  
3829 transferable interest to that of non-defaulting partners or  
3830 transferees, forcing a sale of that transferable interest,  
3831 forfeiting the defaulting partner's or transferee's  
3832 transferable interest, the lending by other partners or  
3833 transferees of the amount necessary to meet the defaulting  
3834 partner's or transferee's commitment, a fixing of the value of  
3835 the defaulting partner's or transferee's transferable interest



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3836 by appraisal or by formula and redemption or sale of the  
3837 transferable interest at that value, or other penalty or  
3838 consequence.

3839 (6) A written partnership agreement may supersede, in  
3840 whole or in part, the provisions of Division C and Division D  
3841 of Article 3 of Chapter 1.

3842 (c) A partnership agreement may not:

3843 (1) vary the nature of the limited partnership as a  
3844 separate legal entity under Section 10A-9A-1.04(a);

3845 (2) vary a limited partnership's power under Section  
3846 10A-9A-1.05 to sue, be sued, and defend in its own name;

3847 (3) vary the law applicable to a limited partnership  
3848 under Section 10A-9A-1.06;

3849 (4) restrict rights under this chapter of a person  
3850 other than a partner, a dissociated partner, or a transferee;

3851 (5) vary the requirements of Section 10A-9A-2.03;

3852 (6) vary the information required under Section  
3853 10A-9A-1.11 or unreasonably restrict the right to information  
3854 under Sections 10A-9A-3.04 or 10A-9A-4.07, but the partnership  
3855 agreement may impose reasonable restrictions on the  
3856 availability and use of information obtained under those  
3857 sections and may define appropriate remedies, including  
3858 liquidated damages, for a breach of any reasonable restriction  
3859 on use;

3860 (7) vary the power of the court under Section  
3861 10A-9A-2.04;

3862 (8) eliminate the implied contractual covenant of good  
3863 faith and fair dealing as provided under Section



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3864 10A-9A-1.08(b) (1);

3865 (9) eliminate or limit the liability of a partner or  
3866 other person for any act or omission that constitutes a bad  
3867 faith violation of the implied contractual covenant of good  
3868 faith and fair dealing as provided under Section

3869 10A-9A-1.08(b) (2);

3870 (10) waive the requirements of Section 10A-9A-5.02(e);

3871 (11) reduce the limitations period specified under  
3872 Section 10A-9A-5.08(d) for an action commenced under other  
3873 applicable law;

3874 (12) waive the prohibition on issuance of a certificate  
3875 of a transferable interest in bearer form under Section  
3876 10A-9A-7.02(c);

3877 (13) vary the power of a person to dissociate as a  
3878 general partner under Section 10A-9A-6.04(a) except that the  
3879 partnership agreement may require that the notice under  
3880 Section 10A-9A-6.03(1) be in a writing or in a specific form  
3881 thereof;

3882 (14) vary the power of a court to decree dissolution in  
3883 the circumstances specified in Section 10A-9A-8.01(f);

3884 (15) vary the requirement to wind up the partnership's  
3885 activities and affairs as specified in Section 10A-9A-8.02; ~~or~~

3886 (16) vary the rights of a partner under Section  
3887 10A-9A-10.10; ~~or~~ or

3888 (17) vary the provisions of Section 10A-9A-1.15(c),  
3889 (d), or (e) "

3890 "§10A-9A-2.01

3891 (a) In order to form a limited partnership, a person



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3892 must deliver a certificate of formation for filing to the  
3893 Secretary of State. Section 10A-1-3.05 shall not apply to this  
3894 chapter. Instead, the certificate of formation shall set  
3895 forth:

3896 (1) the name of the limited partnership, which must  
3897 comply with Article 5 of Chapter 1;

3898 (2) the street address in this state, including the  
3899 county, of the registered office required by Article 5 of  
3900 Chapter 1;

3901 (3) the name of the registered agent at the registered  
3902 office as required by Article 5 of Chapter 1;

3903 (4) the name and the street and mailing address of each  
3904 general partner;

3905 (5) whether the limited partnership is a limited  
3906 liability limited partnership;

3907 (6) any additional information required by Article 8 of  
3908 Chapter 1 or by Article 10 of this chapter; and

3909 (7) any other matters the partners determine to include  
3910 therein which comply with Section 10A-9A-1.08.

3911 (b) A limited partnership is formed when the  
3912 certificate of formation becomes effective in accordance with  
3913 Article 4 of Chapter 1.

3914 (c) The fact that a certificate of formation has been  
3915 filed and is effective in accordance with Article 4 of Chapter  
3916 1 is notice of the matters required to be included by  
3917 subsections (a) (1), (a) (2), (a) (3), (a) (4), if applicable,  
3918 (a) (5), and (a) (6), but is not notice of any other fact.

3919 (d) A partnership agreement shall be entered into



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3920 either before, after, or at the time of filing the certificate  
3921 of formation and, whether entered into before, after, or at  
3922 the time of filing, may be made effective as of the filing of  
3923 the certificate of formation or at any other time or date  
3924 provided in the partnership agreement."

3925           "§10A-9A-2.02

3926           Division B of Article 3 of Chapter 1 shall not apply to  
3927 this chapter. Instead:

3928           (a) A certificate of formation may be amended at any  
3929 time.

3930           (b) A certificate of formation may be restated with or  
3931 without amendment at any time.

3932           (c) To amend its certificate of formation, a limited  
3933 partnership must deliver a certificate of amendment for filing  
3934 to the Secretary of State which certificate of amendment shall  
3935 state:

3936           (1) the name of the limited partnership;

3937           (2) the unique identifying number or other designation  
3938 as assigned by the Secretary of State; and

3939           (3) the changes the amendment makes to the certificate  
3940 of formation as most recently amended or restated.

3941           (d) Prior to a statement of dissolution being delivered  
3942 to the Secretary of State for filing, a limited partnership  
3943 shall promptly deliver a certificate of amendment for filing  
3944 with the Secretary of State to reflect:

3945           (1) the admission of a new general partner; or

3946           (2) the dissociation of a person as a general partner.

3947           (e) Prior to a statement of dissolution being delivered



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3948 to the Secretary of State for filing, if a general partner  
3949 knows that any information in a filed certificate of formation  
3950 was inaccurate when the certificate of formation was filed or  
3951 has become inaccurate due to changed circumstances and if ~~such~~  
3952 the information is required to be set forth in a newly filed  
3953 certificate of formation under this chapter, the general  
3954 partner shall promptly:

3955 (1) cause the certificate of formation to be amended;

3956 or

3957 (2) if appropriate, deliver for filing with the  
3958 Secretary of State a certificate of correction in accordance  
3959 with Chapter 1.

3960 (f) A certificate of formation may be amended at any  
3961 time pursuant to this section for any other proper purpose as  
3962 determined by the limited partnership. A certificate of  
3963 formation may also be amended in a statement of merger  
3964 pursuant to Article 8 of Chapter 1 or Article 10 of this  
3965 chapter.

3966 (g) In order to restate its certificate of formation, a  
3967 limited partnership must deliver a restated certificate of  
3968 formation for filing with the Secretary of State. A restated  
3969 certificate of formation must:

3970 (1) be designated as such in the heading;

3971 (2) state the name of the limited partnership;

3972 (3) state the unique identifying number or other  
3973 designation as assigned by the Secretary of State;

3974 (4) set forth any amendment or change effected in  
3975 connection with the restatement of the certificate of



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3976 formation. Any such restatement that effects an amendment  
3977 shall be subject to any other provision of this chapter not  
3978 inconsistent with this section, which would apply if a  
3979 separate certificate of amendment were filed to effect the  
3980 amendment or change;

3981 (5) set forth the text of the restated certificate of  
3982 formation; and

3983 (6) state that the restated certificate of formation  
3984 consolidates all amendments into a single document.

3985 (h) The original certificate of formation, as  
3986 theretofore amended, shall be superseded by the restated  
3987 certificate of formation and thenceforth, the restated  
3988 certificate of formation, including any further amendment or  
3989 changes made thereby, shall be the certificate of formation of  
3990 the limited partnership, but the original effective date of  
3991 formation shall remain unchanged.

3992 (i) An amended or restated certificate of formation may  
3993 contain only the provisions that would be permitted at the  
3994 time of the amendment if the amended or restated certificate  
3995 of formation were a newly filed original certificate of  
3996 formation.

3997 (j) (1) An amendment to a certificate of formation takes  
3998 effect when the filing of the certificate of amendment takes  
3999 effect as provided by Article 4 of Chapter 1.

4000 (2) An amendment to a certificate of formation does not  
4001 affect:

4002 (i) an existing cause of action in favor of or against  
4003 the limited partnership for which the certificate of amendment





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4004 is sought;

4005 (ii) a pending suit to which the limited partnership is  
4006 a party; or

4007 (iii) an existing right of a person other than an  
4008 existing partner.

4009 (3) If the name of a limited partnership is changed by  
4010 amendment, an action brought by or against the limited  
4011 partnership in the former name of that limited partnership  
4012 does not abate because of the name change.

4013 (k) (1) A restated certificate of formation takes effect  
4014 when the filing of the restated certificate of formation takes  
4015 effect as provided by Article 4 of Chapter 1.

4016 (2) On the date and time the restated certificate of  
4017 formation takes effect, the original certificate of formation  
4018 and each prior amendment or restatement of the certificate of  
4019 formation is superseded and the restated certificate of  
4020 formation is the effective certificate of formation.

4021 (3) Subsections (j) (2) and ~~(3)~~ (j) (3) apply to an  
4022 amendment effected by a restated certificate of formation.

4023 (1) A restated certificate of formation may omit any  
4024 information that is not required to be in the certificate of  
4025 formation under this chapter, including the name and address  
4026 of the initial registered agent or registered office, if a  
4027 statement of change is on file with the Secretary of State.  
4028 Any omission other than the initial registered agent, shall be  
4029 an amendment to the certificate of formation, which amendment  
4030 must be approved in accordance with the partnership agreement,  
4031 and if the partnership agreement does not state the approval



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4032 required for an amendment of the certificate of formation,  
4033 then the amendment must be approved by all of the partners."

4034 Section 2. Sections 10A-5A-1.11, 10A-8A-1.14, and  
4035 10A-9A-1.15, are added to the Code of Alabama 1975 to read as  
4036 follows:

4037 §10A-5A-1.11

4038 (a) If a limited liability company agreement provides  
4039 that an act or transaction is void or voidable when taken,  
4040 then that act or transaction may be ratified or waived by:

4041 (1) the members or other persons entitled to ratify or  
4042 waive that act or transaction under the limited liability  
4043 company agreement;

4044 (2) if the limited liability company agreement does not  
4045 specify the approval required for the ratification or waiver,  
4046 then those members or other persons entitled to approve the  
4047 amendment of the limited liability company agreement; or

4048 (3) if the limited liability company agreement does not  
4049 specify the approval required for the amendment of the limited  
4050 liability company agreement, then all of the members.

4051 (b) If the void or voidable act or transaction was the  
4052 issuance or transfer of any transferable interest, then for  
4053 purposes of determining who may ratify or waive any act or  
4054 transaction, the transferable interest purportedly issued or  
4055 transferred shall be deemed not to have been issued or  
4056 transferred.

4057 (c) Any act or transaction ratified, or with respect to  
4058 which the failure to comply with any requirements of the  
4059 limited liability company agreement is waived, pursuant to



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4060 this section shall be deemed validly taken at the time of the  
4061 act or transaction.

4062 (d) Upon application of the limited liability company,  
4063 any member, or any person claiming to be substantially and  
4064 adversely affected by a ratification or waiver pursuant to  
4065 this section, the designated court, and if none, the circuit  
4066 court for the county in which the limited liability company's  
4067 principal office is located in this state, and if none in this  
4068 state, in the circuit court for the county in which the  
4069 limited liability company's most recent registered office is  
4070 located, may hear and determine the validity and effectiveness  
4071 of the ratification of, or waiver with respect to, any void or  
4072 voidable act or transaction effectuated pursuant to this  
4073 section, and in any such application, the limited liability  
4074 company shall be named as a party and service of the  
4075 application upon the registered agent of the limited liability  
4076 company shall be deemed to be service upon the limited  
4077 liability company, and no other party need be joined in order  
4078 for the court to adjudicate the validity and effectiveness of  
4079 the ratification or waiver, and the court may make such order  
4080 respecting further or other notice of the application as the  
4081 court deems proper under the circumstances; provided, that  
4082 nothing herein limits or affects the right to serve process in  
4083 any other manner now or hereafter provided by law, and this  
4084 sentence is an extension of and not a limitation upon the  
4085 right otherwise existing of service of legal process upon  
4086 nonresidents.

4087 (e) The provisions of this section shall not be



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4088 construed to limit the accomplishment of a ratification or  
4089 waiver of a void or voidable act or transaction by other means  
4090 permitted by law.

4091 §10A-8A-1.14

4092 (a) If a partnership agreement provides that an act or  
4093 transaction is void or voidable when taken, then that act or  
4094 transaction may be ratified or waived by:

4095 (1) the partners or other persons entitled to ratify or  
4096 waive that act or transaction under the partnership agreement;

4097 (2) if the partnership agreement does not specify the  
4098 approval required for the ratification or waiver, then those  
4099 partners or other persons entitled to approve the amendment of  
4100 the partnership agreement; or

4101 (3) if the partnership agreement does not specify the  
4102 approval required for the amendment of the partnership  
4103 agreement, then all of the partners.

4104 (b) If the void or voidable act or transaction was the  
4105 issuance or transfer of any transferable interest, then for  
4106 purposes of determining who may ratify or waive any act or  
4107 transaction, the transferable interest purportedly issued or  
4108 transferred shall be deemed not to have been issued or  
4109 transferred.

4110 (c) Any act or transaction ratified, or with respect to  
4111 which the failure to comply with any requirements of the  
4112 partnership agreement is waived, pursuant to this section  
4113 shall be deemed validly taken at the time of the act or  
4114 transaction.

4115 (d) Upon application of the partnership, any partner,



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4116 or any person claiming to be substantially and adversely  
4117 affected by a ratification or waiver pursuant to this section,  
4118 the designated court, and if none, the circuit court for the  
4119 county in which the partnership's principal office is located  
4120 in this state, and if none in this state, in the circuit court  
4121 for the county in which the partnership's most recent  
4122 registered office is located, may hear and determine the  
4123 validity and effectiveness of the ratification of, or waiver  
4124 with respect to, any void or voidable act or transaction  
4125 effectuated pursuant to this section, and in any such  
4126 application, the partnership shall be named as a party and  
4127 service of the application upon the registered agent of the  
4128 partnership shall be deemed to be service upon the  
4129 partnership, and no other party need be joined in order for  
4130 the court to adjudicate the validity and effectiveness of the  
4131 ratification or waiver, and the court may make such order  
4132 respecting further or other notice of the application as the  
4133 court deems proper under the circumstances; provided, that  
4134 nothing herein limits or affects the right to serve process in  
4135 any other manner now or hereafter provided by law, and this  
4136 sentence is an extension of and not a limitation upon the  
4137 right otherwise existing of service of legal process upon  
4138 nonresidents.

4139 (e) The provisions of this section shall not be  
4140 construed to limit the accomplishment of a ratification or  
4141 waiver of a void or voidable act or transaction by other means  
4142 permitted by law.

4143 §10A-9A-1.15



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4144 (a) If a partnership agreement provides that an act or  
4145 transaction is void or voidable when taken, then that act or  
4146 transaction may be ratified or waived by:

4147 (1) the partners or other persons entitled to ratify or  
4148 waive that act or transaction under the partnership agreement;

4149 (2) if the partnership agreement does not specify the  
4150 approval required for the ratification or waiver, then those  
4151 partners or other persons entitled to approve the amendment of  
4152 the partnership agreement; or

4153 (3) if the partnership agreement does not specify the  
4154 approval required for the amendment of the partnership  
4155 agreement, then all of the partners.

4156 (b) If the void or voidable act or transaction was the  
4157 issuance or transfer of any transferable interest, then for  
4158 purposes of determining who may ratify or waive any act or  
4159 transaction, the transferable interest purportedly issued or  
4160 transferred shall be deemed not to have been issued or  
4161 transferred.

4162 (c) Any act or transaction ratified, or with respect to  
4163 which the failure to comply with any requirements of the  
4164 partnership agreement is waived, pursuant to this section  
4165 shall be deemed validly taken at the time of the act or  
4166 transaction.

4167 (d) Upon application of the partnership, any partner,  
4168 or any person claiming to be substantially and adversely  
4169 affected by a ratification or waiver pursuant to this section,  
4170 the designated court, and if none, the circuit court for the  
4171 county in which the partnership's principal office is located



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4172 in this state, and if none in this state, in the circuit court  
4173 for the county in which the partnership's most recent  
4174 registered office is located, may hear and determine the  
4175 validity and effectiveness of the ratification of, or waiver  
4176 with respect to, any void or voidable act or transaction  
4177 effectuated pursuant to this section, and in any such  
4178 application, the partnership shall be named as a party and  
4179 service of the application upon the registered agent of the  
4180 partnership shall be deemed to be service upon the  
4181 partnership, and no other party need be joined in order for  
4182 the court to adjudicate the validity and effectiveness of the  
4183 ratification or waiver, and the court may make such order  
4184 respecting further or other notice of the application as the  
4185 court deems proper under the circumstances; provided, that  
4186 nothing herein limits or affects the right to serve process in  
4187 any other manner now or hereafter provided by law, and this  
4188 sentence is an extension of and not a limitation upon the  
4189 right otherwise existing of service of legal process upon  
4190 nonresidents.

4191 (e) The provisions of this section shall not be  
4192 construed to limit the accomplishment of a ratification or  
4193 waiver of a void or voidable act or transaction by other means  
4194 permitted by law.

4195 Section 3. Chapter 18 is added to Title 10A of the Code  
4196 of Alabama 1975, to read as follows:

4197 CHAPTER 18. Alabama Statewide Trade Associations.

4198 §10A-18-1.01. Short title.

4199 This chapter and the provisions of Chapter 1, to the



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4200 extent applicable to Alabama statewide trade associations, may  
4201 be cited as the Alabama Statewide Trade Association Law.

4202 §10A-18-1.02. Applicability of Alabama Nonprofit  
4203 Corporation Law.

4204 The provisions of the Alabama Nonprofit Corporation Law  
4205 shall apply to Alabama statewide trade associations, except to  
4206 the extent they are inconsistent with the provisions of this  
4207 chapter.

4208 §10A-18-1.03. Definitions.

4209 As used in this chapter, unless the context otherwise  
4210 requires, the term:

4211 (a) Alabama statewide trade association means a  
4212 domestic entity that is formed under or is governed by the  
4213 Alabama Nonprofit Corporation Law and that:

4214 (1) is a membership nonprofit corporation as defined in  
4215 the Alabama Nonprofit Corporation Law;

4216 (2) was formed on or before January 1, 2024, and is in  
4217 existence as of January 1, 2024;

4218 (3) has its principal office or other headquarters in  
4219 this state;

4220 (4) represents or promotes the common business,  
4221 professional, or industry interests of its members on a  
4222 statewide basis;

4223 (5) has elected to be governed by this chapter on or  
4224 before December 31, 2024, by amending its certificate of  
4225 incorporation in accordance with Section 10A-18-1.09(a); and

4226 (6) has not ceased to be governed by this chapter in  
4227 accordance with Section 10A-18-1.09(b) or Section





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4228 10A-18-1.09(c).

4229 (b) Policies and procedures means guidelines that  
4230 provide detailed instructions on how specific tasks,  
4231 activities, or situations should be handled within an Alabama  
4232 statewide trade association, including areas such as  
4233 membership application and renewal processes, event planning  
4234 and execution, code of conduct and ethics, financial  
4235 management and reporting, dispute resolution, communication  
4236 protocols, and operational aspects relevant to the Alabama  
4237 statewide trade association's functioning.

4238 §10A-18-1.04. Alabama statewide trade association  
4239 records.

4240 (a) In lieu of any records required to be maintained by  
4241 a membership nonprofit corporation under the Alabama Nonprofit  
4242 Corporation Law, a statewide trade association must maintain  
4243 the following records:

4244 (1) its certificate of incorporation as currently in  
4245 effect;

4246 (2) its bylaws as currently in effect;

4247 (3) its policies and procedures as currently in effect;

4248 (4) minutes of all meetings of its board of directors  
4249 and its members;

4250 (5) a list of the names and business addresses of its  
4251 current directors and officers;

4252 (6) its annual financial statements, annual audits, and  
4253 annual federal and state income tax returns for its last three  
4254 fiscal years (or such shorter period of existence); and

4255 (7) a list of its current members in alphabetical order



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4256 by class of membership showing the address for each member to  
4257 which notices and other communications from the Alabama  
4258 statewide trade association are to be sent.

4259 (b) An Alabama statewide trade association shall  
4260 maintain its books and records for its last three fiscal years  
4261 (or such shorter period of existence) in a form that permits  
4262 preparation of the financial statements in accordance with  
4263 generally accepted accounting principles as applied to  
4264 nonprofit corporations. Financial statements shall mean  
4265 balance sheets, income statements, statements of activities,  
4266 notes to financial statements, statements of financial  
4267 position, and any investment summaries.

4268 (c) An Alabama statewide trade association shall have  
4269 an annual audit of its financial statements. The audit shall  
4270 be conducted by an independent certified public accounting  
4271 firm that regularly audits nonprofit entities. The independent  
4272 certified public accounting firm shall be appointed annually  
4273 by the board of directors.

4274 §10A-18-1.05. Inspection rights of members.

4275 In lieu of any inspection rights of the members of a  
4276 membership nonprofit corporation under the Alabama Nonprofit  
4277 Corporation Law:

4278 (a) A member of an Alabama statewide trade association  
4279 is entitled to inspect the records required to be maintained  
4280 by the Alabama statewide trade association under Sections  
4281 10A-18-1.04(a)(1) through (6) during regular business hours at  
4282 the principal office of the Alabama statewide trade  
4283 association provided that the member gives the Alabama



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4284 statewide trade association written notice of the member's  
4285 demand at least five business days before the date on which  
4286 the member wishes to inspect.

4287 (b) A member may inspect the records Sections  
4288 10A-18-1.04(a)(1) through (6) only if:

4289 (1) the member's request is made in good faith and for  
4290 a proper purpose;

4291 (2) the member's request describes with reasonable  
4292 particularity the member's purpose and the records the member  
4293 desires to inspect; and

4294 (3) the records are directly connected with the  
4295 member's purpose.

4296 (c) An Alabama statewide trade association may impose  
4297 reasonable restrictions and conditions on access to and use of  
4298 the records to be inspected under subsection (a), including  
4299 designating information confidential and imposing  
4300 nondisclosure and safeguarding, and may further keep  
4301 confidential from its members and other persons, for a period  
4302 of time as the Alabama statewide trade association deems  
4303 reasonable, any information that the Alabama statewide trade  
4304 association reasonably believes to be in the nature of a trade  
4305 secret or other information the disclosure of which the  
4306 Alabama statewide trade association in good faith believes is  
4307 not in the best interest of the Alabama statewide trade  
4308 association or could damage the Alabama statewide trade  
4309 association or its activities or affairs or that the Alabama  
4310 statewide trade association is required by law or by agreement  
4311 with a third party to keep confidential. In any dispute



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4312 concerning the reasonableness of a restriction under this  
4313 subsection, the Alabama statewide trade association has the  
4314 burden of proving reasonableness.

4315 (d) This section does not limit the power of a court,  
4316 upon showing of good cause, to compel the production of the  
4317 books and records of an Alabama statewide trade association,  
4318 including records not set forth in Section 10A-18-1.04, to the  
4319 court for examination by a court appointed professional and to  
4320 impose reasonable restrictions on the use of those books and  
4321 records by that court appointed professional.

4322 §10A-18-1.06. Court ordered action.

4323 (a) If an Alabama statewide trade association does not,  
4324 within the time period set forth in Section 10A-18-1.05, allow  
4325 a member who complies with Section 10A-18-1.05 to inspect the  
4326 records required to be maintained by Sections  
4327 10A-18-1.04(a)(1) through (6), a member may petition the  
4328 Montgomery County Circuit Court, and the court may summarily  
4329 order inspection of the records demanded at the Alabama  
4330 statewide trade association's expense upon application of the  
4331 member.

4332 (b) If the court orders inspection of the records  
4333 demanded under Section 10A-18-1.05, it shall impose reasonable  
4334 restrictions on the confidentiality, use, or distribution of  
4335 the records by the demanding member and the court shall also  
4336 order the Alabama statewide trade association to pay the  
4337 member's expenses incurred to obtain the order, unless the  
4338 Alabama statewide trade association establishes that it  
4339 refused inspection in good faith because the Alabama statewide



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4340 trade association had:

4341 (1) a reasonable basis for doubt about the right of the  
4342 member to inspect the records demanded; or

4343 (2) required reasonable restrictions on the  
4344 confidentiality, use, or distribution of the records demanded  
4345 to which the demanding member had been unwilling to agree.

4346 §10A-18-1.07. Financial review.

4347 (a) If a member of an Alabama statewide trade  
4348 association has a reasonable belief that financial fraud or  
4349 malfeasance has occurred or is occurring at the Alabama  
4350 statewide trade association, that member may petition the  
4351 Montgomery County Circuit Court for an independent audit of  
4352 the financial statements of the Alabama statewide trade  
4353 association. For good cause shown, the court may order an  
4354 independent audit of the financial statements of the Alabama  
4355 statewide trade association with that independent audit report  
4356 to be made to the court. If the court does not find good  
4357 cause, the court costs shall be assessed to the petitioning  
4358 member. If the court does find good cause, the court costs and  
4359 the cost of the audit shall be assessed to the Alabama  
4360 statewide trade association.

4361 (b) In making its determination, the court may review  
4362 among other matters, whether the Alabama statewide trade  
4363 association (i) prepared its annual financial statements for  
4364 its last three fiscal years (or such shorter period of  
4365 existence), (ii) had an independent audit of its financial  
4366 statements for its last three fiscal years (or such shorter  
4367 period of existence), (iii) timely filed its federal or state



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4368 income tax returns for its last three fiscal years (or such  
4369 shorter period of existence), or (iv) incurred negative  
4370 financial performance without a reasonable basis and/or board  
4371 approval.

4372 §10A-18-1.08. Limitations on use of membership list.

4373 In addition to the restrictions on the use of  
4374 membership lists under the Alabama Nonprofit Corporation Law:

4375 (a) In an effort to prevent cybercrime, identity fraud,  
4376 and financial crimes, an Alabama statewide trade association  
4377 shall take reasonable precautions to safeguard member data,  
4378 information, and contact information, including membership  
4379 lists.

4380 (b) An Alabama statewide trade association's  
4381 certificate of incorporation may provide that the Alabama  
4382 statewide trade association may not disclose member lists and  
4383 member data.

4384 (c) The membership list of an Alabama statewide trade  
4385 association is the property of the Alabama statewide trade  
4386 association and shall be used solely for official use of the  
4387 Alabama statewide trade association. The Alabama statewide  
4388 trade association may provide member mailing lists for  
4389 official business purposes consistent with its purpose and its  
4390 certificate of incorporation.

4391 (d) Electronic mail addresses and other electronic  
4392 transmission information for members may be used in the  
4393 historical and routine business of an Alabama statewide trade  
4394 association and shall not be rented, sold, or otherwise  
4395 provided to any other individual or organization for any other



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4396 purpose unless authorized by the board of directors.

4397 (e) Unless otherwise permitted by the certificate of  
4398 incorporation or bylaws of an Alabama statewide trade  
4399 association, a membership list or any part thereof may not be  
4400 obtained or used by a member or members of the Alabama  
4401 statewide trade association for any purpose unrelated to the  
4402 interest of that member or members with respect to the  
4403 member's capacity as a member of the Alabama statewide trade  
4404 association without the consent of the board of directors,  
4405 including without limitation:

4406 (1) to solicit money or property unless the money or  
4407 property will be used solely to solicit the votes of the  
4408 members in an election to be held by the Alabama statewide  
4409 trade association;

4410 (2) for any commercial purpose; or

4411 (3) to be sold to, or purchased by, any person.

4412 §10A-18-1.09. Required statement in certificate of formation.

4413 (a) A membership nonprofit corporation formed under or  
4414 governed by the Alabama Nonprofit Corporation Law that elects  
4415 to be governed by this chapter shall amend its certificate of  
4416 incorporation by setting forth in its certificate of  
4417 incorporation a statement that it is an Alabama statewide  
4418 trade association as defined in Sections 10A-18-1.03(a)(1)  
4419 through (6) and that it elects to be governed by this chapter.

4420 (b) An Alabama statewide trade association shall cease  
4421 to be governed by this chapter if it amends its certificate of  
4422 incorporation by removing the statement required in Section  
4423 10A-18-1.09(a) and shall thereafter be governed solely by the



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4424 Alabama Nonprofit Corporation Law, with no right to elect to  
4425 be governed by this chapter thereafter.

4426 (c) An Alabama statewide trade association shall cease  
4427 to be governed by this chapter if it no longer meets the  
4428 definition of an Alabama statewide trade association as set  
4429 forth in Section 10A-18-1.03. If an Alabama statewide trade  
4430 association ceases to be governed by this chapter in  
4431 accordance with this section, then that Alabama statewide  
4432 trade association shall thereafter be governed solely by the  
4433 Alabama Nonprofit Corporation Law, with no right to elect to  
4434 be governed by this chapter thereafter.

4435 Section 4. Although this bill would have as its purpose  
4436 or effect the requirement of a new or increased expenditure of  
4437 local funds, the bill is excluded from further requirements  
4438 and application under Section 111.05 of the Constitution of  
4439 Alabama of 2022, because the bill defines a new crime or  
4440 amends the definition of an existing crime.

4441 Section 5. Section 3 and Section 4 shall become  
4442 effective on June 1, 2024; Section 1 and Section 2, with the  
4443 exception of Sections 10A-1-1.03, 10A-1-1.08, and 10A-1-3.32,  
4444 Code of Alabama 1975, as amended by Section 1 of this act,  
4445 shall become effective on August 1, 2024; and Sections  
4446 10A-1-1.03, 10A-1-1.08, and 10A-1-3.32, Code of Alabama 1975,  
4447 as amended by Section 1 of this act, shall become effective  
4448 January 1, 2025.





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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB112

Senate 04-Apr-24

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,  
Secretary.

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House of Representatives

Amended and passed: 02-May-24

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Senate concurred in House amendment 07-May-24

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By: Senator Givhan