

**HOUSE BILL NO. 247**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE KOTT

Introduced: 5/18/99

Referred:

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act revising the nonprofit corporations code and the religious corporations  
2 code; relating to disclosures and reports by certain nonprofit corporations;  
3 amending Rules 3, 4, 8, 17, 19, 23.1, 24, 25, 65, 79, and 82, Alaska Rules of  
4 Civil Procedure, Rule 803, Alaska Rules of Evidence, and Rules 602 and 609,  
5 Alaska Rules of Appellate Procedure; and providing for an effective date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 \* **Section 1.** AS 10 is amended by adding a new chapter to read:

8 **Chapter 21. Alaska Nonprofit Corporation Code.**

9 **Article 1. Corporate Purposes and Powers.**

10 **Sec. 10.21.005. Purposes.** A domestic corporation may be organized under  
11 this chapter for any lawful purpose except for the purposes of banking and insurance.  
12 A trade union or other labor organization may be organized under this chapter, but a  
13 cooperative corporation, religious corporation, or electric or telephone cooperative may

1 not be organized under this chapter.

2 **Sec. 10.21.010. General powers.** (a) Subject to the limitations in its articles  
3 of incorporation, the provisions of this chapter, and other applicable law, a domestic  
4 corporation has all the powers of a natural person to carry out its business activities,  
5 including, without limitation, the power

6 (1) to have perpetual succession by its corporate name;

7 (2) to sue and be sued in its corporate name;

8 (3) to adopt a corporate seal and alter it, and use it by having it or a  
9 facsimile of it impressed, affixed, or reproduced;

10 (4) to buy, take, receive, lease, or otherwise acquire, own, hold,  
11 improve, use, and otherwise deal in real or personal property or an interest in the  
12 property, wherever situated;

13 (5) to sell, convey, mortgage, pledge, lease, exchange, transfer, and  
14 otherwise dispose of all or a part of its property and assets;

15 (6) to make contracts and incur liabilities, borrow money at reasonable  
16 rates of interest as the corporation determines, issue notes, bonds, and other  
17 obligations, and secure its obligations by mortgage or pledge of all or any of its  
18 property, franchise, and income;

19 (7) to lend money at reasonable rates of interest as the corporation  
20 determines for its corporate purposes, invest and reinvest its funds, and take and hold  
21 real and personal property as security for the payment of money loaned or invested;

22 (8) to conduct affairs, carry on operations, and have offices and  
23 exercise the powers granted by this chapter in a state or in a foreign country;

24 (9) to elect or appoint officers and agents of the corporation and define  
25 their duties and fix their compensation;

26 (10) to make and alter bylaws not inconsistent with its articles of  
27 incorporation and with the laws of the state for the administration and regulation of  
28 the affairs of the corporation;

29 (11) to the extent provided in the articles of incorporation, to donate  
30 for the public welfare or for charitable, scientific, or educational purposes, and in time  
31 of war, donate to aid war activities;

1 (12) to pay pensions and establish pension plans, pension trusts, and  
 2 other incentive plans for its directors, officers, and employees;

3 (13) to cease its corporate activities and surrender its corporate  
 4 franchise;

5 (14) to act as a trustee under a trust incidental to the principal affairs  
 6 of the corporation, and receive, hold, administer, exchange, and expend money and  
 7 property subject to the trust;

8 (15) to issue memberships and levy dues, assessments, and admission  
 9 fees;

10 (16) subject to the provisions of this chapter, to carry on business at  
 11 a profit and apply the profit to activities in which the corporation may lawfully engage;

12 (17) to have and exercise all powers necessary or convenient to carry  
 13 out the purposes for which the corporation was organized.

14 (b) As used in (a)(6) of this section, a rate of interest is unreasonable if it is  
 15 more than a rate that is 15 percentage points above the annual rate charged member  
 16 banks for advances by the 12th Federal Reserve District that prevailed on the 25th day  
 17 of the month preceding the commencement of the calendar quarter during which the  
 18 loan is made.

19 (c) As used in (a)(7) of this section, a rate of interest is unreasonable if it is  
 20 less than the annual rate charged member banks for advances by the 12th Federal  
 21 Reserve District that prevailed on the 25th day of the month preceding the calendar  
 22 quarter during which the loan is made.

23 **Sec. 10.21.015. Defense of ultra vires.** (a) An act of a domestic corporation  
 24 or a transfer of real or personal property to or by a domestic corporation, otherwise  
 25 lawful, is not invalid because the corporation was without capacity or power to do the  
 26 act or to make or receive the transfer.

27 (b) Notwithstanding (a) of this section, lack of capacity or power may be  
 28 asserted in an action

29 (1) by a member against the corporation to enjoin the doing of an act  
 30 or the transfer of real or personal property by or to the corporation; if the unauthorized  
 31 act or transfer sought to be enjoined is being, or is to be, performed or made under a

1 contract to which the corporation is a party, the court may, if all of the parties to the  
 2 contract are parties to the action, set aside and enjoin the performance of the contract  
 3 and, when setting aside and enjoining the performance of the contract, may allow to  
 4 the corporation or to the other parties to the contract compensation as may be equitable  
 5 for the loss or damage sustained by any of the parties from the action of the court in  
 6 setting aside and enjoining the performance of the contract, except that the court may  
 7 not award anticipated profits to be derived from the contract as a loss or damage  
 8 sustained;

9 (2) by or in the right of the corporation to obtain a judgment in its  
 10 favor against an incumbent or former officer or director of the corporation for loss or  
 11 damage due to that individual's unauthorized act;

12 (3) or in a special proceeding by the commissioner to annul or dissolve  
 13 the corporation or to enjoin it from the performance of unauthorized acts.

14 (c) This section also applies to contracts and conveyances made by foreign  
 15 corporations in this state and to conveyances by foreign corporations of real property  
 16 situated in this state.

17 **Sec. 10.21.020. Limitations upon authority of corporate agents.** (a) A  
 18 limitation on the powers of the members, officers, or directors, or on the manner or  
 19 exercise of their powers, contained in or implied by the articles, bylaws, or action of  
 20 the board, or by AS 10.21.550 - 10.21.713, may not be asserted as between the  
 21 corporation or a member and a third person, except in a proceeding

22 (1) by a member or the state to enjoin the doing or continuance of  
 23 unauthorized business by the corporation, its officers, or its directors in cases where  
 24 third parties have not acquired rights under AS 10.21.030;

25 (2) to dissolve the corporation; or

26 (3) by the corporation or by a member suing in a representative suit  
 27 against the officers or directors of the corporation for a violation of the member's,  
 28 officer's, or director's duty.

29 (b) This section also applies to contracts, undertakings, and conveyances made  
 30 by foreign corporations in this state and to conveyances by foreign corporations of real  
 31 property situated in this state.

1           **Sec. 10.21.030. Contracts or conveyances binding domestic and foreign**  
 2 **corporations.** (a) A contract or conveyance made in the name of the corporation that  
 3 is authorized or ratified by the board, or is done within the scope of the authority,  
 4 actual or apparent, conferred by the board, or by delegates authorized under  
 5 AS 10.21.110(1)(J), or within the agency powers of the officers executing it, except  
 6 as the board's authority is limited by law, binds the corporation, and the corporation  
 7 acquires rights under the contract, whether the contract is executed or is wholly or  
 8 partially executory.

9           (b) This section also applies to contracts and conveyances made by foreign  
 10 corporations in this state and to conveyances by foreign corporations of real property  
 11 situated in this state.

## 12                           **Article 2. Name and Service of Process.**

13           **Sec. 10.21.050. Corporate name.** (a) Unless a domestic corporation is  
 14 expressly formed exclusively for charitable purposes, a corporate name shall contain  
 15 the word "corporation," "incorporated," or "limited," or an abbreviation of one of those  
 16 words. The corporate name may not contain a word or phrase that indicates or implies  
 17 that the corporation is organized for a purpose other than the purpose contained in its  
 18 articles. The corporate name may not be the same as, or deceptively similar to, the  
 19 name of a domestic corporation existing under the laws of this state, the name of a  
 20 foreign corporation authorized to conduct affairs in this state, or a name that has been  
 21 reserved or registered as provided in this title.

22           (b) A corporate name may not contain the word "city," "borough," or "village"  
 23 or otherwise imply that the corporation is a municipality. The name of a city,  
 24 borough, or village may be used in the corporate name.

25           (c) A person may not adopt a name that contains the word "corporation,"  
 26 "incorporated," or "limited," or an abbreviation of one of these words, unless the  
 27 person has been issued a certificate of incorporation, or, in the case of a foreign  
 28 corporation, a certificate of authority, by the commissioner.

29           (d) The corporate name may not contain the following words or phrases or an  
 30 abbreviation or derivative of them: acceptance, annuity, assurance, bank, bond,  
 31 casualty, cooperative, endowment, fidelity, finance, fire fighter, guarantee, indemnity,

1 insurance, investment, loan, mortgage, savings, police, trooper, surety, title, trust,  
2 underwriter.

3 **Sec. 10.21.053. Corporate name; exceptions.** (a) The provisions of  
4 AS 10.21.050 and 10.21.768 do not

5 (1) prevent a corporation with which another corporation is merged, or  
6 that is formed by the consolidation of other corporations, from having the same name  
7 as one of the existing corporations involved in the merger or consolidation if, at the  
8 time of the merger or consolidation, the existing corporation was existing or authorized  
9 under a statute of this state;

10 (2) prevent a foreign corporation from being authorized under a name  
11 that is similar to the name of a corporation existing or authorized under a statute of  
12 this state if the commissioner finds, upon proof by affidavit or otherwise, that

13 (A) a difference between the names exists in the terms or  
14 abbreviations indicating corporate character or otherwise;

15 (B) the applicant has conducted activities as a corporation under  
16 the name for not less than 10 consecutive years immediately before the date of  
17 its application;

18 (C) the activities to be conducted in this state are not the same  
19 as or similar to the business or activities conducted by the corporation with  
20 whose name it may conflict;

21 (D) the public is not likely to be confused or deceived; and

22 (E) the applicant agrees in its application for authority to use  
23 with its corporate name, in this state, and to be placed immediately under or  
24 following the name, the words "a ...(name of jurisdiction of incorporation)  
25 corporation."

26 (b) In this section, except as otherwise provided, "corporation" includes  
27 both domestic and foreign corporations.

28 **Sec. 10.21.055. Reservation of corporate name.** The exclusive right to the  
29 use of a corporate name may be reserved by a

30 (1) person intending to organize a domestic corporation under this  
31 chapter;

- 1 (2) domestic corporation intending to change its name;  
2 (3) foreign corporation intending to apply for a certificate of authority  
3 to conduct affairs in this state;  
4 (4) foreign corporation authorized to conduct affairs in this state and  
5 intending to change its name;  
6 (5) person intending to organize a foreign corporation and to have it  
7 apply for a certificate of authority to conduct affairs in this state.

8 **Sec. 10.21.058. Application to reserve corporate name.** Reservation of a  
9 corporate name is made by filing an application with the commissioner. If the  
10 commissioner finds that the name is available for corporate use and is not a name  
11 reserved or registered under AS 10.35, the commissioner shall reserve it for the  
12 exclusive use of the applicant for a period of 120 days.

13 **Sec. 10.21.060. Transfer of reserved name.** The holder of a reserved  
14 corporate name may transfer the right to the exclusive use of the corporate name to  
15 another person by filing with the commissioner a notice of transfer signed by the  
16 holder and specifying the name and address of the transferee.

17 **Sec. 10.21.063. Registration of name of foreign corporations.** A corporation  
18 organized and existing under the laws of any state may register its corporate name if  
19 the name is not the same as, or deceptively similar to, the name of a domestic  
20 corporation, the name of a foreign corporation authorized to conduct affairs in this  
21 state, or a corporate name reserved or registered under AS 10.35.

22 **Sec. 10.21.065. Use of same or deceptively similar name.** Incorporation,  
23 obtaining a certificate of authority by a foreign corporation, or registration of a  
24 corporate name gives the exclusive right to the use of the name. The person who has  
25 incorporated, received a certificate of authority, or registered a corporate name under  
26 this chapter may enjoin the use of the same name or a deceptively similar name and  
27 has a cause of action for damages against a person who uses the same name or  
28 deceptively similar name.

29 **Sec. 10.21.068. Procedure for registration of corporate name.** Registration  
30 of a corporate name is made by filing with the commissioner

- 31 (1) an application for registration executed by an officer of the

1 corporation setting out the name of the corporation, the state under the laws of which  
2 it is incorporated, the date of incorporation, a statement that it is conducting affairs,  
3 and a brief statement of its corporate purposes; and

4 (2) a certificate from an official of the state where the corporation is  
5 organized who has custody of the records pertaining to corporations stating that the  
6 corporation is in good standing under the laws of that state.

7 **Sec. 10.21.070. Fee for and duration of registered name.** (a) The  
8 department shall establish by regulation the fee for registration of a corporate name.

9 (b) The registration is effective until the close of the calendar year in which  
10 the application for registration is filed unless terminated earlier by involuntary  
11 dissolution in accordance with AS 10.21.550 - 10.21.713.

12 **Sec. 10.21.073. Renewal of registered name.** A foreign corporation that has  
13 registered its corporate name may renew the registration each year by (1) filing an  
14 application for renewal setting out the facts required in an original application for  
15 registration; (2) filing a certificate of good standing required for an original  
16 registration; and (3) paying a fee established by the department by regulation. An  
17 application for renewal shall be filed between October 1 and December 31 in each  
18 year. The renewal extends the registration for the following calendar year.

19 **Sec. 10.21.075. Registered office and registered agent.** A domestic  
20 corporation shall continuously maintain in this state a registered agent and a registered  
21 office. The registered office may be the same as the principal office of the  
22 corporation. The registered agent may be either an individual resident of this state  
23 whose business office is the same as the registered office, or a domestic or foreign  
24 corporation authorized to conduct affairs in this state whose principal office is the  
25 same as the registered office.

26 **Sec. 10.21.080. Filing list of registered corporations with superior court.**  
27 The commissioner shall file a list of the name of each domestic and authorized foreign  
28 corporation, and the name and address of the registered agent of each domestic and  
29 authorized foreign corporation, with the superior court of each judicial district. The  
30 commissioner shall provide a weekly update of the list indicating additions, deletions,  
31 and changes by mechanical or electronic means that can be reduced to legible written

1 copy. The commissioner shall make the list and weekly updates available to the public  
 2 for a fee established by the department by regulation. The commissioner shall publish  
 3 an updated compilation of the entire list at least once each year.

4 **Sec. 10.21.083. Change of registered office; change or resignation of**  
 5 **registered agent.** (a) A corporation may change its registered office or its registered

6 agent, or both, by filing with the commissioner a verified statement setting out

7 (1) the name of the corporation;

8 (2) the address of its registered office;

9 (3) the address of the proposed registered office if the address of its  
 10 registered office is to be changed;

11 (4) the name of its registered agent;

12 (5) the name of its successor registered agent if its registered agent is  
 13 to be changed; and

14 (6) a statement that the change is authorized by resolution adopted by  
 15 its board of directors.

16 (b) The commissioner shall file the verified statement if the statement complies  
 17 with this chapter. The change becomes effective when the statement is filed.

18 (c) A registered agent may resign by filing a written notice, executed in  
 19 duplicate, with the commissioner. The written notice of resignation must set out the  
 20 latest address of the principal office of the corporation and the names, addresses, and  
 21 titles of the most recent officers of the corporation known to the agent. The  
 22 commissioner shall immediately mail a copy of the notice to the corporation at its  
 23 principal office. The resignation becomes effective 30 days after the filing of the  
 24 written notice or upon the appointment of a new agent by the corporation, whichever  
 25 is sooner.

26 **Sec. 10.21.088. Service of process on corporation.** (a) The registered agent  
 27 of a domestic corporation is an agent upon whom process, notice, or demand required  
 28 or permitted by law to be served upon the corporation may be served.

29 (b) If a domestic corporation fails to appoint or maintain a registered agent in  
 30 the state, or its registered agent cannot with reasonable diligence be found at the  
 31 registered office, the commissioner is an agent of the corporation upon whom the

1 process, notice, or demand may be served. A person may serve the commissioner  
2 under this subsection by

3 (1) serving on the commissioner or the director of the division of  
4 banking, securities, and corporations in the department a copy of the process, notice,  
5 or demand, with any papers required by law to be delivered in connection with the  
6 service, and a fee established by the department by regulation;

7 (2) sending to the corporation being served, by registered mail, a notice  
8 that service has been made on the commissioner under this subsection and a copy of  
9 the process, notice, or demand and accompanying papers; notice to the corporation  
10 shall be sent to

11 (A) the last registered office of the corporation as shown by the  
12 records on file in the office of the commissioner;

13 (B) an address, the use of which the person initiating the  
14 proceedings knows or, on the basis of reasonable inquiry, has reason to believe  
15 is most likely to result in actual notice; and

16 (3) filing with the appropriate court or other body, as part of the return  
17 of service, the return receipt of mailing and an affidavit of the person initiating the  
18 proceedings that this section has been complied with.

19 (c) The department shall keep a record of processes, notices, and demands  
20 served on the commissioner under this section.

21 (d) This section does not limit or affect the right to serve process, notice, or  
22 demand on a corporation in any other manner permitted by law.

### 23 **Article 3. Formation of Corporations.**

24 **Sec. 10.21.100. Incorporators.** Three or more natural persons at least 18  
25 years of age may act as incorporators of a domestic corporation by signing, verifying,  
26 and delivering in duplicate to the commissioner articles of incorporation for the  
27 corporation.

28 **Sec. 10.21.105. Articles of incorporation.** (a) The articles of incorporation  
29 must set out

30 (1) the name of the corporation;

31 (2) the purpose or purposes for which the corporation is organized,

1 which may be stated to be, or to include, the conduct of any or all lawful affairs for  
2 which corporations may be incorporated under this chapter;

3 (3) the address of its initial registered office in this state, and the name  
4 of its initial registered agent at that address;

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

6 (5) a statement either that

7 (A) "This corporation is a nonprofit mutual benefit corporation,  
8 is not expressly formed for a public or charitable purpose, will not, or is not  
9 reasonably expected to, derive in excess of 10 percent of its annual income  
10 from donations, and will have voting members."; or

11 (B) "This corporation is a nonprofit public benefit corporation  
12 formed for the following charitable or public purposes. . . .";

13 (6) the name and address of each alien affiliate or a statement that there  
14 are no alien affiliates.

15 (b) It is not necessary to set out in the articles of incorporation the corporate  
16 powers enumerated in this chapter.

17 (c) A provision of the articles of incorporation that is inconsistent with a bylaw  
18 is controlling, notwithstanding the bylaw.

19 (d) A change in the number of directors made by amendment to the bylaws  
20 is controlling unless the articles of incorporation provide that a change in the number  
21 of directors may be made only by amendment to the articles.

22 **Sec. 10.21.110. Articles of incorporation: optional provisions.** The articles  
23 of incorporation may set out

24 (1) any of the following provisions, which are not effective unless  
25 expressly stated in the articles:

26 (A) a provision stating special qualifications of persons who  
27 may be members;

28 (B) a provision limiting the duration of the corporation's  
29 existence to a specified date;

30 (C) a provision requiring, for any or all corporate actions,  
31 except as provided in AS 10.21.375, 10.21.553, and 10.21.633, the vote of a

1 larger proportion or of all of the members, or of a class, or the vote or quorum  
2 for taking action of a larger proportion or of all of the directors, than is  
3 otherwise required by this chapter;

4 (D) a provision fixing a quorum of members other than a  
5 majority of the members entitled to vote, but the quorum may not be less than  
6 10 percent of the members entitled to vote at a meeting;

7 (E) a provision limiting or restricting the affairs in which the  
8 corporation may engage or the powers that the corporation may exercise, or  
9 both;

10 (F) a provision creating two or more classes of members, and  
11 specifying the rights, privileges, restrictions, and conditions attaching to each  
12 class;

13 (G) a provision allowing a member or a group or class of  
14 members to have more or less than one vote, or no vote, in any or all elections  
15 or other matters presented to the members for a vote;

16 (H) a provision conferring upon members the right to determine  
17 the consideration for which memberships may be issued;

18 (I) a provision requiring the approval of the members or the  
19 approval of a majority of all members for any corporate action, even though  
20 not otherwise required by this chapter;

21 (J) a provision that confers or imposes the powers, duties,  
22 privileges, and liabilities of directors under AS 10.21.350 upon delegates;

23 (K) a provision that the notice regarding the annual report to  
24 members required by AS 10.21.310 may not include a postage prepaid form for  
25 use by the member in making a written request;

26 (L) a provision that there will be a charge for sending the  
27 annual report to a member making a request under AS 10.21.310;

28 (2) the names and addresses of the persons appointed to act as initial  
29 directors;

30 (3) any other provision that does not conflict with law and that  
31 regulates internal affairs and the conduct of the affairs of the corporation, including a

1 provision that is required or permitted by this chapter to be stated in the bylaws.

2 **Sec. 10.21.112. Provisions considered to be in articles of incorporation by**  
3 **operation of law.** (a) The articles of incorporation of every nonprofit corporation that  
4 is a private foundation are considered to contain provisions prohibiting the corporation  
5 from

6 (1) engaging in an act of self-dealing that would result in liability for  
7 tax imposed by 26 U.S.C. 4941(a) (Internal Revenue Code);

8 (2) retaining excess business holdings that would result in liability for  
9 the tax imposed by 26 U.S.C. 4943(a) (Internal Revenue Code);

10 (3) making an investment that, under 26 U.S.C. 4944 (Internal Revenue  
11 Code), would jeopardize the carrying out of any of its exempt purposes and that would  
12 result in liability for the tax imposed by 26 U.S.C. 4944(a) (Internal Revenue Code);  
13 and

14 (4) making taxable expenditures that would result in liability imposed  
15 by 26 U.S.C. 4945(a) (Internal Revenue Code).

16 (b) The articles of incorporation of every nonprofit corporation that is a private  
17 foundation are considered to contain a provision requiring the corporation to distribute  
18 for the purposes specified in its articles of incorporation for each taxable year amounts  
19 at least sufficient to avoid liability for the tax imposed by 26 U.S.C. 4942(a) (Internal  
20 Revenue Code).

21 (c) A nonprofit corporation may at any time amend its articles of incorporation  
22 or other instrument governing the corporation by any amendment process that is  
23 authorized to it under this chapter to provide that some or all provisions of (a) and (b)  
24 of this section do not apply to the corporation.

25 (d) In this section, a reference to a section of the Internal Revenue Code  
26 includes the section as later amended.

27 (e) In this section,

28 (1) "excess business holdings" has the meaning given in 26 U.S.C.  
29 4943(c) (Internal Revenue Code);

30 (2) "private foundation" has the meaning given in 26 U.S.C. 509  
31 (Internal Revenue Code);

1 (3) "self-dealing" has the meaning given in 26 U.S.C. 4941(d) (Internal  
2 Revenue Code);

3 (4) "taxable expenditures" has the meaning given in 26 U.S.C. 4945(d)  
4 (Internal Revenue Code).

5 **Sec. 10.21.115. Filing of articles of incorporation.** Duplicate originals of the  
6 articles of incorporation shall be delivered to the commissioner for processing under  
7 AS 10.21.905 and for issuance of a certificate of incorporation.

8 **Sec. 10.21.117. Disclosure of corporate activities.** A person presenting  
9 articles of incorporation under AS 10.21.115 shall deliver with the articles a separate  
10 statement of the codes from the identification codes established under AS 10.06.870  
11 that most closely describe the activities in which the corporation will initially engage.

12 **Sec. 10.21.120. Effect of issuance of certificate of incorporation.** (a) The  
13 corporate existence begins upon the issuance of the certificate of incorporation.

14 (b) The certificate of incorporation is conclusive evidence that all conditions  
15 precedent required to be performed by the incorporators have been satisfied and that  
16 the corporation has been incorporated.

17 (c) Issuance of the certificate does not affect the right of the state to bring a  
18 proceeding to cancel or revoke the certificate of incorporation or for involuntary  
19 dissolution of the corporation.

20 (d) The doctrines of de jure compliance, de facto corporations, and  
21 corporations by estoppel are abolished.

22 **Sec. 10.21.125. Liability for assumption of purported powers of nonexistent**  
23 **corporation.** Persons who act as a corporation that has not been issued a certificate  
24 of incorporation under AS 10.21.120 are jointly and severally liable for debts and  
25 liabilities incurred or arising as a result of that action.

26 **Sec. 10.21.130. Organizational meeting.** After the issuance of a certificate  
27 of incorporation, an organizational meeting of either the incorporators or the board of  
28 directors named in the articles of incorporation shall be held either inside or outside  
29 the state at the call of the majority of the incorporators or directors named in the  
30 articles of incorporation for the purposes of adopting bylaws, electing directors if none  
31 have been named in the articles, electing officers, and transacting other business that

1 may come before the meeting. The persons calling the meeting shall give at least 20  
2 days' notice of the meeting by mail to each incorporator or director named. The  
3 notice must state the time and place of the meeting.

4 **Sec. 10.21.135. Power of incorporators before election of directors.** If  
5 initial directors are not named in the articles, the incorporator or incorporators may do  
6 whatever is necessary and proper to perfect the organization of the corporation until  
7 the directors are elected, including the adoption and amendment of bylaws of the  
8 corporation and the election of directors.

9 **Sec. 10.21.140. Adoption, amendment, or repeal of bylaws.** Bylaws may  
10 be adopted, amended, or repealed either by approval of a majority of all members or  
11 by approval of the board, except as provided in AS 10.21.145. In the case of mutual  
12 benefit corporations, the articles may restrict or eliminate the power of the board to  
13 adopt, amend, or repeal bylaws.

14 **Sec. 10.21.145. Number of directors and other content of bylaws.** (a)  
15 Unless a provision is contained in the articles, the bylaws shall state the number of  
16 directors of the corporation or that the number of directors may not be less than a  
17 stated number or more than a stated number, with the exact number of the directors  
18 to be fixed within the limits specified by approval of the board or the members in the  
19 manner provided in the bylaws. The stated maximum number of directors may not be  
20 greater than a number that equals one less than two times the stated minimum number,  
21 and the minimum number of directors may not be less than three. If the articles  
22 provide for the number of directors, the number of directors may only be changed by  
23 an amendment to the articles.

24 (b) In the case of a domestic corporation having members with voting rights,  
25 a bylaw specifying or changing a fixed number of directors or the maximum or  
26 minimum number of directors or changing from a fixed to a variable board, or vice  
27 versa, may only be adopted by approval of a majority of all members.

28 (c) Notwithstanding (b) of this section, a bylaw or an amendment of the  
29 articles reducing the fixed or minimum number of directors to a number less than five  
30 may not be adopted if the number of votes cast against its adoption at a meeting or the  
31 number of members not consenting in the case of action by written consent is more

1 than one-sixth of the members entitled to vote.

2 (d) Unless a provision is contained in the articles, the bylaws of a domestic  
3 corporation with 5,000 or more members must set a date for the close of the  
4 nominations for the board as provided in AS 10.21.245.

5 (e) The bylaws may contain any provision that does not conflict with law or  
6 the articles and that is for the regulation of the internal affairs or for the conduct of  
7 the affairs of the corporation, including

8 (1) a provision described in AS 10.21.110(2);

9 (2) the time, place, and manner of calling, conducting, and giving  
10 notice of meetings of members, directors, and committees;

11 (3) the manner of execution, revocation, and use of proxies;

12 (4) the qualifications, duties, and compensation of directors; the time  
13 of their annual election; and the requirements of a quorum for director and committee  
14 meetings;

15 (5) the appointment and authority of committees of the board;

16 (6) the appointment, duties, compensation, and tenure of officers;

17 (7) the method of determining membership in the corporation; and

18 (8) the making of annual reports and financial statements to the  
19 members.

20 **Sec. 10.21.150. Location and inspection of bylaws.** A corporation shall keep  
21 at its principal executive office in this state or, if its principal executive office is not  
22 in this state, at its principal office in this state, the original or a copy of its bylaws  
23 with amendments to date, which must be open to inspection by the members at all  
24 reasonable times during office hours. If the principal executive office of the  
25 corporation is outside this state and the corporation does not have a principal office  
26 in this state, it shall, upon a written request of a member, furnish to that member a  
27 copy of the bylaws with amendments to date.

#### 28 **Article 4. Corporate Finance.**

29 **Sec. 10.21.155. Authorized dues, assessments, or fees.** (a) A domestic  
30 corporation may levy dues, assessments, or fees on its members as provided in its  
31 articles or bylaws. A member, upon learning of the levy, may avoid liability for dues,

1 assessments, or fees by promptly resigning from membership unless the member is,  
2 by contract or otherwise, liable for the payment of the dues, assessment, or fee. A  
3 provision of the articles or bylaws authorizing dues, assessments, or fees does not  
4 alone create liability of a member for the payment of the dues, assessment, or fee.

5 (b) Dues, assessments, or fees levied as provided in (a) of this section must  
6 be uniform for all members except that a corporation having two or more classes of  
7 members may levy dues, assessments, or fees that are only uniform as to all members  
8 of a class.

9 **Sec. 10.21.160. Bonds.** (a) A domestic corporation may issue bonds only in  
10 exchange for money or other tangible property, intangible property, labor, or services,  
11 and only if the money, property, labor, or services have actually been received by or  
12 performed for the corporation or for its benefit.

13 (b) The holder of bonds issued or to be issued by the corporation may inspect  
14 the corporate books and records.

15 **Sec. 10.21.165. Limitation on access to nondebt capital.** A domestic  
16 corporation may not issue stock or capital certificates, or enter into similar agreements  
17 that provide the corporation with access to capital, without a fixed obligation to repay  
18 the source.

19 **Sec. 10.21.170. Income from corporate activities.** (a) If the lawful activities  
20 of a domestic corporation involve the charging of fees or prices for its services or  
21 products, the corporation may receive this income and make an incidental profit from  
22 this income.

23 (b) All incidental profits described in (a) of this section shall be applied to the  
24 maintenance, expansion, or operation of the lawful activities of the corporation and  
25 may not be divided or distributed in any manner among the members, directors, or  
26 officers of the corporation.

27 **Sec. 10.21.175. Restriction on accumulation of surplus current assets.** (a)  
28 Notwithstanding another provision of this chapter or other law, a domestic corporation  
29 may not accumulate from any source current assets in excess of its current liabilities  
30 and a reasonable reserve for planning.

31 (b) Current assets are presumed to be in excess of the amount permitted under

1 (a) of this section if they exceed 50 percent of the larger of either the corporate  
 2 expenditures in the preceding year or the average corporate expenditures for the five  
 3 immediately preceding years.

4 (c) A violation of this section is an ultra vires corporate activity with the  
 5 consequences provided under AS 10.21.015(b).

6 (d) In this section,

7 (1) "current assets" means cash, inventory, and receivables from any  
 8 source, and includes the yield on investment in assets or obligations unrelated to the  
 9 purpose of the corporation stated in the articles;

10 (2) "current liabilities" means

11 (A) in the case of a public benefit corporation, the recurrent and  
 12 anticipated expenses that further the purposes stated in the articles;

13 (B) in the case of a mutual benefit corporation, the recurrent  
 14 and anticipated expenses that further the purposes stated in the articles or by  
 15 board resolution.

16 **Sec. 10.21.180. Distribution to members prohibited.** (a) A domestic  
 17 corporation may not make a distribution to members.

18 (b) If allowed by its articles or bylaws, a mutual benefit corporation may  
 19 provide services or goods to members without charge or at a charge that the board  
 20 determines is appropriate.

21 (c) In this section, "distribution to members" means the distribution by a  
 22 corporation to its members of gains, profits, dividends, or anything sufficient to  
 23 constitute consideration for a contract by the corporation to its members.

24 **Sec. 10.21.185. Donations held in charitable trust.** (a) A domestic  
 25 corporation shall hold in a charitable trust donations received by the domestic  
 26 corporation.

27 (b) In the absence of a written agreement between a donor and a public benefit  
 28 corporation defining the terms of the charitable trust, acceptance of

29 (1) an unsolicited donation by the corporation implies as a term of the  
 30 trust that the donation shall be applied to the public or charitable purposes stated in  
 31 the articles of the corporation at the time of the donation or as amended in conformity

1 with AS 10.21.453(b) and may not be used for another purpose;

2 (2) a solicited donation by the corporation implies as a term of the trust  
3 that the donation shall be applied to the purpose stated in the solicitation and may not  
4 be used for another purpose.

5 (c) In the absence of a written agreement between a donor and a mutual  
6 benefit corporation defining the terms of the charitable trust, acceptance of

7 (1) an unsolicited donation by the corporation implies as a term of the  
8 trust that the donation shall be used for the purposes stated in the articles of the  
9 corporation at the time of the donation or as amended in conformity with  
10 AS 10.21.453(b) and may not be used for another purpose;

11 (2) a solicited donation by the corporation implies as a term of the trust  
12 that the donation shall be used for the purpose stated in the solicitation and may not  
13 be used for another purpose.

14 (d) A foreign corporation shall hold in a charitable trust donations received by  
15 the foreign corporation from sources in this state. In the absence of a written  
16 agreement between a donor and a foreign corporation defining the terms of the  
17 charitable trust, acceptance of a donation by the corporation implies as a term of the  
18 trust that the donation shall be used for the purposes stated in the solicitation and in  
19 the articles of the corporation at the time of solicitation and may not be used for  
20 another purpose.

21 **Sec. 10.21.190. Action to remedy breach of charitable trust.** (a)  
22 Notwithstanding AS 10.21.015, the following persons may bring an action to enjoin,  
23 correct, obtain damages for, or otherwise remedy a breach of a charitable trust  
24 established under AS 10.21.185:

25 (1) the corporation or a member in the name of the corporation as  
26 provided in this chapter;

27 (2) an officer of the corporation;

28 (3) a director of the corporation;

29 (4) a donor or a person with a reversionary, contractual, or other  
30 property interest in the assets subject to the charitable trust; or

31 (5) the commissioner.

1 (b) The plaintiff shall give notice to the commissioner of an action under (a)  
2 of this section, and the commissioner may intervene in the action.

3 (c) A plaintiff under this section who succeeds on the merits is entitled to  
4 reasonable attorney fees and costs of litigation, including costs incurred in discovery.

5 (d) The rights and remedies prescribed by this section are cumulative and in  
6 addition to other rights or remedies available to a donor against a donee corporation  
7 or an officer, a director, or a member of a donee corporation.

8 **Sec. 10.21.193. Disposition of assets in regular course of activities;**  
9 **mortgage or pledge of assets.** (a) The sale, lease, exchange, or other disposition of  
10 all, or substantially all, of the property and assets of a domestic corporation in the  
11 usual and regular course of its activities, and the mortgage or pledge of property and  
12 assets, whether or not in the usual and regular course of its activities, may be made  
13 on terms and conditions and for consideration as approved by a majority of the entire  
14 board and approved by the members.

15 (b) This section and the other provisions of this chapter do not authorize a  
16 sale, lease, exchange, or disposition prohibited by

17 (1) another law, including the law of trusts, charitable trusts, or  
18 contracts; or

19 (2) the articles or bylaws.

20 **Sec. 10.21.195. Disposition of all or substantially all assets not in regular**  
21 **course of activities.** (a) A sale, lease, exchange, or other disposition of all, or  
22 substantially all, of the assets of a domestic corporation other than in the regular  
23 course of its activities may be made in the following manner:

24 (1) if there are members entitled to vote on the disposition, the board  
25 shall adopt a resolution recommending the sale, lease, exchange, or other disposition;  
26 the resolution shall state the terms and conditions of the proposed transaction,  
27 including the consideration to be received by the corporation, the eventual disposition  
28 to be made of the consideration, and a statement indicating whether the dissolution of  
29 the corporation is or is not contemplated; the resolution shall be submitted to a vote  
30 at an annual or special meeting of members entitled to vote on the resolution; written  
31 notice of the meeting shall be given to each member and bond holder, whether or not

1 entitled to vote, not less than 20 days before the meeting in the manner provided in  
2 this chapter for the giving of notice of meetings of members; the notice must state that  
3 the purpose, or one of the purposes, of the meeting is to consider a proposed sale,  
4 lease, exchange, or other disposition of the assets of the corporation, and, in the case  
5 of a mutual benefit corporation, the notice must include a copy of AS 10.21.530 and  
6 10.21.533 concerning the rights of a dissenting member;

7 (2) a mutual benefit corporation shall take a vote of the members at a  
8 meeting properly noticed under this section on a sale, lease, exchange, or other  
9 disposition recommended by the board; the transaction is approved if the  
10 recommendation of the board receives the affirmative vote of at least two-thirds of all  
11 the members entitled to vote on the recommendation, unless a class of members is  
12 entitled to vote as a class, in which case the transaction is approved if it receives the  
13 affirmative vote of at least two-thirds of all members of that class and of the total  
14 number of members entitled to vote; members may alter the terms of a proposed sale,  
15 lease, exchange, or other disposition and may authorize the board to modify the terms  
16 and conditions by a vote sufficient to approve the transaction; a sale, lease, exchange,  
17 or other disposition, as modified by the members, is approved when those terms have  
18 been adopted by a majority of the board;

19 (3) a public benefit corporation or a foreign corporation shall take a  
20 vote of the members at a meeting properly noticed under this section on the  
21 recommended sale, lease, exchange, or other disposition recommended by the board;  
22 the transaction is approved if the recommendation of the board receives the approval  
23 of the members, unless a class of members is entitled to vote as a class, in which case  
24 the transaction is approved if it is approved by both the members of the class and the  
25 members of the corporation; the members may alter the terms of a proposed sale,  
26 lease, exchange, or other disposition and may authorize the board to modify the terms  
27 and conditions by a vote sufficient to approve the transaction; a sale, lease, exchange,  
28 or other disposition, as modified by the members, is approved when those terms have  
29 been adopted by a majority of the board;

30 (4) if there are no members entitled to vote on a disposition of  
31 corporate assets under this section, a sale, lease, exchange, or other disposition may

1 be authorized by the vote of at least two-thirds of the entire board, except that, if there  
 2 are 21 or more directors, the vote of a majority of the entire board is sufficient to  
 3 authorize a disposition of corporate assets.

4 (b) If a corporation is, or would be if formed under this chapter, a public  
 5 benefit corporation, a sale, lease, exchange, or other disposition is subject to approval  
 6 by the commissioner under AS 10.21.198. If the corporation is, or would be if formed  
 7 under this chapter, a mutual benefit corporation, and if it holds assets in charitable  
 8 trust, it shall give written notice to the commissioner not less than 30 days before a  
 9 sale, lease, exchange, or other disposition under this section unless the commissioner  
 10 has given the corporation a written waiver of this notice requirement as to the  
 11 particular transaction.

12 (c) After authorization and, when required, approval of the commissioner, the  
 13 board in its discretion may abandon a sale, lease, exchange, or other disposition of  
 14 assets subject to the rights of third parties under any contract without further action or  
 15 approval.

16 (d) The provisions of this section apply to a foreign corporation to the extent  
 17 that it holds

18 (1) assets in charitable trust under AS 10.21.185; or

19 (2) an interest in real property situated in this state.

20 **Sec. 10.21.198. Petition for approval by commissioner.** (a) A domestic or  
 21 foreign corporation required by law to obtain the approval of the commissioner to sell,  
 22 lease, exchange, or otherwise dispose of all or substantially all of its assets shall  
 23 submit a verified petition to the commissioner that must set out

24 (1) the name of the corporation and the law under which it was  
 25 incorporated;

26 (2) the names of the directors and principal officers of the corporation  
 27 and their places of residence;

28 (3) the activities of the corporation;

29 (4) a description, which may be contained in a schedule attached to the  
 30 petition, of the assets to be sold, leased, exchanged, or otherwise disposed of; a  
 31 statement of the face value of those assets; and the amount of the corporation's debts

1 and liabilities, including the manner by which they are secured;

2 (5) the consideration to be received by the corporation, the proposed  
3 disposition of that consideration, and a statement that the dissolution of the corporation  
4 is or is not contemplated;

5 (6) a concise statement of the reasons why the purposes of the  
6 corporation or the interests of its members will be promoted by the sale, lease,  
7 exchange, or other disposition of the assets of the corporation;

8 (7) a statement that the sale, lease, exchange, or disposition of  
9 corporate assets has been recommended or authorized by a vote of the directors at a  
10 meeting duly called and held, as shown in a schedule attached to the petition setting  
11 out a copy of the resolution granting the authority, including the results of the vote on  
12 the resolution;

13 (8) if the consent of the members of the corporation is required by law,  
14 a statement that the consent is given, as shown in a schedule attached to the petition  
15 setting out a copy of the consent adopted at a meeting of members duly called and  
16 held and a statement of the vote on the consent; and

17 (9) a request for approval to sell, lease, exchange, or otherwise dispose  
18 of all or substantially all, of the assets of the corporation as set out in the petition.

19 (b) The commissioner may, in the commissioner's discretion, order that the  
20 notice of the petition be given personally or by mail to any person interested in the  
21 petition as member, officer, or creditor of the corporation. The notice must state that  
22 written consent or objections to the petition will be received by the commissioner until  
23 a specified date that may not be less than 30 days from the date of the notice. An  
24 interested person, whether or not formally notified, may file written comments or  
25 objections to the petition. The commissioner shall consider comments if they are filed  
26 within the time permitted under the notice or, if notice has not been given by the  
27 commissioner, within 30 days from the presentation of the petition to the  
28 commissioner.

29 (c) If the corporation is insolvent or if its assets are insufficient to liquidate  
30 its debts and liabilities in full, the approval of the commissioner may not be given  
31 unless all the creditors of the corporation have been served, personally or by mail, with

1 a notice of the proposed distribution and have been given the period for comment or  
2 objection permitted under (b) of this section.

3 (d) If the commissioner determines that the purposes of the corporation or the  
4 interests of the members will be reasonably served, the commissioner may authorize  
5 the sale, lease, exchange, or other disposition of all or substantially all of the assets of  
6 the corporation, as described in the petition, for the consideration and on the terms the  
7 commissioner prescribes. The commissioner's order shall direct how to dispose of the  
8 consideration to be received by the corporation.

9 (e) A party aggrieved by an order of the commissioner under (d) of this  
10 section may appeal the order to the superior court. Judicial review of an order issued  
11 under (d) of this section is limited to the issue of whether or not the order is an abuse  
12 of discretion.

### 13 **Article 5. Members.**

14 **Sec. 10.21.200. Members; admission of members; corporations without**  
15 **members.** (a) A domestic corporation may admit persons to membership as provided  
16 in its articles or bylaws or may provide in its articles or bylaws that it will not have  
17 members. In the absence of a provision in its articles or bylaws providing for  
18 members, a domestic corporation may not have members.

19 (b) In the case of a domestic corporation without members,

20 (1) an action that would otherwise require approval by a majority of  
21 all members or approval by the members requires only approval of the board,  
22 notwithstanding a provision of the articles, bylaws, or this chapter;

23 (2) rights that would otherwise vest in the members vest in the  
24 directors.

25 **Sec. 10.21.203. Consideration for membership.** (a) Subject to the articles  
26 or bylaws, a membership may be issued by a domestic corporation for no consideration  
27 or for a consideration as determined by the board.

28 (b) Except as provided in (d) of this section and subject to AS 10.21.165, a  
29 membership issued as provided in this section is a fully paid membership and is not  
30 liable for any further call, and the member is not liable for further payment for the  
31 membership.

1 (c) In the absence of fraud in the transaction, the judgment of the directors as  
2 to the value of the consideration for a membership is conclusive.

3 (d) A domestic corporation may issue all or part of its memberships as partly  
4 paid and subject to call for the remainder of the consideration to be paid for the  
5 membership.

6 **Sec. 10.21.205. Multiple and fractional memberships.** (a) Except as  
7 provided in this section, a person may not hold a fractional membership or more than  
8 one membership.

9 (b) Two or more persons may have an indivisible interest in a single  
10 membership if authorized by the articles or bylaws, subject to AS 10.21.278.

11 (c) A person may hold membership in more than one class if the articles or  
12 bylaws provide for classes of membership and permit a person to be a member of  
13 more than one class.

14 (d) In the case of membership in a homeowners' association, the articles or  
15 bylaws may permit a person who owns an interest or who has a right of exclusive  
16 occupancy in more than one lot, parcel, area, apartment, or unit to hold a separate  
17 membership in the homeowners' association for each lot, parcel, area, apartment, or  
18 unit.

19 **Sec. 10.21.208. Transfer and cancellation of membership certificates and**  
20 **identity cards of mutual benefit corporations.** (a) A mutual benefit corporation  
21 may issue membership certificates and identity cards or similar devices to members  
22 that serve to identify members qualifying to use facilities or services of the  
23 corporation.

24 (b) A membership certificate issued by a mutual benefit corporation must state  
25 on the certificate

26 (1) that the corporation is a nonprofit mutual benefit corporation that  
27 may not make distributions to its members except upon dissolution, or, if the articles  
28 provide that it may not make a distribution to its members, that it may not make a  
29 distribution to its members;

30 (2) that restrictions on the transferability of membership, if any, are on  
31 file with the secretary of the corporation and that the records containing the restrictions

1 are open for inspection by a member on the same basis as the records of the  
2 corporation; and

3 (3) if applicable, that the membership has been issued as partly paid  
4 and is subject to call for the remainder of the consideration.

5 (c) If a membership certificate of a mutual benefit corporation is transferable  
6 only with consent of the corporation, or if there are no membership certificates, then,  
7 notwithstanding (b)(2) of this section, the corporation may, or if there are no  
8 membership certificates the corporation shall, give notice to a transferee, within a  
9 reasonable time after the corporation is first notified of the proposed transfer and  
10 before the membership is transferred on the books and records of the corporation, of  
11 the information that would otherwise be provided under (b)(2) of this section.

12 (d) If the articles or bylaws of a mutual benefit corporation are amended so  
13 that a statement required by (b) of this section is no longer accurate, the board shall  
14 cancel the outstanding certificates and issue new certificates conforming to the article  
15 or bylaw amendments.

16 (e) If new membership certificates are issued under (d) of this section, the  
17 board shall order holders of outstanding certificates to surrender and exchange them  
18 for new certificates within a reasonable time fixed by the board. The board may  
19 further provide that the holder of a certificate that the board has ordered to be  
20 surrendered is not entitled to exercise a right of membership until the certificate is  
21 surrendered and exchanged. The rights of a member may be suspended only after  
22 notice of the order is given to the holder of the certificate and only until the certificate  
23 is exchanged. The duty to surrender an outstanding certificate may also be enforced  
24 by court action.

25 **Sec. 10.21.210. Issuance of new membership certificate for lost, stolen, or**  
26 **destroyed certificate.** (a) A mutual benefit corporation may issue a new membership  
27 certificate in place of a certificate that is lost, stolen, or destroyed. The corporation  
28 may require the owner of the lost, stolen, or destroyed certificate or the owner's legal  
29 representative to give the corporation a bond or other adequate security sufficient to  
30 indemnify the corporation against a claim that may be made against the corporation  
31 because of the loss, theft, or destruction of a certificate or the issuance of a new

1 certificate.

2 (b) If a mutual benefit corporation refuses to issue a new membership  
3 certificate in place of a certificate alleged to have been lost, stolen, or destroyed, the  
4 owner of the lost, stolen, or destroyed certificate may bring an action in the superior  
5 court for an order requiring the corporation to issue a new certificate.

6 **Sec. 10.21.213. Persons admitted to membership.** (a) Except as provided  
7 in (b) of this section or in its articles or bylaws, a corporation may admit any person  
8 to membership.

9 (b) A corporation may not admit a subsidiary of the corporation to  
10 membership.

11 **Sec. 10.21.215. Transfer of membership in mutual benefit corporation.** (a)  
12 In the case of a mutual benefit corporation, unless the articles or bylaws provide  
13 otherwise, and subject to AS 10.21.268,

14 (1) a member may not transfer a membership or right arising from the  
15 membership; and

16 (2) all rights as a member of the corporation cease upon the member's  
17 death or dissolution of the corporation.

18 (b) Notwithstanding (a)(2) of this section, the articles or bylaws may provide  
19 for, or may authorize the board to provide for, the transfer of memberships, or of  
20 memberships within a class or classes, with or without restriction or limitation,  
21 including transfer upon the death, dissolution, merger, or reorganization of a member.

22 (c) If transfer rights have been provided under (b) of this section, a restriction  
23 of those rights is not binding with respect to memberships issued before the adoption  
24 of the restriction, unless the holders of those memberships voted in favor of the  
25 restriction.

26 **Sec. 10.21.218. Transfer of memberships in public benefit corporations.**  
27 Subject to AS 10.21.265, in the case of a public benefit corporation,

28 (1) a member may not transfer a membership or any right arising from  
29 the membership; and

30 (2) all rights as a member of the corporation cease upon the member's  
31 death or dissolution of the corporation.

1           **Sec. 10.21.220. Equality of memberships.** Except as provided by the articles  
2 or bylaws, all memberships have the same rights, privileges, preferences, restrictions,  
3 and conditions.

4           **Sec. 10.21.225. Benefiting, serving, and assisting nonmembers.** As  
5 determined by the board or as provided by the articles or bylaws, a domestic  
6 corporation may for or without consideration, benefit, serve, or assist, a person who  
7 is not a member of the corporation.

8           **Sec. 10.21.228. Resignation or expiration of membership.** (a) A member  
9 may resign from membership at any time. The articles or bylaws may require  
10 reasonable notice before a resignation is effective.

11           (b) Notwithstanding (a) of this section, a resigning member is liable for  
12 charges incurred, for services or benefits actually rendered and unpaid, and for dues,  
13 assessments, and fees.

14           (c) A membership issued for a period of time expires when the period of time  
15 has elapsed unless the membership is renewed.

16           **Sec. 10.21.230. Expulsion, suspension, and termination.** (a) A member may  
17 not be expelled or suspended, and a membership may not be terminated, except as  
18 provided in this section. An expulsion, a suspension, or a termination is void and  
19 without effect if it does not comply with this section.

20           (b) An expulsion, a suspension, or a termination shall be done in good faith  
21 and in a fair and reasonable manner. A procedure not complying with (c) of this  
22 section may be fair and reasonable when the full circumstances of the expulsion,  
23 suspension, or termination, are considered. The burden of proof of the reasonableness  
24 of a procedure not complying with (c) of this section is on the corporation.

25           (c) An expulsion, a suspension, or a termination procedure is fair and  
26 reasonable if

27           (1) the provisions of the procedure have been set out in the articles or  
28 bylaws, or copies of the provisions are sent upon request to a member as required by  
29 the articles or bylaws;

30           (2) the procedure provides for the giving of 30 days' notice to the  
31 member before the expulsion, suspension, or termination, and for giving notice of the

1 reasons for the expulsion, suspension, or termination; and

2 (3) the procedure provides an opportunity for the member to respond,  
3 orally or in writing, not less than 10 days before the effective date of the expulsion,  
4 suspension, or termination before a person or body authorized to decide that the  
5 proposed expulsion, suspension, or termination not take place.

6 (d) Notice required under this section may be given by any method reasonably  
7 calculated to provide actual notice. Notice given by mail shall be given by first-class  
8 or registered mail sent to the last address of the member shown on the corporation's  
9 records.

10 (e) An action challenging an expulsion, a suspension, or a termination of  
11 membership, including a claim alleging defective notice, must be commenced within  
12 one year after the date of the expulsion, suspension, or termination. If the action is  
13 successful, the court may order the relief, including reinstatement, that it finds  
14 equitable under the circumstances. A vote of the members entitled to vote or of the  
15 board may not be set aside because a person was, at the time of the vote, wrongfully  
16 excluded because of the challenged expulsion, suspension, or termination, unless the  
17 court finds that the wrongful expulsion, suspension, or termination was done in bad  
18 faith and for the purpose, and with the effect, of wrongfully excluding the member  
19 from the vote or from the meeting at which the vote took place, in order to affect the  
20 outcome of the vote.

21 (f) This section governs only the procedures for the expulsion or suspension  
22 of a member, or the suspension or termination of a membership, and not the  
23 substantive basis for the expulsion, suspension, or termination. An expulsion, a  
24 suspension, or a termination is not made valid by compliance with this section if the  
25 substantive basis for the expulsion, suspension, or termination is an act or omission  
26 that violates contractual or other rights of a member or that is otherwise unlawful.

27 **Sec. 10.21.233. Meetings of members.** (a) Meetings of members shall be  
28 held at a place inside or outside this state as provided by the bylaws. If the bylaws  
29 do not provide for the location of meetings of members, meetings of members shall  
30 be held at the registered office of the corporation.

31 (b) Regular meetings of members of a public benefit corporation shall be held

1 on a date, at a time, and with the frequency provided by the bylaws, but not less often  
2 than once every third year. If the bylaws do not provide for the frequency of the  
3 meetings, annual meetings shall be held. Directors shall be elected at a regular  
4 meeting of the members unless the directors are chosen in some other manner  
5 authorized by law. Any other proper business may be transacted at a regular meeting.

6 (c) A regular meeting of the members of a mutual benefit corporation shall be  
7 held annually. In a year in which directors are elected, the election shall be held at  
8 the regular meeting of the members unless the directors are chosen in some other  
9 manner authorized by law. Any other proper business may be transacted at the regular  
10 meeting.

11 (d) If a domestic corporation with members fails to hold a regular meeting for  
12 a period of 60 days after the date designated for the meeting, or, if a date has not been  
13 designated, for a period of 15 months after the formation of the corporation or after  
14 its last regular meeting as required by (b) or (c) of this section, or if the corporation  
15 fails to hold a written ballot for a period of 60 days after the date designated for the  
16 written ballot, the superior court may summarily order the meeting to be held or the  
17 ballot to be conducted upon the application of a member or the commissioner after  
18 notice to the corporation giving it an opportunity to respond.

19 (e) A special meeting of the members may be called by the board, the chair  
20 of the board, the president, 10 percent of the members, or by other persons authorized  
21 in the articles or bylaws.

22 **Sec. 10.21.235. Determination of record date.** (a) The bylaws may provide  
23 for or, in the absence of a provision, the board may fix in advance a date to be the  
24 record date for the purpose of determining the members entitled to notice of a meeting  
25 of members. The record date may not be more than 60 or less than 10 days before the  
26 date of the meeting. If a record date is not fixed, a member at the close of business  
27 on the business day preceding the day on which notice is given or, if notice is waived,  
28 at the close of business on the business day preceding the day on which the meeting  
29 is held is entitled to notice of a meeting of members. A determination of members  
30 entitled to notice of a meeting of members applies to an adjournment of the meeting  
31 unless the board fixes a new record date for the adjourned meeting.

1 (b) The bylaws may provide for or, in the absence of a provision, the board  
2 may fix in advance a date to be the record date for the purpose of determining the  
3 members entitled to vote at a meeting of members. The record date may not be more  
4 than 60 days before the date of the meeting. If a record date is not fixed, a member  
5 on the day of the meeting who is eligible to vote is entitled to vote at the meeting of  
6 members. If a record date is not fixed in the case of an adjourned meeting, a member  
7 on the day of adjournment is eligible to vote at the resumption of that meeting.

8 (c) The bylaws may provide for or, in the absence of a provision, the board  
9 may fix in advance a date as the record date for the purpose of determining the  
10 members entitled to cast written consents under AS 10.21.283. The record date may  
11 not be more than 60 days before the day on which the first written ballot is mailed or  
12 solicited. If a record date is not fixed, a member on the day the first written ballot is  
13 mailed or solicited who is otherwise eligible to vote may cast a written ballot.

14 (d) The bylaws may provide for or, in the absence of a provision, the board  
15 may fix in advance a date as the record date for the purpose of determining the  
16 members entitled to exercise a right. The record date may not be more than 60 days  
17 before that action. If a record date is not fixed, members at the close of business on  
18 the day on which the board adopts a resolution relating to that right are entitled to  
19 exercise that right.

20 **Sec. 10.21.238. Notice of members' meetings and permissible agenda.** (a)  
21 Whenever members are required or permitted to take action at a meeting, a written  
22 notice of the meeting shall be delivered not less than 20 nor more than 50 days before  
23 the date of the meeting, either personally or by mail, by or at the direction of the  
24 president, the secretary, or the officer or persons calling for the meeting, to each  
25 member entitled to vote at the meeting. If mailed, the notice is considered delivered  
26 when deposited with postage prepaid in the United States mail addressed to the  
27 member at the member's address as it appears on the membership records of the  
28 corporation.

29 (b) The notice required by (a) of this section must state the place, date, and  
30 time of the meeting and in the case of

31 (1) a special meeting, the purpose for which the meeting is called, and

1 that other business may not be transacted; or

2 (2) the regular meeting, those matters that the board, at the time notice  
3 is given, intends to present for action by the members, but, except as provided in  
4 AS 10.21.263(b), any proper matter may be presented at the meeting for member  
5 action.

6 **Sec. 10.21.240. Nomination and election procedures for the board.** (a)  
7 Nomination and election procedures that are reasonable, given the nature, size, and  
8 operations of the corporation, shall be available to the members for the nomination and  
9 election of the directors to be elected by the members. The procedures shall be set out  
10 in the articles or bylaws.

11 (b) The procedures must include a reasonable

12 (1) means of nominating a person for election as a director;

13 (2) opportunity for a nominee to communicate to the members the  
14 nominee's qualifications and the reasons for the nominee's candidacy;

15 (3) opportunity for nominees to solicit votes; and

16 (4) opportunity for members to choose among the nominees.

17 **Sec. 10.21.243. Nomination procedures of corporations with 500 or more**  
18 **members.** Except for directors who are designated or selected under AS 10.21.355(d)  
19 or directors elected on a chapter or regional basis under AS 10.21.275, and except as  
20 provided in AS 10.21.245, a person who is qualified to be elected to the board of  
21 directors of a domestic corporation with 500 or more members may be nominated

22 (1) by a method authorized under AS 10.21.240;

23 (2) by petition delivered to an officer of the corporation signed, within  
24 11 months preceding the next time directors will be elected, by members representing  
25 the following number of votes:

26 (A) for domestic corporations with fewer than 5,000 members,  
27 20 percent of the voting power;

28 (B) for domestic corporations with 5,000 members or more,  
29 1/20 of one percent of the voting power, but not less than 100;

30 (3) notwithstanding (2) of this section, in domestic corporations  
31 engaged primarily in the business of retail merchandising of consumer goods and

1 having 100,000 or more members, by a signed petition delivered to an officer of the  
 2 corporation, signed within 11 months preceding the next time directors will be elected  
 3 by a reasonable number of members, consistent with AS 10.21.240;

4 (4) if there is a meeting to elect directors, subject to AS 10.21.245, by  
 5 a member present at the meeting in person or by proxies if proxies are permitted.

6 **Sec. 10.21.245. Election of directors of corporations with 5,000 or more**  
 7 **members.** (a) The provisions of this section apply to the election of directors by  
 8 members of a domestic corporation with 5,000 or more members, except for an  
 9 election authorized by AS 10.21.273 or 10.21.275.

10 (b) The corporation's articles or bylaws shall set a date for the close of  
 11 nominations for the board. The date may not be less than 50 or more than 120 days  
 12 before the day directors are to be elected. Notwithstanding AS 10.21.243(4),  
 13 nominations for the board may not be made after the date set for the close of  
 14 nominations.

15 (c) If more people are nominated for the board than can be elected, the  
 16 election shall take place by means of procedures that allow nominees a reasonable  
 17 opportunity to solicit votes and members a reasonable opportunity to choose among  
 18 nominees.

19 (d) If, after the close of nominations, the number of people nominated for the  
 20 board is not more than the number of directors to be elected, the corporation may  
 21 declare those nominated and qualified to be elected to have been elected.

22 **Sec. 10.21.248. Equal access to corporate publications for vote solicitation.**  
 23 A domestic corporation with 500 or more members that publishes material soliciting  
 24 votes for a nominee for election to the board in a publication owned or controlled by  
 25 the corporation shall make available to each of the other nominees, in the same issue  
 26 of the publication, an equal amount of space, with equal prominence, to be used by the  
 27 other nominees for purposes reasonably related to the election.

28 **Sec. 10.21.250. Mailings of election material at request of nominees;**  
 29 **nominee inspection rights.** (a) Upon written request by a nominee for election to  
 30 the board and the payment of the reasonable costs of mailing, including postage, a  
 31 domestic corporation shall, within 10 business days, mail to the members, or to that

1 portion of the members that the nominee reasonably specifies, material that is  
2 reasonably related to the election and that is furnished by the nominee.

3 (b) Notwithstanding (a) of this section, the corporation may, within five  
4 business days after the request, allow the nominee the rights as set out in  
5 AS 10.21.290.

6 **Sec. 10.21.253. Duty of corporation to publish or mail material;**  
7 **indemnification by nominee; actions to relieve corporation from certain**  
8 **obligations.** (a) Except as provided in (c) of this section, a domestic corporation may  
9 not decline to publish or mail material otherwise required to be published or mailed  
10 on behalf of a nominee under AS 10.21.248 and 10.21.250 on the basis of the content  
11 of the material.

12 (b) The corporation and its agents, officers, directors, or employees may not  
13 be held criminally liable for negligence or otherwise liable for damages to a person on  
14 account of material that is supplied by a nominee for director and that is published or  
15 mailed as provided in AS 10.21.248 or 10.21.250. The nominee on whose behalf  
16 material was published or mailed shall indemnify and hold the corporation and its  
17 agents, officers, directors, and employees harmless from all demands, costs, reasonable  
18 legal fees, reasonable expenses, claims, damages, and causes of action arising from the  
19 material or the mailing or publication.

20 (c) Notwithstanding (a) of this section, a domestic corporation or its agents,  
21 officers, directors, or employees may petition the court to relieve the corporation from  
22 its obligations under AS 10.21.248 and 10.21.250 on the basis that the material will  
23 expose the petitioner to liability.

24 **Sec. 10.21.255. Use of corporate funds to support nominees.** Except as  
25 provided in AS 10.21.240 - 10.21.250, the corporation may not spend corporate money  
26 to support nominees for the board.

27 **Sec. 10.21.258. Voting list.** (a) At least 20 days before each meeting of  
28 members, the officer or agent having charge of the membership records of a domestic  
29 corporation shall make a list of the members entitled to vote at the meeting or an  
30 adjournment of the meeting arranged in alphabetical order with the address of each  
31 member. The list shall be kept on file at the registered office of the corporation and

1 is subject to inspection by a member or the member's agent or attorney at any time  
2 during usual business hours for a period of 20 days before the meeting. The list shall  
3 also be produced and kept open at the time and place of the meeting and shall be  
4 subject to the inspection of a member during the meeting. The membership records  
5 are prima facie evidence of the members entitled to examine the list or membership  
6 records or to vote at a meeting of members.

7 (b) Failure to comply with the requirements of this section does not affect the  
8 validity of the action taken at the meeting.

9 **Sec. 10.21.260. Liability for violation of AS 10.21.258.** An officer or agent  
10 having charge of the membership records who wilfully fails to prepare a list of  
11 members, keep it on file for a period of 20 days, or produce and keep it open for  
12 inspection at the meeting as provided in AS 10.21.258 is liable for \$5,000 to a member  
13 who had made a written demand to inspect the list and, in addition, for all damages  
14 sustained by that member as a result of the officer or agent's failure to comply.

15 **Sec. 10.21.263. Quorum of members.** (a) Unless otherwise provided in the  
16 articles, a majority of the members entitled to vote, represented in person or by proxy,  
17 constitutes a quorum at a meeting of members, but a quorum may not consist of less  
18 than 10 percent of the members entitled to vote at the meeting. If a quorum is present,  
19 the affirmative vote of the majority of the members represented at the meeting and  
20 entitled to vote on the subject matter is the act of the members, unless the vote of a  
21 greater number or voting by classes is required by this chapter or the articles.

22 (b) Where the articles authorize a corporation to conduct a meeting with a  
23 quorum of less than one-third of the voting power, the only matters that may be voted  
24 upon at a regular meeting actually attended, in person or by proxy, by less than one-  
25 third of the voting power are matters noticed under AS 10.21.238.

26 (c) Members present at a meeting at which a quorum was present may  
27 continue to transact business until adjournment, notwithstanding the withdrawal of  
28 enough members to leave less than a quorum. Any action other than adjournment  
29 must be approved by at least a majority of the number of members required to  
30 constitute a quorum.

31 **Sec. 10.21.265. Proxies of public benefit corporations.** (a) Each person

1 entitled to vote a membership in a public benefit corporation may authorize another  
2 person to act by proxy with respect to that membership. The right to vote by proxy  
3 may be limited or withdrawn by the articles or bylaws, as provided in (e) of this  
4 section. A proxy purporting to be executed in accordance with the provisions of this  
5 chapter is presumed valid.

6 (b) A proxy in a public benefit corporation is not valid after the expiration of  
7 11 months from the date of the proxy unless the proxy provides otherwise. The  
8 maximum term of a proxy is three years from the date of its execution. A proxy  
9 continues in full force and effect until revoked by the person executing it. A person  
10 may revoke a proxy by a writing delivered to the corporation stating that the proxy is  
11 revoked, by a subsequent proxy executed by the person executing the prior proxy and  
12 delivered to the corporation, or by attendance at a meeting and voting in person by the  
13 person executing the proxy. The dates contained on the forms of proxy presumptively  
14 determine the order of execution, regardless of the postmark dates on the envelopes  
15 in which the proxies are mailed.

16 (c) A proxy in a public benefit corporation is not revoked by the death or  
17 incapacity of the maker or the termination of a membership as a result of death or  
18 incapacity unless, before the vote is counted, written notice of the death or incapacity  
19 is received by the corporation.

20 (d) The proxy of a member in a public benefit corporation may not be  
21 irrevocable.

22 (e) Notwithstanding (a) of this section, an amendment of the articles or bylaws  
23 repealing, restricting, creating, or expanding proxy rights in a public benefit  
24 corporation may not be adopted without approval by a majority of all the members.

25 (f) Notwithstanding any provision to the contrary, a proxy covering matters  
26 requiring a vote of the members under (e) of this section, AS 10.21.375, 10.21.385,  
27 10.21.453, 10.21.513, 10.21.533, or 10.21.553 is not valid as to a matter unless the  
28 proxy sets out the general nature of the matter to be voted on or, in the event of a vote  
29 under AS 10.21.355, unless the proxy lists those nominated at the time the notice of  
30 the vote is given to members.

31 **Sec. 10.21.268. Proxies of mutual benefit corporations.** (a) Each person

1 entitled to vote a membership in a mutual benefit corporation may authorize another  
2 person or persons to act by proxy with respect to that membership. The right to vote  
3 by proxy may be limited or withdrawn by the articles or bylaws as provided in (f) of  
4 this section. A proxy purporting to be executed in accordance with the provisions of  
5 this chapter is presumed valid.

6 (b) A proxy in a mutual benefit corporation is not valid after the expiration of  
7 11 months from the date of the proxy unless the proxy provides otherwise. The  
8 maximum term of a proxy is three years from the date of its execution. A proxy  
9 continues in full force and effect until revoked by the person executing it, except as  
10 otherwise provided in this section. A person may revoke a proxy by a writing  
11 delivered to the corporation stating that the proxy is revoked, by a subsequent proxy  
12 executed by the person executing the prior proxy and presented to the meeting, or by  
13 attendance at a meeting and voting in person by the person executing the proxy. The  
14 dates contained on the forms of proxy presumptively determine the order of execution,  
15 regardless of the postmark dates on the envelopes in which the proxies are mailed.

16 (c) A proxy in a mutual benefit corporation is not revoked by the death or  
17 incapacity of the maker or the termination of a membership as a result of death or  
18 incapacity unless, before the vote is counted, written notice of the death or incapacity  
19 is received by the corporation.

20 (d) Unless otherwise provided in the articles or bylaws, the proxy of a member  
21 that states that it is irrevocable is irrevocable for the period specified in the proxy  
22 when it is held by the following or a nominee of the following:

23 (1) a person who has purchased or who has agreed to purchase  
24 membership;

25 (2) a creditor of the corporation, or a member who extended or  
26 continued credit to the corporation or a member in consideration of the proxy, if the  
27 proxy states that it was given in consideration of the extension or continuation of credit  
28 and states the name of the person extending or continuing the credit; or

29 (3) a person who has contracted to perform services as an employee of  
30 the corporation if the proxy is required by the contract of employment and states the  
31 name of the employee, the period of employment, and that it was given in

1 consideration of the contract of employment.

2 (e) Notwithstanding a provision making a proxy in a mutual benefit  
3 corporation irrevocable, a proxy may be revoked by a transferee of a membership  
4 without knowledge of the existence of the provision unless the existence of the proxy  
5 and its irrevocability appear on the certificate representing the membership.

6 (f) Notwithstanding (a) of this section, an amendment of the articles or bylaws

7 (1) repealing, restricting, creating, or expanding proxy rights in a  
8 mutual benefit corporation may not be adopted without approval by a majority of all  
9 members; and

10 (2) restricting or limiting the use of proxies in a mutual benefit  
11 corporation may not affect the validity of a previously issued irrevocable proxy during  
12 the term of its irrevocability if the proxy complied with the applicable provisions, if  
13 any, of the article or bylaws at the time of its issuance and is otherwise valid under  
14 this section.

15 (g) Notwithstanding any provision to the contrary, a revocable proxy covering  
16 matters requiring a vote of the members under (f)(1) of this section, AS 10.21.355(a),  
17 10.21.375, 10.21.385, 10.21.453, 10.21.513, 10.21.533, or 10.21.633 is not valid as  
18 to a matter unless the proxy sets out the general nature of the matter to be voted on.

19 **Sec. 10.21.270. One vote entitlement.** Except as provided in the articles,  
20 bylaws, or AS 10.21.280, each member is entitled to one vote on each matter  
21 submitted to a vote of the members. Single memberships in which two or more  
22 persons have an indivisible interest shall be voted as provided in AS 10.21.278.

23 **Sec. 10.21.273. Delegates.** A domestic corporation may provide in its articles  
24 or bylaws for delegates having some or all of the authority of members. If delegates  
25 are provided for, the bylaws shall set out delegate terms of office, which may not  
26 exceed three years, a reasonable method for delegate selection and removal, and a  
27 reasonable method for calling, noticing, and holding meetings of delegates. Delegates  
28 may only act in person at a meeting and may not act by proxy, written consent, or  
29 written ballot. Delegates may be given a name other than "delegates."

30 **Sec. 10.21.275. Voting by members or delegates on chapter or regional**  
31 **basis authorized.** A domestic corporation may provide in its articles or bylaws for

1 voting by its members or delegates on the basis of chapter or other organizational units  
2 or by region or other geographic grouping.

3 **Sec. 10.21.278. Voting where membership can be voted by two or more**  
4 **persons.** If a membership stands on the record in the names of two or more persons,  
5 whether fiduciaries, members of a partnership, tenants in common, as community  
6 property of husband and wife, tenants by the entirety, or otherwise, or if two or more  
7 persons, including proxy holders, have the same fiduciary relationship respecting the  
8 same membership, unless the secretary of the corporation is given written notice to the  
9 contrary and is furnished with a copy of the instrument or order appointing them or  
10 creating the relationship, their acts with respect to voting have the following effect:

11 (1) if only one person votes, the vote binds all the persons; or

12 (2) if more than one person votes, the vote of the majority binds all the  
13 persons.

14 **Sec. 10.21.280. Cumulative voting; voting by ballot.** (a) If the articles or  
15 bylaws authorize cumulative voting, each member entitled to vote at an election of  
16 directors may cumulate votes and give one candidate a number of votes equal to the  
17 number of directors to be elected multiplied by the number of votes to which the  
18 member is entitled, or distribute those votes among as many candidates as the member  
19 determines. An article or bylaw provision authorizing cumulative voting may not be  
20 repealed or amended if the votes cast against the repeal or amendment would be  
21 sufficient to elect one director absent the repeal or amendment. The articles or bylaws  
22 may require the vote of a greater proportion than normal of the members, or of the  
23 members of any class, for the repeal of a provision authorizing cumulative voting.

24 (b) A member is not entitled to cumulate votes for a candidate unless the name  
25 of the candidate has been placed in nomination before the voting and the member has  
26 given notice at the meeting before the voting of intention to cumulate votes. If a  
27 member has given this notice, all members may cumulate their votes for candidates  
28 placed in nomination.

29 (c) In an election of directors, the candidates receiving the highest number of  
30 votes are elected, subject to a lawful provision specifying election by classes.

31 (d) Elections for directors are not required to be by ballot unless a member

1 demands election by ballot at the meeting before the voting begins or unless the  
2 bylaws require election by ballot.

3 **Sec. 10.21.283. Actions taken without meeting.** (a) Unless prohibited by the  
4 articles or the bylaws and except as expressly provided in this chapter, if, under this  
5 chapter, members are required or permitted to take action by vote, the action may be  
6 taken without a meeting by written consents that are identical in content, that set out  
7 the action taken, and that are signed by all members entitled to vote on the action.

8 (b) A member giving a written consent, the member's proxy holder, a  
9 transferee of the membership, a personal representative of the member, or the proxy  
10 holder of the transferee or personal representative may only revoke the consent by a  
11 writing received by the corporation before the time that written consents of the number  
12 required to authorize the proposed action have been filed with the secretary of the  
13 corporation. The revocation is effective on receipt by the secretary of the corporation.

14 **Sec. 10.21.285. Voting agreements and trusts unenforceable.** A voting  
15 agreement or voting trust agreement entered into by a member of a domestic  
16 corporation is not enforceable.

17 **Sec. 10.21.288. Mutual benefit corporations: membership lists; inspection**  
18 **rights.** (a) Subject to AS 10.21.293 and 10.21.303 and unless a mutual benefit  
19 corporation provides a reasonable alternative under (c) of this section, a member or a  
20 member's agent or attorney may

21 (1) inspect at reasonable times and copy the record of all the names,  
22 addresses, and voting rights of the members, on written demand on the corporation that  
23 is received at least five business days before the date of inspection and that states the  
24 purpose for which the inspection rights are requested;

25 (2) obtain from the secretary of the corporation, on written demand and  
26 tender of a reasonable charge, a list of the names, addresses, and voting rights of the  
27 members entitled to vote for the election of directors as of the most recent record date  
28 for which the list has been compiled or as of a date specified by the member after the  
29 date of demand; the demand must state the purpose for which the list is requested; the  
30 membership list shall be made available on or before 10 business days after the  
31 demand is received or after the date specified in the demand as the date on which the

1 list is to be compiled, whichever is later.

2 (b) The rights under (a) of this section may be exercised by a member for a  
3 purpose reasonably related to the interest of the person as a member. If the  
4 corporation reasonably believes that information obtained under (a) of this section will  
5 be used for another purpose or if it provides a reasonable alternative under (c) of this  
6 section, the corporation may deny the member access to the list. In a later action  
7 brought by the member under AS 10.21.305, the court shall enforce the rights set out  
8 in (a) of this section unless the corporation proves that the member will allow use of  
9 the information for purposes unrelated to the interest of the person as a member or that  
10 an alternative method offered by the corporation reasonably achieves a proper purpose  
11 set out in the demand.

12 (c) The corporation may, within 10 business days after receiving a demand  
13 under (a) of this section, deliver to the person making the demand a written offer of  
14 an alternative method of achieving the purpose identified in the demand without  
15 providing access to or a copy of the membership list. A method that reasonably and  
16 in a timely manner accomplishes a proper purpose set out in a demand made under (a)  
17 of this section is a reasonable alternative, unless, within a reasonable time after  
18 acceptance of the offer, the corporation fails to do those things that it offered to do.  
19 A rejection of the offer by the member must be in writing and state the reasons why  
20 the alternative method proposed by the corporation does not meet the proper purpose  
21 stated in the demand.

22 **Sec. 10.21.290. Public benefit corporations: membership lists; inspection**  
23 **rights.** (a) Subject to AS 10.21.293 and 10.21.303 and unless a public benefit  
24 corporation provides a reasonable alternative under (c) of this section, a member or a  
25 member's agent or attorney may

26 (1) inspect at reasonable times and copy the record of all the names,  
27 addresses, and voting rights of the members, on written demand on the corporation that  
28 is received at least five business days before the date of inspection and that states the  
29 purpose for which the inspection rights are requested;

30 (2) obtain from the secretary of the corporation, on written demand and  
31 tender of a reasonable charge, a list of the names, addresses, and voting rights of the

1 members entitled to vote for the election of directors as of the most recent record date  
 2 for which the list has been compiled or as of a date specified by the member after the  
 3 date of demand; the demand must state the purpose for which the list is requested; the  
 4 membership list shall be made available on or before 10 business days after the  
 5 demand is received or after the date specified in the demand as the date on which the  
 6 list is to be compiled, whichever is later.

7 (b) The rights under (a) of this section may be exercised by a member for a  
 8 purpose reasonably related to the interest of the person as a member. If the  
 9 corporation reasonably believes that information obtained under (a) of this section will  
 10 be used for another purpose or if it provides a reasonable alternative under (c) of this  
 11 section, the corporation may seek an order of the superior court allowing the  
 12 corporation to refuse to grant the member access to the list. In an action brought by  
 13 the corporation for an order denying access to the membership list, the court shall  
 14 enforce the rights set out in (a) of this section unless the corporation proves that the  
 15 member will allow use of the information for purposes unrelated to the interest of the  
 16 person as a member or that an alternative method offered by the corporation  
 17 reasonably achieves a proper purpose set out in the demand.

18 (c) The corporation may, within 10 business days after receiving demand under  
 19 (a) of this section, deliver to the person making the demand a written offer of an  
 20 alternative method of achieving the purpose identified in the demand without providing  
 21 access to or a copy of the membership list. A method that reasonably and in a timely  
 22 manner accomplishes a proper purpose set out in a demand made under (a) of this  
 23 section is a reasonable alternative, unless the corporation fails to do those things that  
 24 it offered to do. A rejection of the offer by the member must be in writing and state  
 25 the reasons why the alternative method proposed by the corporation does not meet the  
 26 proper purpose stated in the demand.

27 **Sec. 10.21.293. Limitations and restrictions on inspection rights.** (a) On  
 28 petition of a corporation or a member, the superior court may limit or restrict the rights  
 29 set out in AS 10.21.288 and 10.21.290 only if the limitation or restriction is necessary  
 30 to protect the rights of a member under the Constitution of the United States or the  
 31 Constitution of the State of Alaska. An order issued under this section may provide

1 for alternative mechanisms by which a person seeking to exercise rights under  
 2 AS 10.21.288 or 10.21.290 may communicate with members for a purpose reasonably  
 3 related to the interest of the person as a member.

4 (b) On the filing of a petition under (a) of this section, the court may, if  
 5 requested by the person filing the petition, issue a temporary restraining order  
 6 suspending the running of a time limit specified in AS 10.21.288 and 10.21.290 for  
 7 compliance with those sections. The temporary restraining order may be extended  
 8 after notice and hearing until final adjudication of the petition, if it is equitable to  
 9 extend the order and it appears that the petitioner may prevail on the merits.

10 **Sec. 10.21.295. Frustration of inspection rights; postponement of members'**  
 11 **meeting, remedies.** If the proper purpose of a person making a demand under  
 12 AS 10.21.288 or 10.21.290 is frustrated by (1) delay by the corporation in complying  
 13 beyond the time limits specified in AS 10.21.288 and 10.21.290, (2) delay caused by  
 14 the filing of a petition under AS 10.21.293 or 10.21.303, or (3) delay caused by an  
 15 alternative proposed under AS 10.21.288(c) or 10.21.290(c), the person making the  
 16 demand may obtain from the superior court an order postponing a meeting of the  
 17 members previously noticed for a period equal to the period of the delay. A member  
 18 may obtain this order in a proceeding brought by filing a verified complaint and after  
 19 a hearing, notice of which shall be given to the persons and in the manner as the court  
 20 directs. This right of postponement is in addition to other legal or equitable remedies  
 21 to which the member is entitled.

22 **Sec. 10.21.298. Books, records, and minutes.** (a) A domestic corporation  
 23 shall keep

- 24 (1) adequate and correct books and records of account;  
 25 (2) minutes of the proceedings of its members, board, and committees  
 26 of the board; and  
 27 (3) a record of the names and addresses of its members and the class  
 28 of membership held by each member.

29 (b) The minutes must be in written form. The books and records of account  
 30 and the record of members must be in written form or in another form capable of  
 31 being converted into written form within a reasonable time.

1           **Sec. 10.21.300. Inspection of books, records, and minutes.** The books,  
2 records, and minutes of a corporation must be open to inspection at a reasonable time  
3 on written demand made on the corporation by a member for a purpose reasonably  
4 related to the interests of the person as a member.

5           **Sec. 10.21.303. Liability for denial of access to books, records, and**  
6 **minutes.** (a) An officer or agent who, or a domestic corporation that, wilfully refuses  
7 to allow a member, or a member's agent or attorney, to examine and make copies from  
8 the books, records, and minutes of a corporation for a proper purpose is liable to a  
9 member suffering damage because of this refusal for \$5,000 and, in addition, all actual  
10 damages caused to the member because of the failure of the corporation to permit  
11 inspection and copying.

12           (b) It is a defense to an action for penalties under this section that the person  
13 bringing the action has, within two years before the action, improperly sold or offered  
14 for sale a list of the members of a corporation, assisted in obtaining a list of members  
15 for the purpose of sale, improperly used information obtained from an earlier  
16 examination of the books, records, or minutes of a corporation, or was not acting in  
17 good faith or for a proper purpose in making the demand.

18           (c) Nothing contained in this chapter impairs the power of a court to compel  
19 the production of books, records, and minutes of a corporation.

20           (d) Notwithstanding (a) of this section, a corporate agent or officer is not liable  
21 for refusing to allow access to requested books, records, or minutes if the court finds  
22 that an alternative proposed under AS 10.21.288(c) or 10.21.290(c) would have  
23 reasonably and in timely fashion accomplished the proper purpose set out in the  
24 written demand for inspection.

25           **Sec. 10.21.305. Court enforcement of inspection rights.** (a) If the  
26 corporation refuses a lawful demand for inspection of books, records, or minutes of the  
27 corporation under this chapter, the superior court may enforce the demand or, for good  
28 cause shown, appoint competent inspectors or independent accountants to audit the  
29 financial statements of the corporation kept in this state and to investigate a subsidiary  
30 corporation keeping records of the corporation in this state.

31           (b) Officers and agents of the corporation shall produce under penalty for

1 contempt of court the books, records, and minutes in their custody or power for the  
2 inspectors or independent accountants appointed under (a) of this section.

3 (c) The person who seeks judicial relief under this section shall pay the  
4 expenses of an investigation or audit under (a) of this section unless the court orders  
5 the expense to be paid or shared by the corporation.

6 (d) If the court finds that the failure of a corporation to comply with a proper  
7 demand for inspection under this chapter was without justification, the court may  
8 award the member reasonable costs and expenses, including reasonable attorney fees,  
9 in connection with the action or proceeding.

10 (e) In this section, "independent accountant" means a certified public  
11 accountant or a public accountant who is independent of the corporation as determined  
12 under generally accepted auditing standards and who is engaged to audit financial  
13 statements of the corporation or perform other accounting services.

14 **Sec. 10.21.308. Membership list as corporate asset; uses prohibited.** (a)  
15 A membership list is a corporate asset. A person may not use a membership list for  
16 a purpose unrelated to the interest of the person as a member without the consent of  
17 the board. Without the consent of the board, a membership list may not be

18 (1) used to solicit money or property unless the money or property will  
19 be used solely to solicit the vote of members in an election to be held by their  
20 corporation;

21 (2) used for a purpose that the user does not reasonably and in good  
22 faith believe will benefit the corporation;

23 (3) used for a commercial purpose or a purpose in competition with the  
24 corporation; or

25 (4) sold to or purchased by a person.

26 (b) A person who violates (a) of this section is liable for the damage the  
27 violation causes the corporation and shall account for and pay to the corporation any  
28 profit derived as a result of the violation. In addition, a court in its discretion may  
29 award exemplary damages for a fraudulent or malicious violation of (a) of this section.

30 (c) Nothing in this chapter limits the right of a corporation to obtain injunctive  
31 relief necessary to restrain misuse of a membership list.

1 (d) In an action or proceeding under this section, a court may award the  
2 corporation reasonable costs and expenses, including reasonable attorney fees, in  
3 connection with the action or proceeding.

4 (e) In this section, "membership list" means the record of all the members'  
5 names and addresses.

6 **Sec. 10.21.310. Annual report to members.** (a) On or before July 1 of each  
7 year, a domestic corporation and a foreign corporation authorized to conduct affairs  
8 in the state shall prepare an annual report that includes

9 (1) the name of the corporation and the state or country where it is  
10 incorporated;

11 (2) the address of the registered office of the corporation in this state,  
12 the name of its registered agent in this state at that address, and, in the case of a  
13 foreign corporation, the address of its principal office in the state or country where it  
14 is incorporated;

15 (3) a brief statement of the purposes of the corporation in this state;

16 (4) the names and addresses of the directors and officers of the  
17 corporation;

18 (5) a statement of the number of memberships that the corporation has  
19 authority to issue, itemized by classes;

20 (6) a statement of the number of members itemized by classes;

21 (7) the name and address of each alien affiliate, the percentage of  
22 control held by each alien affiliate, and a specific description of the nature of the  
23 relationship between the corporation and its alien affiliates, or a statement that there  
24 is no alien affiliate; in this paragraph, "percentage of control" means the percentage  
25 of the members of the entire board of directors that a person has the power to elect or  
26 designate;

27 (8) the name and address of each person holding as of September 30  
28 of the preceding year the power to directly cause the election or designation of one or  
29 more members of the board;

30 (9) the gross receipts of the corporation during the reporting period  
31 from all sources;

1 (10) the amount, expressed in dollars and as a percentage of the gross  
2 receipts of the corporation, of each of the following:

3 (A) membership fees, dues, and assessments;

4 (B) donations;

5 (C) grants from governmental entities;

6 (D) sales of goods or services; and

7 (E) all other sources;

8 (11) in the case of a mutual benefit corporation, the amount, expressed  
9 in dollars and as a percentage of the total income, of the total income used or held for

10 (A) recurrent administrative costs;

11 (B) nonrecurrent administrative costs;

12 (C) providing services or making facilities available to members  
13 as authorized in its articles, exclusive of the administrative cost of providing  
14 these services; and

15 (D) all other expenses of the corporation;

16 (12) in the case of a public benefit corporation, the amount, expressed  
17 in dollars and as a percentage of total income, of the total income used or held for

18 (A) recurrent administrative costs;

19 (B) nonrecurrent administrative costs;

20 (C) public or charitable purposes as stated in its articles;

21 (D) all other expenses of the corporation;

22 (13) information required by AS 10.21.313.

23 (b) Not later than 30 days after the report has been prepared, a corporation that  
24 has voting members shall send each member a notice that the annual report is available  
25 and will be provided promptly upon written request. Unless the articles provide  
26 otherwise, the notice to members must include a self-addressed, postage prepaid form  
27 that the member may sign and return effecting a written request to receive a copy of  
28 the annual report. Unless the articles provide otherwise, the annual report shall be sent  
29 without charge to members making written request. The secretary, or other official  
30 designated in the articles or bylaws, shall send the requested report within 20 days of  
31 the postmarked written request.

1 (c) This section does not apply to a corporation unless the corporation has  
 2 (1) more than 100 members at any time during the reporting period; or  
 3 (2) gross receipts or revenue in excess of \$10,000 during the reporting  
 4 period.

5 (d) A public benefit corporation that in writing solicits contributions from 500  
 6 or more persons during the affected reporting period is not required to comply with  
 7 (b) of this section if the corporation

8 (1) includes with written material used to solicit contributions a written  
 9 statement that a copy of its most recent annual report will be mailed free of charge  
 10 upon request and that a request may be sent to the corporation at the name and address  
 11 set out in the statement;

12 (2) promptly mails free of charge a copy of its most recently filed  
 13 annual report to a person who requests a copy of the report; and

14 (3) publishes its annual report not later than 30 days after preparing the  
 15 report.

16 **Sec. 10.21.311. Publication of notice of annual report; duty to furnish**  
 17 **copies of the annual report.** (a) Not later than 30 days after it has prepared the  
 18 annual report required by AS 10.21.310, a public benefit corporation, and a corporation  
 19 that, during the affected reporting period, received more than 10 percent of its gross  
 20 income from donations, shall publish in a newspaper of general circulation a notice  
 21 that the report is on file with the corporation and that the corporation will furnish a  
 22 copy of the report to

23 (1) a member under AS 10.21.310; and

24 (2) any other person within 50 days of receipt of a written request; a  
 25 corporation required to furnish copies of an annual report under this subsection may  
 26 charge the person requesting the report a fee of not more than \$5.

27 (b) In addition to complying with (a) of this section, a public benefit  
 28 corporation and a corporation that received more than 10 percent of its gross income  
 29 from donations during its most recent accounting period shall furnish to each solicitee  
 30 at the time of solicitation written notice that a copy of its most recent annual report  
 31 is available and will be furnished free of charge upon written request.

1 (c) In (a) of this section, "newspaper of general circulation" means a  
 2 newspaper with a circulation large enough to reach persons affected by corporate fund  
 3 raising and program activities.

4 **Sec. 10.21.313. Annual statement to members of insider transactions.** (a)  
 5 Notwithstanding a provision of the articles or bylaws to the contrary, a corporation  
 6 shall, within 120 days of the close of its fiscal year, furnish annually to its members  
 7 a statement describing

8 (1) each covered transaction, if any, excluding compensation of officers  
 9 and directors, during the previous fiscal year involving more than \$15,000, or that was  
 10 one of the number of covered transactions in which the same interested person had a  
 11 direct or indirect material financial interest if these transactions in the aggregate  
 12 involved more than \$15,000; the statement must include the name of the interested  
 13 person involved in the covered transaction, a description of the relationship of the  
 14 person to the corporation, the nature of the relationship of the person to the  
 15 corporation, the nature of the interest of the person in the covered transaction, and,  
 16 where practicable, the amount of that interest; in the case of a covered transaction with  
 17 a partnership of which the interested person is a partner, only the interest of the  
 18 partnership must be stated; in this paragraph, "interested person" means a person  
 19 described in (b)(1)(A) or (B) of this section; or

20 (2) the amount and circumstances of indemnifications or advances  
 21 aggregating more than \$10,000, if any, that were authorized, obligated, or paid during  
 22 the fiscal year to an officer or director of the corporation under AS 10.21.435 or  
 23 10.21.440; information concerning an indemnification approved by the members under  
 24 AS 10.21.440(e)(3) is not required to be included in the statement.

25 (b) In this section,

26 (1) "a covered transaction" means a transaction in which the  
 27 corporation, its parent, or its subsidiary is a party and in which any of the following  
 28 has a direct or indirect material financial interest:

29 (A) a director, officer, or employee of the corporation, its  
 30 parent, or its subsidiary; or

31 (B) a holder of a controlling interest in the corporation, its

1 parent, or its subsidiary;

2 (2) "material financial interest" does not include a common directorship.

3 **Sec. 10.21.315. Court enforcement of information and financial statement**  
 4 **requirements.** (a) The superior court shall enforce the duty of making and mailing  
 5 or delivering the information and financial statements required by AS 10.21.200 -  
 6 10.21.320. The superior court, for good cause shown, may extend the time for the  
 7 making and mailing or delivering of that information and those financial statements.

8 (b) In an action or proceeding under this section, if the court finds that the  
 9 failure of the corporation to comply with information and financial statement  
 10 requirements was without justification, the court may award the person reasonable  
 11 expenses, including reasonable attorney fees, in connection with the action or  
 12 proceeding.

13 **Sec. 10.21.318. Members' derivative action brought in the right of the**  
 14 **corporation to procure a judgment in its favor.** (a) A member of a corporation  
 15 may bring in the right of a domestic or foreign corporation an action to procure a  
 16 judgment in the corporation's favor.

17 (b) In a derivative action, the complaint shall be verified and must allege that  
 18 plaintiff was a member at the time or during any part of the transaction of which  
 19 plaintiff complains or that plaintiff's membership devolved upon plaintiff by operation  
 20 of law from a member who was a member at the time or during any part of the  
 21 transaction of which plaintiff complains. A member who does not meet the  
 22 requirements of this section may be allowed, in the discretion of the court, to maintain  
 23 the action on a preliminary showing to and determination by the court that

24 (1) there is a strong prima facie case in favor of the claim asserted on  
 25 behalf of the corporation;

26 (2) a similar action has not been or is not likely to be instituted;

27 (3) the plaintiff acquired the membership before there was disclosure  
 28 to the public or the plaintiff of the wrongdoing of which plaintiff complains;

29 (4) unless the action can be maintained, the defendant may retain a gain  
 30 derived from defendant's wilful breach of a fiduciary duty; and

31 (5) the requested relief will not result in unjust enrichment of the

1 corporation or a member of the corporation.

2 (c) Unless excused because a majority of the directors is implicated in or under  
3 the direct or indirect control of a person who is implicated in the injury to the  
4 corporation, before an action in the right of a domestic or foreign corporation is  
5 instituted, a plaintiff who has standing under (b) of this section shall make a formal  
6 demand upon the board to secure the action the plaintiff desires.

7 (d) If a member fails to make a formal demand under (c) of this section, the  
8 complaint shall state with particularity the facts establishing an excuse under (c) of this  
9 section. In a motion to dismiss for failure to make demand on the board, the member  
10 has the burden to establish the excuse.

11 (e) In a case in which demand on the board is made under (c) of this section,  
12 a decision by the board that in its business judgment the litigation would not be in the  
13 best interest of the corporation terminates the right created by (a) of this section.

14 (f) In a case in which demand on the board is excused under (c) of this section  
15 or the decision of the board under (e) of this section is rejected by the court as  
16 inconsistent with the directors' duties of care and loyalty to the corporation, a plaintiff  
17 who has standing under (b) of this section has the right to commence or continue the  
18 action allowed by (a) of this section. Notwithstanding (c) or (e) of this section,  
19 disinterested noninvolved directors acting as the board or a duly charged board  
20 committee may petition the court to dismiss the plaintiff's action because in their  
21 independent informed business judgment the action is not in the best interests of the  
22 corporation. The petitioners shall have the burden of establishing to the satisfaction  
23 of the court their disinterest, independence from any direct or indirect control by  
24 defendants in the action, and the informed basis on which they have exercised their  
25 asserted business judgment. If the court is satisfied that the petitioners are  
26 disinterested, independent, and informed, the court shall independently appraise the  
27 plaintiff's action to determine whether, considering the welfare of the corporation, the  
28 corporation's purpose or purposes, the fate of any donated assets, and relevant issues  
29 of public policy, the court should dismiss the action.

30 (g) A court may not dismiss an action brought by a member under this section  
31 and otherwise in conformity with this section because the alleged injury or wrong to

1 the corporation has been ratified by the members of the corporation. A court may  
2 consider the fact of ratification by members of a mutual benefit corporation in framing  
3 an order for relief to which it considers the corporation entitled.

4 (h) In a derivative action brought in the right of a domestic or foreign  
5 corporation by members totaling less than five percent of the outstanding memberships  
6 of a class of the corporation, the corporation in whose right the action is brought, or  
7 the defendants, may at any time before final judgment move the court to require the  
8 plaintiff to give security for the reasonable expenses, including attorney fees, that may  
9 be incurred by the moving party. The amount of the security may be increased or  
10 decreased from time to time in the discretion of the court upon a showing that the  
11 security has become inadequate or excessive. The corporation or other defendants may  
12 have recourse to the security in an amount as the court may determine upon the  
13 termination of the derivative action, whether or not the court finds the derivative action  
14 was brought without reasonable cause.

15 (i) A derivative action may not be discontinued, abandoned, compromised, or  
16 settled without the approval of the court having jurisdiction of the action. If the court  
17 determines that the interests of the members or a class of members will be  
18 substantially affected by a discontinuance, abandonment, compromise, or settlement,  
19 the court, in its discretion, may direct that notice, by publication or otherwise, be given  
20 to the members or class of members whose interests will be affected. If the court  
21 directs notice to be given, it shall determine which one or more of the parties to the  
22 action shall bear the expense of giving the notice, in an amount the court determines  
23 to be reasonable in the circumstances, and the amount of the expense shall be awarded  
24 as a cost of the action.

25 (j) If the derivative action is successful in whole or in part, or if anything is  
26 received as a result of the judgment, compromise, or settlement of an action or claim,  
27 the court may award the plaintiff reasonable expenses, including reasonable attorney  
28 fees, and shall direct the plaintiff or plaintiffs to account to the corporation for the  
29 remainder of the proceeds received by the plaintiff in excess of attorney fees and costs.

30 (k) Notwithstanding (j) of this section, the court rules regarding the award of  
31 attorney fees and costs, rather than (j) of this section, apply to a judgment that is

1 rendered only for the benefit of injured members and that is limited to a recovery of  
2 the loss or damage sustained by them.

3 **Sec. 10.21.320. Liabilities of members.** (a) A member of a corporation is  
4 not personally liable for the debts, liabilities, or obligations of the corporation.

5 (b) A member is liable to the corporation only to the extent of the unpaid  
6 portion of the initiation fees, membership dues, or assessments that the corporation has  
7 lawfully imposed upon the member or for other indebtedness owed by the member to  
8 the corporation.

9 (c) A creditor of the corporation may not bring an action under (b) of this  
10 section until

11 (1) a final judgment has been rendered against the corporation in favor  
12 of the creditor and execution on the judgment has been returned unsatisfied;

13 (2) the corporation has been adjudged bankrupt;

14 (3) a receiver has been appointed with power to collect debts if the  
15 receiver, on demand of a creditor to bring suit on the debt, has refused to sue for the  
16 unpaid amount; or

17 (4) the corporation has been dissolved or ceased its activities leaving  
18 debts unpaid.

19 (d) An action under (c) of this section may not be brought more than three  
20 years after the happening of any one of the events specified in (c)(1) - (4) of this  
21 section.

## 22 **Article 6. Directors and Officers.**

23 **Sec. 10.21.350. Qualifications, powers, duties, and dissent of directors.** (a)  
24 All corporate powers shall be exercised by or under the authority of, and the affairs  
25 of a domestic corporation shall be managed under the direction of, a board of directors.  
26 A director is not required to be a resident of this state or a member of the corporation  
27 unless required by the articles or bylaws. The articles or bylaws may prescribe other  
28 qualifications for directors. The board may fix the compensation of directors unless  
29 otherwise provided in the articles.

30 (b) A director shall perform the duties as a director, including duties as a  
31 member of a committee of the board on which the director may serve, in good faith,

1 in a manner the director reasonably believes to be in the best interests of the  
2 corporation, and with the care, including reasonable inquiry, that an ordinarily prudent  
3 person in a like position would use under similar circumstances. Except as provided  
4 in (c) of this section, a director is entitled to rely on information, opinions, reports, or  
5 statements, including financial statements and other financial data, prepared or  
6 presented by

7 (1) officers or employees of the corporation whom the director  
8 reasonably believes to be reliable and competent in the matters presented;

9 (2) counsel, public accountants, or other persons as to matters that the  
10 director reasonably believes to be within the person's professional or expert  
11 competence; or

12 (3) a committee of the board on which the director does not serve,  
13 designated in accordance with a provision of the articles or bylaws, as to matters  
14 within the authority of the committee if the director reasonably believes the committee  
15 to merit confidence.

16 (c) A director is not acting in good faith if the director knows, or, as a  
17 reasonable person, ought to know, that, as to the matter in question, reliance under (b)  
18 of this section is unwarranted.

19 (d) A director has the absolute right at a reasonable time to inspect and copy  
20 all books, records, and documents of every kind and to inspect the physical properties  
21 of the corporation or a domestic or foreign subsidiary of the corporation. Inspection  
22 by a director may be made in person or by agent or attorney, and the right of  
23 inspection includes the right to copy and make extracts. This subsection applies to a  
24 director of a foreign corporation having its principal executive office in this state or  
25 customarily holding meetings of its board in this state.

26 (e) A director of a domestic corporation who is present at a meeting of its  
27 board at which action on a corporate matter is taken is presumed to have assented to  
28 the action unless the dissent of the director is entered in the minutes of the meeting  
29 or unless the director files a written dissent to the action with the secretary of the  
30 meeting before adjournment or forwards a written dissent by certified mail to the  
31 secretary of the corporation within 48 hours after adjournment. The right to dissent

1 does not apply to a director who voted in favor of the action.

2 **Sec. 10.21.355. Number, election, designation, and selection of directors.**

3 (a) The number of directors constituting the entire board may not be less than three.  
4 Subject to the limitation of this section, the number of directors may be fixed by the  
5 articles, the bylaws, or the action of the board or members under the specific  
6 provisions of an article or a bylaw adopted by approval of a majority of all the  
7 members. If the number of directors is not otherwise fixed, the number of directors  
8 is three.

9 (b) Except as otherwise provided in AS 10.21.145 and this section, the number  
10 of directors may be increased or decreased by amendment of the articles, the bylaws,  
11 or an action of the board or the members under the specific provisions of an article or  
12 a bylaw adopted by approval of a majority of all the members. A change in the  
13 number of directors is subject to the following limitations:

14 (1) if the board is authorized by the articles or the bylaws to change  
15 the number of directors, whether by amending the bylaws or by taking action under  
16 a specific provision of an article or a bylaw adopted by approval of a majority of all  
17 the members, the amendment or action requires the approval of a majority of the entire  
18 board; and

19 (2) a decrease in the number of directors may not shorten the term of  
20 an incumbent director.

21 (c) The articles may provide for the election of one or more directors by the  
22 members of a class.

23 (d) Notwithstanding (b) and (c) of this section, all or a portion of the directors  
24 authorized in the articles or bylaws of a domestic corporation without members, and  
25 up to one-third of the directors authorized in the articles or bylaws of a domestic  
26 corporation with members, may hold office by virtue of designation or selection under  
27 the articles or bylaws rather than by election. A director who holds office by virtue  
28 of designation or selection under this subsection continues in office for the term  
29 prescribed by the articles or bylaws or, if a term is not prescribed, until the article or  
30 bylaw is amended or repealed, except as provided in AS 10.21.375(c) and (d). A  
31 bylaw provision authorized by this subsection shall be adopted or repealed by a

1 majority of all the members subject, if provided in the bylaws, to the consent of the  
2 person entitled to designate or select the director.

3 (e) At the first annual meeting of members of a mutual benefit corporation and  
4 at each subsequent annual meeting, the members with voting rights, if any, shall elect  
5 directors to hold office until the next succeeding annual meeting, except in the case  
6 of the classification of directors as permitted by AS 10.21.365. A director, including  
7 a director elected to fill a vacancy, holds office until a successor has been elected and  
8 qualified.

9 (f) At the first regular meeting of members of a public benefit corporation and  
10 at each subsequent regular meeting, the members with voting rights, if any, shall elect  
11 directors. A director, including a director elected to fill a vacancy, holds office until  
12 a successor has been elected and qualified.

13 **Sec. 10.21.360. Attack on validity of election.** An action challenging the  
14 validity of an election, appointment, or removal of a director shall be commenced  
15 within nine months after the election, appointment, or removal. If an action  
16 challenging the validity is not commenced, in the absence of fraud, an election,  
17 appointment, or removal of a director is conclusively presumed valid after nine months  
18 if the only defect in the election, appointment, or removal is the failure to give notice  
19 under this chapter or in the articles or bylaws of the corporation.

20 **Sec. 10.21.365. Classification of directors.** (a) If a corporation is required  
21 by AS 10.21.233(c) or another provision of this chapter or by its articles or bylaws to  
22 have annual meetings of the members, the articles may provide that the directors be  
23 divided into either two or three classes, each class to be as nearly equal in number as  
24 possible, with the term of office of the directors of the first class to expire at the first  
25 annual meeting of members after their election, the term of office of the directors of  
26 the second class to expire at the second annual meeting after their election, and the  
27 term of office of the directors of the third class, if any, to expire at the third annual  
28 meeting after their election. At each annual meeting after the classification, the  
29 number of directors equal to the number of the class whose term expires at the time  
30 of the meeting shall be elected to hold office until the second succeeding meeting if  
31 there are two classes, or until the third succeeding meeting if there are three classes.

1 A classification is not effective before the first annual meeting of members.

2 (b) If cumulative voting rights have been established by the articles, an  
3 amendment of the articles that would establish or require classification of the board  
4 under (a) of this section may not be adopted when the votes cast against the  
5 amendment would be sufficient to elect a director if voted cumulatively at an election  
6 of the entire board.

7 **Sec. 10.21.370. Declaration of vacancy by board.** The board may declare  
8 vacant the office of a director who has been declared of unsound mind by court order  
9 or whose civil rights have been suspended.

10 **Sec. 10.21.375. Removal of directors without reason.** (a) A director may  
11 be removed without reason if the removal is approved by a majority of all members,  
12 subject to the following:

13 (1) if the articles establish cumulative voting rights, a director may not  
14 be removed unless the entire board is removed, if the votes cast against removal, or  
15 not consenting in writing to the removal, would be sufficient to elect a director if  
16 voted cumulatively at an election at which the same total number of votes were cast,  
17 or, if the action is taken by written consent, if all members entitled to vote on the  
18 removal voted and the entire number of directors authorized at the time of the  
19 director's most recent election were then being elected; and

20 (2) if the articles provide that the members of a class, voting as a class,  
21 are entitled to elect one or more directors, a director so elected may be removed only  
22 by the vote of a majority of all the members of that class.

23 (b) Except as provided in this section, AS 10.21.370, 10.21.380, and  
24 10.21.385(c), a director may not be removed before the expiration of the director's  
25 term of office.

26 (c) If a director removed under this section or under AS 10.21.370 or  
27 10.21.380 was chosen by designation or selection under AS 10.21.355(d) and if

28 (1) a different person may be designated or selected under the  
29 governing article or bylaw provision, a new designation or selection shall be made; or

30 (2) the governing article or bylaw provision does not contain a  
31 provision under which a different person may be designated or selected, the governing

1 article or bylaw provision is considered repealed.

2 (d) If articles or bylaws provide that a person is entitled to designate or select  
3 a director, a director designated or selected may only be removed under this section  
4 with the written consent of that person.

5 **Sec. 10.21.380. Removal of director by superior court.** The superior court  
6 may, in an action of members totaling at least 10 percent of all the members of a class,  
7 remove from office a director for fraudulent or dishonest acts or gross abuse of  
8 authority or discretion with reference to a domestic corporation and may bar from  
9 reelection or redesignation a director removed in this manner for a period prescribed  
10 by the court. The corporation shall be made a party to this suit.

11 **Sec. 10.21.385. Board vacancies and resignations.** (a) Unless otherwise  
12 provided in the articles or bylaws and except for a vacancy created by the removal of  
13 a director, a vacancy on the board may be filled by a majority of the directors then in  
14 office, whether or not less than a quorum, or by a sole remaining director. Unless the  
15 articles or a bylaw adopted with approval of a majority of all the members provide that  
16 the board may fill a vacancy occurring on the board by reason of removal of a  
17 director, the vacancy may be filled only by approval of a majority of all of the  
18 members.

19 (b) The members with voting rights, if any, may elect a director to fill a  
20 vacancy not filled by the directors.

21 (c) If, after the filling of a vacancy by the directors, the directors then in office  
22 who have been elected by the members constitute less than a majority of the directors,  
23 members totaling 10 percent or more of the members with voting rights may call a  
24 special meeting of members to elect the entire board, subject to the rights of a person  
25 to designate or select a director. The term of office of a director terminates upon the  
26 election and qualification of a successor.

27 (d) A director may resign effective upon giving written notice to the board  
28 chair, the president, the secretary, or the board of directors of the corporation, unless  
29 the notice specifies a later time for the effectiveness of the resignation. If the  
30 resignation is effective at a future time, a successor may be elected to take office when  
31 the resignation becomes effective.

1           **Sec. 10.21.390. Executive and other board committees.** (a) If authorized  
2 by the articles or bylaws, the board, by resolution approved by a majority of the entire  
3 board, may designate from among its members an executive committee and other  
4 committees of the board. Each committee, to the extent provided in the resolution,  
5 articles, or bylaws of the corporation, has the authority of the board, except that a  
6 committee may not

7                   (1) approve or recommend to members actions or proposals required  
8 by this chapter to be approved by members;

9                   (2) designate candidates for the office of director for purposes of proxy  
10 solicitation or otherwise or fill vacancies on the board or a committee of the board;

11                   (3) amend the bylaws;

12                   (4) approve a plan of merger not requiring approval of the members;

13                   (5) fix the compensation for service on the board or on a committee of  
14 the board;

15                   (6) appoint a committee of the board or a member of the committee;  
16 or

17                   (7) authorize, approve, or ratify contracts or other transactions between  
18 the corporation and one or more of its directors or between the corporation and a  
19 corporation, association, or other person in which one or more of its directors has a  
20 material financial interest.

21           (b) The designation of a committee, the delegation to the committee of  
22 authority, or action by the committee under that authority does not alone constitute  
23 compliance by a member of the board or committee in question with the responsibility  
24 to act in good faith, in a manner the director reasonably believes to be in the best  
25 interests of the corporation, and with the care, including reasonable inquiry, that an  
26 ordinarily prudent person in a like position would use under similar circumstances.

27           **Sec. 10.21.395. Call, place, notice, and waiver of meetings.** (a) A regular  
28 or special meeting of the board or a committee designated by the board may be called  
29 by the board chair, the president, a vice-president, the secretary, or two directors and  
30 may be held at any place inside or outside the state.

31           (b) A regular meeting of the board or a committee designated by the board

1 may be held without notice if the time and place of the meeting is fixed by the bylaws  
2 or a resolution of the board. A special meeting of the board or a committee designated  
3 by the board shall be held on either notice in writing sent 20 days before the meeting  
4 or notice by electronic means, personal messenger, or comparable person-to-person  
5 communication given at least 72 hours before the meeting. In the case of a special  
6 meeting the notice must include disclosure of the business to be transacted and the  
7 purpose of the meeting.

8 (c) Notice of a meeting is not required to be given to a director who signs a  
9 waiver of notice, whether before or after the meeting, or who attends the meeting  
10 without protesting before or at the commencement of the meeting the lack of notice.

11 **Sec. 10.21.400. Quorum of directors.** (a) A majority of the number of  
12 directors fixed by the articles or bylaws constitutes a quorum for the transaction of  
13 business unless a greater number is required by the articles or bylaws. The act of a  
14 majority of the directors present at a meeting at which a quorum is present is the act  
15 of the board, unless the act of a greater number is required by the articles, the bylaw,  
16 or this chapter.

17 (b) The provisions of this section apply to committees of the board and action  
18 by committees.

19 **Sec. 10.21.405. Informal action by directors.** (a) Unless prohibited by the  
20 articles or bylaws, the members of the board of a domestic corporation or a committee  
21 designated by the board can validly conduct a meeting by communicating  
22 simultaneously with each other by means of conference telephones or similar  
23 communications equipment.

24 (b) Unless prohibited by the articles or bylaws, action required or permitted  
25 to be taken by the board or a committee designated by the board may be taken without  
26 a meeting on written consents that are identical in content, set out the action taken, and  
27 are signed by all of the members of the board or the committee. The written consents  
28 shall be filed with the minutes. The consents have the same effect as a unanimous  
29 vote.

30 **Sec. 10.21.410. Director conflicts of interest in mutual benefit corporations.**

31 (a) A contract or other transaction between a domestic mutual benefit corporation and

1 a director of the corporation or between a domestic mutual benefit corporation and a  
2 corporation, association, or other person in which a director of the mutual benefit  
3 corporation has a material financial interest is not void or voidable because the director  
4 or the other corporation, association, or person is a party or because the director is  
5 present at the meeting of the board that authorizes, approves, or ratifies the contract  
6 or transaction, if the material facts of the transaction and the director's interest are  
7 fully disclosed or known to the

8 (1) members, and the contract or transaction is approved by a majority  
9 of all members in good faith, with the interested director not being entitled to vote; or

10 (2) board, the board authorizes, approves, or ratifies the contract or  
11 transaction in good faith by a sufficient vote without counting the vote of the interested  
12 director, and the person asserting the validity of the contract or transaction sustains the  
13 burden of proving that the contract or transaction was just and reasonable as to the  
14 corporation at the time it was authorized, approved, or ratified.

15 (b) A common directorship does not alone constitute a material financial  
16 interest within the meaning of this section. A director is not interested within the  
17 meaning of this section in a resolution fixing the compensation of another director as  
18 a director, officer, or employee of the corporation, even if the first director is also  
19 receiving compensation from the corporation.

20 (c) A contract or other transaction between a domestic mutual benefit  
21 corporation and a corporation or other association of which a director of the mutual  
22 benefit corporation is a director is not void or voidable because the director is present  
23 at the meeting of the board that authorizes, approves, or ratifies the contract or  
24 transaction if the material facts of the transaction and the director's other directorship  
25 are fully disclosed or known to the board, and if the board authorizes, approves, or  
26 ratifies the contract or transaction in good faith by a vote sufficient without counting  
27 the vote of the common director or the contract or transaction is approved by a  
28 majority of all the members in good faith. This subsection does not apply to a  
29 contract or transaction covered by (a) of this section.

30 (d) Interested or common directors may be counted in determining the  
31 presence of a quorum at a meeting of the board that authorizes, approves, or ratifies

1 a contract or transaction.

2 (e) Nothing contained in this section affects the prohibitions or restraints  
3 imposed by AS 45.50.562 - 45.50.596 (Monopolies; Restraint of Trade).

4 **Sec. 10.21.415. Self-dealing transactions in public benefit corporations.** (a)

5 The commissioner or, if the commissioner is joined as a party, any of the following  
6 may bring an action in the superior court for the remedies specified in (b) of this  
7 section:

8 (1) the corporation, or a member asserting the right in the name of the  
9 corporation under AS 10.21.318;

10 (2) a director of the corporation;

11 (3) an officer of the corporation;

12 (4) a person granted a related status by the commissioner.

13 (b) If a self-dealing transaction that does not satisfy (c) of this section has  
14 taken place, the court shall order an equitable and fair remedy to the corporation. The  
15 court may take into account benefits received by the corporation and whether the  
16 interested director acted in good faith and with intent to further the best interest of the  
17 corporation. The court may order the director to do any or all of the following:

18 (1) account for profits made from the transaction and pay them to the  
19 corporation;

20 (2) pay the corporation the value of the use of corporate property used  
21 in the transaction;

22 (3) return or replace property lost to the corporation as a result of the  
23 transaction, together with income or appreciation lost to the corporation by reason of  
24 the transaction, or account for proceeds of the sale of the property and pay the  
25 proceeds to the corporation with interest at the legal rate; in addition, the court may  
26 order the director to pay exemplary damages for a fraudulent or malicious violation  
27 of this section.

28 (c) In an action brought under (a) of this section, the remedies specified in (b)  
29 of this section may not be granted if

30 (1) the commissioner, or the court in an action in which the  
31 commissioner is a party, approved the transaction before or after it was consummated;

1 (2) the person asserting the validity of the transaction sustains the  
2 burden of proving that

3 (A) the corporation entered into the transaction for its own  
4 benefit;

5 (B) the transaction was fair and reasonable as to the corporation  
6 at the time the corporation entered into the transaction;

7 (C) before completing the transaction or a part of it, the full  
8 board authorized or approved the transaction in good faith by a vote of a  
9 majority of the directors then in office, without counting the vote of the  
10 interested director, and with knowledge of the material facts concerning the  
11 transaction and the director's interest in the transaction; and

12 (D) the corporation could not in fact have obtained a more  
13 advantageous arrangement with reasonable effort, or, before authorizing or  
14 approving the transaction, the board considered and in good faith determined  
15 after a reasonable investigation that the corporation could not have obtained a  
16 more advantageous arrangement with reasonable effort; or

17 (3) the person asserting the validity of the transaction sustains the  
18 burden of proving that

19 (A) a committee or person authorized by the board approved the  
20 transaction in a manner consistent with (2) of this subsection;

21 (B) it was not practicable to obtain approval of the board before  
22 entering into the transaction; and

23 (C) the board, after determining in good faith that the conditions  
24 of (A) and (B) of this paragraph were satisfied, ratified the transaction at its  
25 next meeting by a vote of the majority of the directors then in office without  
26 counting the vote of the interested director.

27 (d) Except as provided in (e) of this section, an action under (a) of this section  
28 shall be filed within two years after written notice setting out the material facts of the  
29 transaction and the director's interest in the transaction is filed with the commissioner  
30 or, if notice is not filed with the commissioner, within 10 years after the cause of  
31 action has accrued.

1 (e) In an action for breach of an obligation of the corporation owed to an  
 2 interested director, if the obligation arises from a self-dealing transaction that does not  
 3 satisfy (c) of this section, the court may, by way of offset only, make an order  
 4 authorized under (b) of this section, notwithstanding the expiration of the applicable  
 5 period specified in (d) of this section.

6 (f) Interested directors may be counted in determining the presence of a  
 7 quorum at a meeting of the board that authorizes, approves, or ratifies a contract or  
 8 transaction.

9 (g) The provisions of this section do not apply to

10 (1) the action of the board in fixing the compensation of a director as  
 11 a director or officer of the corporation;

12 (2) a transaction that is part of a public or charitable program of the  
 13 corporation if it

14 (A) is approved or authorized by the corporation in good faith  
 15 and without unjustified favoritism; and

16 (B) results in a benefit to a director or the family of a director  
 17 because they are in the class of persons intended to be benefited by the public  
 18 or charitable program; or

19 (3) a transaction of which the interested director had no actual  
 20 knowledge and that does not exceed one percent of the gross receipts of the  
 21 corporation for the preceding fiscal year or \$100,000, whichever is less.

22 (h) In this section,

23 (1) "interested director" means a director who has a material financial  
 24 interest in a transaction;

25 (2) "self-dealing transaction" means a transaction to which a public  
 26 benefit corporation is a party and in which a director of the corporation has a material  
 27 financial interest.

28 **Sec. 10.21.420. Liability of director.** (a) In addition to other liabilities, a  
 29 director is liable in the following circumstances unless the director complies with the  
 30 standards provided in AS 10.21.350(b) for the performance of the duties of a director:

31 (1) a director who votes for or assents to a distribution to the

1 corporation's members, other than during the liquidation of the corporation, is liable  
 2 to the corporation, jointly and severally with the other directors voting for or assenting  
 3 to the distribution, for the amount of the distribution that is paid or the value of the  
 4 assets that are distributed;

5 (2) a director who votes for or assents to a distribution to the  
 6 corporation's members during the liquidation of the corporation without the payment  
 7 and discharge of, or making of adequate provision for, all known debts, obligations,  
 8 and liabilities of the corporation is liable to the corporation, jointly and severally with  
 9 the other directors voting for or assenting to the distribution, for the value of the assets  
 10 that are distributed, to the extent that the debts, obligations, and liabilities of the  
 11 corporation are not paid and discharged;

12 (3) a director who votes for or assents to a loan of assets of the  
 13 corporation to an officer or employee contrary to the provisions of AS 10.21.435, or  
 14 contrary to a restriction in the articles of incorporation, is liable to the corporation,  
 15 jointly and severally with the other directors voting for or assenting to the loan, for the  
 16 amount of the loan in excess of the amount that could have been loaned under  
 17 AS 10.21.435 or within the restriction in the articles.

18 (b) A director against whom a claim is asserted under this section for the  
 19 distribution of assets of the corporation is entitled to contribution, in proportion to the  
 20 amounts received by the member, from a member who accepted or received those  
 21 assets knowing the distribution to have been made in violation of this chapter. A  
 22 director against whom a claim is asserted under this section for the extension of a loan  
 23 is entitled to contribution from the person receiving the loan.

24 (c) A director against whom a claim is asserted under this section is entitled  
 25 to contribution from the other directors who voted for or assented to the action on  
 26 which the claim is asserted.

27 **Sec. 10.21.425. Action against director or officer for misconduct.** (a) An  
 28 action may be brought against a director or officer of a domestic corporation to  
 29 procure a judgment

30 (1) to compel the defendant to account for official conduct in the matter  
 31 of

1 (A) the neglect of, failure to perform, or other violation of  
2 duties in the management and disposition of corporate assets; or

3 (B) the acquisition by the defendant, transfer to others, or loss  
4 or waste of corporate assets due to the neglect of or failure to perform the  
5 defendant's duties;

6 (2) to set aside an unlawful conveyance, assignment, or transfer of  
7 corporate assets if the transferee knew or should reasonably have known of the  
8 unlawfulness of the conveyance, assignment, or transfer; or

9 (3) to enjoy a proposed unlawful conveyance, assignment, or transfer  
10 of corporate assets, where there is a reasonable basis for believing that the transfer will  
11 be made.

12 (b) An action for director or officer misconduct may be brought under (a) of  
13 this section or AS 10.21.420(a) by the commissioner, by the corporation, or, in the  
14 right of the corporation, by

15 (1) a director or officer of the corporation;

16 (2) a receiver, trustee in bankruptcy, or judgment creditor of the  
17 corporation; or

18 (3) a member of the corporation under AS 10.21.318.

19 **Sec. 10.21.430. Types, tenure, resignation, authority, agency, and duty of**  
20 **care of officers.** (a) A domestic corporation must have a chair of the board or a  
21 president, or both, a secretary, a treasurer, and other officers with titles and duties as  
22 stated in the bylaws or determined by the board and as may be necessary to enable the  
23 corporation to sign instruments. The president, or if there is not a president, the chair  
24 of the board, is the general manager and chief executive officer of the corporation.  
25 Two or more offices may be held by the same person, except that the secretary or the  
26 treasurer may not serve concurrently as the president or chair of the board.

27 (b) Except as otherwise provided in the articles or bylaws, officers shall be  
28 chosen by the board and serve at the pleasure of the board, subject to the rights, if any,  
29 of an officer under a contract of employment. An officer may resign at any time on  
30 written notice to the corporation without prejudice to the rights, if any, of the  
31 corporation under a contract to which the officer is a party.

1 (c) All officers, as between themselves and the corporation, have the authority  
2 and shall perform the duties in the management of the corporation as provided in the  
3 bylaws, or to the extent not provided in the bylaws, as provided by the board.

4 (d) Subject to the provisions of AS 10.21.020(a), a note, mortgage, evidence  
5 of indebtedness, contract, conveyance, or other instrument in writing and an  
6 assignment or endorsement of these instruments executed or entered into between the  
7 corporation and another person, if signed by two individuals, one of whom is the chair  
8 of the board, president, or a vice-president and the other of whom is the assistant  
9 secretary, the treasurer, or an assistant treasurer of the corporation, is not invalidated  
10 as to the corporation by any lack of authority of the signing officers in the absence of  
11 actual knowledge on the part of the other person that the signing officers did not have  
12 authority to execute the instrument.

13 (e) An officer shall perform the duties of an officer in good faith and with that  
14 degree of care, including reasonable inquiry, that an ordinarily prudent person in a like  
15 position would use under similar circumstances. Except as provided in (f) of this  
16 section, an officer is entitled to rely on information, opinions, reports, or statements,  
17 including financial statements and other financial data prepared or presented by legal  
18 counsel or public accountants.

19 (f) An officer is not acting in good faith if the officer has knowledge  
20 concerning the matter in question that makes reliance otherwise permitted by (e) of this  
21 section unwarranted.

22 **Sec. 10.21.435. Loans, guarantees, and advances.** (a) A domestic  
23 corporation or its parent or its subsidiary may not loan money or property to, or  
24 guarantee the obligation of, a director or officer.

25 (b) Notwithstanding (a) of this section, a domestic corporation may advance  
26 money to a director or officer of the corporation, or of its parent or its subsidiary, for  
27 expenses reasonably anticipated to be incurred in the performance of the duties of the  
28 officer or director if, in the absence of an advance, the director or officer would be  
29 entitled to be reimbursed for the expenses by the corporation, its parent, or a  
30 subsidiary.

31 **Sec. 10.21.440. Indemnification and insurance.** (a) A domestic corporation

1 may indemnify a person who was, is, or is threatened to be made a party to a  
2 completed, pending, or threatened action or proceeding, whether civil, criminal,  
3 administrative, or investigative, other than an action by or in the right of the  
4 corporation, by reason of the fact that the person is or was a director, officer,  
5 employee, or agent of the corporation. Indemnification may include reimbursement  
6 of attorney fees, other expenses, judgments, fines, and amounts paid in settlement that  
7 are actually and reasonably incurred in connection with the action or proceeding if the  
8 person acted in good faith and in a manner the person reasonably believed to be in or  
9 not opposed to the best interests of the corporation and, with respect to a criminal  
10 action or proceeding, if the person did not have reasonable cause to believe the  
11 conduct was unlawful. Except as provided in (b) of this section, the termination of an  
12 action or proceeding by judgment, order, settlement, or conviction, or upon a plea of  
13 nolo contendere or its equivalent, does not create a presumption that the person did not  
14 act in good faith or in a manner that the person reasonably believed to be in or not  
15 opposed to the best interests of the corporation or, with respect to a criminal action or  
16 proceeding, that the person did not have reasonable cause to believe that the conduct  
17 was unlawful.

18 (b) Notwithstanding (a) of this section, a public benefit corporation may not  
19 indemnify a person with regard to an action or proceeding arising out of the conduct  
20 of that person if

21 (1) the person was convicted of or entered a plea of nolo contendere  
22 or its equivalent to a crime based on that conduct; or

23 (2) the conduct of the person was adjudicated to have been grossly  
24 negligent by a court.

25 (c) A domestic corporation may indemnify a person who was, or is threatened  
26 to be made, a party to a completed, pending, or threatened action by or in the right of  
27 the corporation to procure a judgment in its favor by reason of the fact that the person  
28 is or was a director, officer, employee, or agent of the corporation. Indemnification  
29 may include reimbursement for attorney fees and other expenses actually and  
30 reasonably incurred in connection with the defense or settlement of the action if the  
31 person acted in good faith and in a manner the person reasonably believed to be in or

1 not opposed to the best interests of the corporation. Indemnification may not be made  
2 with regard to a claim, issue, or matter as to which the person has been adjudged to  
3 be liable for negligence or misconduct in the performance of duties to the corporation  
4 except to the extent that the court in which the action was brought determines upon  
5 application that, despite the adjudication of liability and in view of all the  
6 circumstances of the case, the person is fairly and reasonably entitled to indemnity for  
7 expenses that the court considers proper.

8 (d) To the extent that a director, officer, employee, or agent of a domestic  
9 corporation has been successful on the merits or otherwise in defense of an action or  
10 proceeding referred to in (a) or (c) of this section, or in defense of a claim, issue, or  
11 matter in the action or proceeding, the person shall be indemnified against expenses  
12 and attorney fees actually and reasonably incurred in connection with the defense.

13 (e) Unless otherwise ordered by a court, indemnification under (a) or (c) of  
14 this section may only be made by a corporation as authorized in a specific case upon  
15 a determination that indemnification of the director, officer, employee, or agent is  
16 proper in the circumstances because that person has met the applicable standard of  
17 conduct set out in (a) or (c) of this section. The determination shall be made by

18 (1) the board by a majority vote of a quorum consisting of directors  
19 who were not parties to the action or proceeding;

20 (2) independent legal counsel in a written opinion if a quorum of  
21 directors under (1) of this subsection

22 (A) is not obtainable; or

23 (B) is obtainable but a majority of disinterested directors directs  
24 that the determination be made by independent legal counsel in a written  
25 opinion; or

26 (3) approval of a majority of all the members.

27 (f) A corporation may pay the expenses incurred in defending a civil or  
28 criminal action or proceeding in advance of the final disposition of the action or  
29 proceeding as authorized in the manner provided in (e) of this section on receipt of an  
30 undertaking by or on behalf of the director, officer, employee, or agent to repay the  
31 amount unless it is ultimately determined that the person is entitled to be indemnified

1 by the corporation as authorized in this section.

2 (g) The indemnification provided by this section is not exclusive of other  
3 rights to which a person seeking indemnification may be entitled under a bylaw or a  
4 vote of members or disinterested directors, both as to action in the official capacity of  
5 the person and as to action in another capacity while holding the office, continues as  
6 to a person who has ceased to be a director, officer, employee, or agent, and inures to  
7 the benefit of the heirs, executors, and administrators of the person.

8 (h) A domestic corporation may purchase and maintain insurance on behalf of  
9 a person who is or was a director, officer, employee, or agent of the corporation  
10 against any liability asserted against and incurred by the person in that capacity, or  
11 arising out of that status, to and only to the extent that the corporation would have the  
12 power to indemnify the person against the liability under the provisions of this section.

### 13 **Article 7. Amendments and Changes.**

14 **Sec. 10.21.450. Authorization: permitted and prohibited amendments.** (a)  
15 By complying with the provisions of this chapter, a domestic corporation may amend  
16 its articles from time to time and in any and as many respects as may be desired if its  
17 articles, as amended, contain only provisions that would be lawful to insert in original  
18 articles filed when the amendment is filed.

19 (b) In particular, and without limitation on the general power of amendment,  
20 a domestic corporation may amend its articles to

- 21 (1) change its corporate name;  
22 (2) extend a limitation on its period of duration;  
23 (3) change, enlarge, or diminish a limitation on its corporate purpose  
24 if the change is consistent with the status of the corporation as a public benefit  
25 corporation or mutual benefit corporation.

26 (c) A domestic corporation may not amend its articles to alter a statement that  
27 may appear in the original articles of the names and addresses of the first directors, or  
28 the name and address of the initial agent, except to correct an error in the statement  
29 or to delete the name or address of the initial agent after the corporation has filed a  
30 notice under AS 10.21.083.

31 **Sec. 10.21.453. Procedure to amend articles of incorporation.** (a) A

1 domestic corporation shall use the following procedure to amend its articles:

2 (1) if there are no members entitled to vote, the board shall adopt a  
3 resolution setting out the proposed amendment;

4 (2) subject to AS 10.21.455, if there are members entitled to vote,

5 (A) written notice setting out the proposed amendment or a  
6 summary of the changes to be made by the amendment shall be given to each  
7 member entitled to vote on the amendment within the time and in the manner  
8 provided in this chapter for the giving of notice of meetings of members; if the  
9 amendment is to be considered at an annual meeting, the proposed amendment  
10 or a summary may be included in the notice of the meeting;

11 (B) an amendment shall be adopted if approved by the board  
12 and a majority of all members; approval may be initiated by the members  
13 either before or after consideration by the board; if the board adopts a  
14 resolution setting out a proposed amendment, the board shall direct that the  
15 amendment be submitted to a vote at a meeting of the members that may be  
16 either the annual or a special meeting; if approval of a majority of all the  
17 members is obtained before action by the board, the board shall consider and  
18 either approve or reject the amendment at the next regular or special meeting.

19 (b) Notwithstanding approval under (a) of this section, if the corporation has  
20 donated assets and the disposition of the donated assets would be affected by the  
21 amendment, that amendment does not become effective under AS 10.21.465 or  
22 10.21.473 until the commissioner issues a written finding that the disposition or  
23 expenditures of the donated assets would be in reasonable conformity with the  
24 probable intention of the donor.

25 (c) If the procedures set out in (a) of this section and, if necessary, in (b) of  
26 this section have been complied with, a proposed amendment may be contained in  
27 restated articles that contain a statement that

28 (1) except for the designated amendment, the restated articles correctly  
29 set out without change the provisions of the articles being amended; and

30 (2) the restated articles and the designated amendment supersede the  
31 original articles and all amendments to the original articles.

1           **Sec. 10.21.455. Class voting on amendments.** (a) The members of a class  
2 may vote as a class on a proposed amendment, whether or not the members are  
3 entitled to vote on the amendment by the provisions of the articles, if the amendment

4                   (1) materially and adversely affects the rights, privileges, preferences,  
5 restrictions, or conditions of that class as to voting or dissolution or, in the case of a  
6 mutual benefit corporation, as to transfer or redemption in a manner different than the  
7 action affects another class;

8                   (2) materially and adversely affects the class as to voting or dissolution  
9 or, in the case of a mutual benefit corporation, as to transfer or redemption by  
10 changing the rights, privileges, preferences, restrictions, or conditions of another class;

11                   (3) increases or decreases the number of memberships authorized in a  
12 class;

13                   (4) exchanges, reclassifies, or cancels all or part of the memberships  
14 of the class; or

15                   (5) authorizes a new class of memberships.

16           (b) If the members of a class are entitled to vote as a class under (a) of this  
17 section, the amendment is not approved unless it receives a majority vote of the  
18 members of that class and of all the members entitled to vote on the amendment.

19           **Sec. 10.21.458. Greater voting requirements.** If the articles require the vote  
20 of a larger proportion or all of the members of a class, or of a larger proportion or all  
21 of the directors, than is otherwise required by this chapter, the provision in the articles  
22 requiring the greater vote may not be altered, amended, or repealed except by that  
23 greater vote unless otherwise provided in the articles.

24           **Sec. 10.21.460. Articles of amendment.** The articles of amendment shall be  
25 executed in duplicate by the corporation by its board chair, president, or a vice-  
26 president, and by its secretary or an assistant secretary, shall be verified by one of the  
27 officers signing the articles, and must set out

28                   (1) the name of the corporation;

29                   (2) the amendment adopted;

30                   (3) the date of the approval of the amendment by the board and  
31 members, or by the board if no members are entitled to vote;

1 (4) the number of members, the number of members entitled to vote,  
2 and, if the members of a class are entitled to vote as a class, the designation and  
3 number of members of each class entitled to vote;

4 (5) the number of members who voted for and against the amendment  
5 and, if the members of a class are entitled to vote as a class, the number of members  
6 of each class who voted for and against the amendment, or, if no members are entitled  
7 to vote, a statement to that effect.

8 **Sec. 10.21.463. Filing of articles of amendment.** Duplicate originals of the  
9 articles of amendment shall be delivered to the commissioner for processing according  
10 to AS 10.21.905 and for issuance of a certificate of amendment.

11 **Sec. 10.21.465. Effect of certificate of amendment.** (a) An amendment is  
12 effective upon the issuance of a certificate of amendment by the commissioner, or on  
13 a later date, not more than 30 days after the filing of the certificate with the  
14 commissioner, provided in the articles of amendment.

15 (b) An amendment may not affect an existing cause of action in favor or  
16 against the corporation, a pending court action to which the corporation is a party, or  
17 the existing rights of a person other than a member. If the corporate name is changed  
18 by amendment, a court action brought by or against the corporation under its former  
19 names does not abate.

20 **Sec. 10.21.468. Restated articles of incorporation.** A domestic corporation  
21 may, by resolution adopted by the board, restate its articles as amended up to that  
22 time. Upon adoption of the resolution, restated articles shall be executed in duplicate  
23 by the corporation by its board chair, its president or a vice-president, and its secretary  
24 or an assistant secretary, shall be verified by one of the officers signing the articles,  
25 and must set out all of the operative provisions of the articles as amended up to that  
26 time and a statement that the restated articles

27 (1) correctly set out without change the corresponding provisions of the  
28 articles as amended up to that time; and

29 (2) supersede the original articles and all amendments to them.

30 **Sec. 10.21.470. Filing of restated articles of incorporation.** Duplicate  
31 originals of the restated articles shall be delivered to the commissioner for processing

1 according to AS 10.21.905 and for issuance of a restated certificate of incorporation.

2 **Sec. 10.21.473. Effect of issuance of restated certificate of incorporation.**

3 Upon the issuance of a restated certificate of incorporation, the restated articles become  
4 effective and supersede the original articles and all amendments.

5 **Sec. 10.21.475. Procedure for alteration of corporate status of public**  
6 **benefit corporations.** (a) A public benefit corporation may amend its articles of  
7 incorporation to change its status to that of a mutual benefit corporation.

8 (b) If a public benefit corporation has assets, an amendment to change its  
9 status to a mutual benefit corporation is subject to approval in writing by the  
10 commissioner, and the approval must be obtained before the change. If a public  
11 benefit corporation does not have assets, the corporation shall give the commissioner  
12 a copy of the amendment at least 20 days before the amendment is filed.

13 (c) Amended articles authorized by this section must include the provisions  
14 that would have been required, and may include only those provisions that would have  
15 been permitted, in original articles filed by a mutual benefit corporation.

16 **Sec. 10.21.478. Procedure for alteration of corporate status of mutual**  
17 **benefit corporations.** (a) A mutual benefit corporation may amend its articles of  
18 incorporation to change its status to a public benefit corporation.

19 (b) If the corporation has members entitled to vote, an amendment to change  
20 its status to a public benefit corporation is subject to approval by

21 (1) the members, and to approval in writing by the commissioner; or

22 (2) 100 percent of the voting power.

23 (c) Amended articles authorized by this section must include the provisions  
24 that would have been required, and may include only those provisions that would have  
25 been permitted, in original articles filed by a public benefit corporation.

26 **Sec. 10.21.480. Amendment of articles of incorporation in reorganization**  
27 **proceedings.** (a) If a plan of reorganization of a domestic corporation has been  
28 confirmed by a decree or an order of a court in proceedings for the reorganization of  
29 the corporation under an applicable statute of the United States relating to  
30 reorganizations of corporations, the articles of the corporation may be amended as  
31 necessary in the manner provided in (c) of this section in order to carry out the plan

1 and put it into effect. The articles as amended may contain provisions that might be  
2 lawfully contained in original articles at the time of making of the amendment.

3 (b) In particular, and without limitation on the general power of amendment,  
4 the articles may be amended under (a) of this section to

5 (1) change the name, period of duration, or purposes of the corporation;

6 (2) repeal, alter, or amend the bylaws of the corporation;

7 (3) change the number of memberships, or the memberships of a class,  
8 that the corporation has authority to issue;

9 (4) change the preferences, limitations, and relative rights of all or part  
10 of the memberships of the corporation and classify, reclassify, or cancel all or part of  
11 the memberships;

12 (5) authorize the issuance of and fix the terms of bonds, debentures, or  
13 other obligations of the corporation; and

14 (6) constitute, reconstitute, classify, or reclassify the board of the  
15 corporation and appoint directors and officers in place of, or in addition to, all or any  
16 of the directors or officers then in office.

17 (c) Articles of amendment approved by a decree or an order of a court shall  
18 be executed and verified in duplicate by the person the court designates or appoints for  
19 the purpose and shall set out the name of the corporation, the amendments of the  
20 articles approved by the court, the date of the decree or order approving the articles  
21 of amendment, the title of the proceedings in which the decree or order was entered,  
22 and a statement that the decree or order was entered by a court having jurisdiction of  
23 the proceedings for the reorganization of the corporation under an applicable statute  
24 of the United States.

25 **Sec. 10.21.483. Filing of amendment of articles in reorganization**  
26 **proceedings.** Duplicate originals of the articles of amendment in reorganization  
27 proceedings shall be delivered to the commissioner for processing under AS 10.21.905  
28 and issuance of a certificate of amendment.

29 **Sec. 10.21.485. Effect of issuance of certificate of amendment in**  
30 **reorganization proceedings.** An amendment under AS 10.21.480 is effective upon  
31 the issuance of the certificate of amendment in reorganization proceedings, and articles

1 that are amended under AS 10.21.480 without action by the directors or members of  
 2 the corporation have the same effect as if the amendments had been adopted by  
 3 unanimous action of the directors and members of the corporation.

4 **Article 8. Organic Change.**

5 **Sec. 10.21.500. Merger or consolidation of public benefit corporations.** (a)

6 A public benefit corporation may only merge or consolidate with a domestic  
 7 corporation or a foreign corporation.

8 (b) Without the prior written consent of the commissioner, a public benefit  
 9 corporation may only merge or consolidate with another public benefit corporation or  
 10 a foreign corporation that would be a public benefit corporation if formed under this  
 11 chapter.

12 (c) A copy of a proposed agreement of merger or consolidation allowed under  
 13 (a) of this section shall be filed with the commissioner at least 20 days before the  
 14 consummation of the merger or consolidation.

15 (d) Without the prior written consent of the commissioner, if a merger or  
 16 consolidation occurs as provided under (a) of this section, each member of a  
 17 constituent corporation may only receive or keep a membership in the surviving or  
 18 new corporation.

19 **Sec. 10.21.503. Merger or consolidation of mutual benefit corporations.**

20 A mutual benefit corporation may merge or consolidate with a foreign corporation or  
 21 domestic corporation. A merger or consolidation of a mutual benefit corporation with  
 22 a public benefit corporation is subject to the prior written consent of the commissioner.

23 **Sec. 10.21.505. Procedure for merger.** For a merger, a written plan approved  
 24 by the board of each corporation is required and must set out

25 (1) the names and places of incorporation of the corporations proposing  
 26 to merge and the name of the surviving corporation into which they propose to merge;

27 (2) the terms and conditions of the proposed merger;

28 (3) the manner and basis, if any, of converting the memberships of each  
 29 merging corporation into memberships or obligations of the surviving corporation;

30 (4) a statement of changes in the articles or bylaws of the surviving  
 31 corporation caused by the merger and whether or not the surviving corporation will be

1 a public benefit corporation or a foreign corporation that would be a public benefit  
2 corporation if formed under this chapter; and

3 (5) other provisions of the merger considered necessary or desirable.

4 **Sec. 10.21.508. Procedure for consolidation.** For a consolidation, a written  
5 plan approved by the board of each corporation is required and must set out

6 (1) the names and places of incorporation of the corporations proposing  
7 to consolidate and the name of the new corporation into which they propose to  
8 consolidate;

9 (2) the terms and conditions of the proposed consolidation and whether  
10 the new corporation is a public benefit corporation, a mutual benefit corporation, or  
11 a foreign corporation;

12 (3) the manner and basis, if any, of converting the memberships of each  
13 corporation into memberships or obligations of the new corporation;

14 (4) the statements of the new corporation required to be set out in the  
15 articles for corporations organized under this chapter; and

16 (5) other provisions of the consolidation considered necessary or  
17 desirable.

18 **Sec. 10.21.510. Notice to and approval by members.** (a) On approval by  
19 the board of each corporation of a plan of merger or consolidation, each board shall,  
20 by resolution, direct that the plan be submitted at either an annual or special meeting  
21 for approval by the members of each corporation as provided in AS 10.21.513.  
22 Written notice shall be given to each member, whether or not the member's voting  
23 rights are extinguished under the provisions of the articles of incorporation or bylaws  
24 of the corporation, at least 20 days before the meeting, in the manner provided in  
25 AS 10.21.238 for the giving of notice of meetings of members. Whether the meeting  
26 is an annual or special meeting, the notice must state that the purpose or one of the  
27 purposes of the meeting is to consider the proposed plan of merger or consolidation.  
28 A copy or summary of the plan of merger or consolidation as well as a copy of  
29 AS 10.21.530 and 10.21.533 concerning the rights of a dissenting member of a mutual  
30 benefit corporation must be included with the notice.

31 (b) The provisions of this section do not apply to a corporation without

1 members.

2 **Sec. 10.21.513. Manner of approval by members.** (a) At each meeting for  
3 which notice is given under AS 10.21.510, a vote of the members shall be taken on  
4 the proposed plan of merger or consolidation. Each member of each corporation may  
5 vote on the proposed plan, whether or not the member has voting rights under the  
6 articles of the corporation. The plan is approved if it receives the affirmative vote of  
7 at least two-thirds of the members of each corporation. If a class of members of a  
8 corporation is entitled to vote on the plan as a class, the plan is approved if it receives  
9 the affirmative vote of at least two-thirds of the members of each class of members  
10 entitled to vote on the plan as a class and the affirmative vote of at least two-thirds of  
11 the total memberships entitled to vote on the plan. A class of members of a  
12 corporation is entitled to vote as a class if a plan contains a provision that, if contained  
13 in a proposed amendment to the articles, would entitle the class of members to vote  
14 as a class.

15 (b) The provisions of this section do not apply to a corporation without  
16 members.

17 **Sec. 10.21.515. Abandonment of plan of merger or consolidation.** After  
18 approval by the members of each corporation under AS 10.21.513, and before the  
19 filing of the articles of merger or consolidation, the merger or consolidation may be  
20 abandoned under provisions set out in the plan.

21 **Sec. 10.21.518. Articles of merger or consolidation.** After approval of the  
22 plan of merger or consolidation by the members under AS 10.21.513 or, if there are  
23 no members, by the board under AS 10.21.200(b)(1), articles of merger or articles of  
24 consolidation shall be executed in duplicate by each corporation by its board chair, its  
25 president or a vice-president, and its secretary or an assistant secretary, shall be  
26 verified by one of the officers of each corporation signing the articles, and must set  
27 out

28 (1) the plan of merger or consolidation;

29 (2) the number of outstanding memberships of each corporation and,  
30 if the members of a class were entitled to vote as a class, the designation and number  
31 of the outstanding memberships of the class; and

1 (3) the number of members who voted for and against the plan and, if  
2 the members of a class were entitled to vote as a class, the number of members of the  
3 class who voted for and against the plan.

4 **Sec. 10.21.520. Filing of articles of merger or consolidation.** Duplicate  
5 originals of the articles of merger or consolidation shall be delivered to the  
6 commissioner for processing according to AS 10.21.905 and for the issuance of a  
7 certificate of merger or consolidation.

8 **Sec. 10.21.523. Effect of merger or consolidation.** (a) A merger or  
9 consolidation is effective upon the issuance of a certificate of merger or consolidation  
10 by the commissioner, or on a later date, not more than 30 days after the filing of the  
11 certificate with the commissioner, as provided in the plan.

12 (b) When a merger or consolidation has become effective,

13 (1) the corporations that are parties to the plan of merger or  
14 consolidation are a single corporation that, in the case of a merger, is the corporation  
15 designated in the plan of merger as the surviving corporation and, in the case of a  
16 consolidation, is the new corporation provided for in the plan of consolidation;

17 (2) the separate existence of all corporations or parties to the plan of  
18 merger or consolidation, except the surviving or new corporation, ceases;

19 (3) a surviving or new corporation has all the rights, privileges,  
20 immunities, and powers and is subject to all the duties and liabilities of a corporation  
21 organized under this chapter;

22 (4) the surviving or new corporation possesses all the public and private  
23 rights, privileges, immunities, and franchises of each of the merging or consolidating  
24 corporations; all real property, personal property, and mixed property, all debts due on  
25 any account, all other choses in action, and every other interest of, belonging to, or due  
26 to each of the merged or consolidated corporations are transferred to and vested in the  
27 corporation without further act; the title to real estate, including an interest in real  
28 estate, vested in any of the corporations may not revert and is not in any way impaired  
29 by reason of a merger or consolidation; however, property received by a corporation  
30 by a conditional grant or similar device remains subject to the same conditions as if  
31 the merger or consolidation had not occurred;

1 (5) a surviving or new corporation is responsible and liable for all the  
2 liabilities and obligations of each of the merged or consolidated corporations; a claim  
3 existing, or an action or a proceeding pending, by or against the merged or  
4 consolidated corporations may be prosecuted as if the merger or consolidation had not  
5 taken place, or the surviving or new corporation may be substituted in the place of the  
6 merged or consolidated corporation; the rights of creditors or any liens on any of the  
7 property of the merged or consolidated corporation are not impaired by the merger or  
8 consolidation;

9 (6) in the case of a merger, the articles of incorporation of the  
10 surviving corporation are considered to be amended to the extent that changes in its  
11 articles are stated in the plan of merger; in the case of a consolidation, the statements  
12 set out in the articles of consolidation that are required or permitted to be set out in  
13 the articles of corporations organized under this chapter are considered to be the  
14 original articles of the new corporation.

15 (c) When a merger or consolidation has become effective, the memberships  
16 of the corporations that are parties to the plan and that are to be converted under the  
17 terms of the plan cease to exist, and the members are entitled only to the membership  
18 or obligations into which the membership has been converted in accordance with the  
19 plan, subject to the rights of dissenting members under AS 10.21.533.

20 **Sec. 10.21.525. Merger or consolidation with a foreign corporation.** (a)  
21 Subject to the provisions of AS 10.21.500 and 10.21.503, foreign corporations may be  
22 merged or consolidated if the merger or consolidation is authorized by the law under  
23 which they are formed. In the case of a merger, the surviving corporation must be one  
24 of the constituent corporations, and the surviving corporation continues to exist under  
25 the laws of the state or place of its incorporation. In the case of a consolidation, the  
26 new corporation may be either a domestic corporation formed under this chapter or a  
27 foreign corporation formed under the laws of another state.

28 (b) If the surviving or new corporation is a public benefit corporation, the  
29 merger or consolidation proceedings of that corporation and a disappearing corporation  
30 must conform to the provisions of this chapter governing the merger of corporations.  
31 If the surviving or new corporation is a foreign corporation, the merger or

1 consolidation proceeding may be in accordance with the laws of the state or place of  
2 incorporation of the surviving or new corporation subject to the approval of the boards  
3 and members under AS 10.21.505, 10.21.508, and 10.21.513.

4 (c) If the surviving or new corporation is a public benefit corporation, the  
5 merger or consolidation agreement and the officers' certificate of each constituent  
6 corporation shall be filed under AS 10.21.520, and, after filing, subject to  
7 AS 10.21.523(a), the merger or consolidation is effective as to each corporation; a  
8 foreign disappearing corporation that is qualified for the conduct of intrastate affairs  
9 automatically surrenders its right to conduct intrastate affairs by filing a merger or  
10 consolidation agreement under this subsection.

11 (d) If the surviving or new corporation is a mutual benefit corporation, the  
12 merger or consolidation proceedings of that corporation and a domestic disappearing  
13 corporation must conform to the provisions of this chapter and other applicable laws  
14 of this state. If the surviving or new corporation is a foreign corporation, the merger  
15 or consolidation proceeding may be in accordance with the laws of the state or place  
16 of incorporation of the surviving or new corporation subject to the approval of the  
17 boards and members under AS 10.21.505, 10.21.508, and 10.21.513.

18 (e) If the surviving or new corporation is a foreign corporation, the merger or  
19 consolidation becomes effective under the law of the jurisdiction in which it is  
20 organized, but is effective as to a disappearing corporation as of the time of  
21 effectiveness in the foreign jurisdiction after the filing in this state as required by this  
22 subsection. A surviving or new corporation shall file as to the domestic disappearing  
23 corporation a copy of the merger or consolidation agreement, certificate, or other  
24 document filed by the surviving or new corporation in the state or place of its  
25 incorporation for the purpose of effecting the merger or consolidation, certified by the  
26 public officer having official custody of the original or, in lieu of a certified copy, an  
27 executed copy of the merger or consolidation agreement, certificate, or other document.  
28 A foreign disappearing corporation that is qualified for the transaction of intrastate  
29 business automatically surrenders its right to transact intrastate business by filing a  
30 merger or consolidation agreement under this subsection.

31 **Sec. 10.21.530. Right of members of mutual benefit corporation to dissent.**

1 (a) A member of a mutual benefit corporation may dissent from the following  
2 corporate actions:

3 (1) a plan of merger or consolidation to which the corporation is a  
4 party; or

5 (2) a sale or exchange of all or substantially all of the property and  
6 assets of the corporation not made in the usual and regular course of its business,  
7 including a sale in dissolution, but not including a sale under an order of a court  
8 having jurisdiction.

9 (b) The rights of a member who dissents as to less than all of the memberships  
10 registered in that member's name shall be determined as if the memberships as to  
11 which the member dissents and the member's other memberships are registered in the  
12 names of different members.

13 **Sec. 10.21.533. Rights of dissenting members and withdrawal of demand.**

14 (a) A member electing to exercise a right of dissent under AS 10.21.530 shall file  
15 with the corporation, before or at the meeting of members at which the proposed  
16 corporate action is submitted to a vote, a written objection to the proposed corporate  
17 action. If the proposed corporate action is approved by the vote required under  
18 AS 10.21.513 and the member did not vote in favor of the action, the member may,  
19 within 10 days after the date on which the vote was taken, make a written demand on  
20 the corporation or, in the case of a merger or consolidation, on the surviving or new  
21 domestic or foreign corporation, for payment of the fair value of the membership. If  
22 the proposed corporate action is effected, the corporation shall pay to the dissenting  
23 member, upon tender of a resignation from membership, the fair value of the  
24 membership on the day before the date on which the vote was taken approving the  
25 proposed corporate action, excluding any appreciation or depreciation in anticipation  
26 of the corporate action. A member failing to make timely demand under this section  
27 is bound by the terms of the proposed corporate action. A dissenting member making  
28 demand under this section is entitled only to payment as provided in this section and  
29 is not entitled to vote or to exercise any other rights of a member.

30 (b) A demand may not be withdrawn without the consent of the corporation.  
31 The right of the member to be paid the fair value of the membership ceases and status

1 as a member is restored without prejudice to a corporate proceeding that may have  
2 been taken during the interim if

- 3 (1) a demand is withdrawn with consent;
- 4 (2) the proposed corporate action is abandoned or rescinded;
- 5 (3) the members revoke the authority for the action;
- 6 (4) on the date of the filing of articles of merger, the surviving  
7 corporation has 100 percent control of the other domestic and foreign corporations that  
8 are parties to the merger;
- 9 (5) a demand or petition for the determination of fair value by a court  
10 has not been made or filed within the time provided in AS 10.21.540; or
- 11 (6) a court determines that a member is not entitled to the relief  
12 provided by AS 10.21.540.

13 (c) In (b) of this section, "100 percent control" of a corporation means the  
14 power to elect or designate all of the members of the board of directors of that  
15 corporation.

16 **Sec. 10.21.535. Notice to dissenting member.** Within 10 days after a  
17 corporation takes action to which a member dissents under AS 10.21.530, the  
18 corporation or, in the case of a merger or consolidation, the surviving or new domestic  
19 or foreign corporation shall give written notice of the action to each dissenting member  
20 who has made demand under AS 10.21.533 and shall make a written offer to each  
21 dissenting member to pay for the membership a specified price considered by the  
22 corporation to be the fair value of the membership. The notice and offer must be  
23 accompanied by a balance sheet of the corporation of which the dissenter is a member  
24 as of the latest available date but not more than 12 months before the making of the  
25 offer, and by a profit and loss statement of that corporation for the 12-month period  
26 ending on the date of the balance sheet.

27 **Sec. 10.21.538. Payment to dissenting member after agreement on value**  
28 **of memberships.** If, within 30 days after a corporation effects an organic change to  
29 which a member dissents under AS 10.21.530, the fair value of the membership is  
30 agreed on between the dissenting member and the corporation, payment for the  
31 membership shall be made to the dissenting member within 90 days after the action

1 was effected, upon surrender of the certificate representing the membership. On  
2 payment of the agreed value, the dissenting member ceases to have an interest in the  
3 membership.

4 **Sec. 10.21.540. Action to determine value upon failure to agree.** (a) If,  
5 within 30 days after a corporation effects an organic change to which a member  
6 dissents under AS 10.21.530, the member and the corporation do not agree on the  
7 value of the membership, the corporation, within 30 days after receipt of a written  
8 demand from a dissenting member given within 60 days after the corporate action was  
9 effected, shall, within 60 days of the corporate action, file a petition in superior court  
10 in the judicial district where the registered office of the corporation is located  
11 requesting that the fair value of the membership be found and determined. If, in the  
12 case of a merger or consolidation, the surviving or new corporation is a foreign  
13 corporation without a registered office in this state, the petition shall be filed in the  
14 judicial district where the registered office of the domestic corporation was last  
15 located. If the corporation fails to institute a proceeding as provided in this section,  
16 a dissenting member may institute a proceeding in the name of the corporation. All  
17 dissenting members, wherever residing, shall be made parties to the proceeding as an  
18 action against their memberships quasi in rem. A copy of the petition shall be served  
19 by registered mail on each dissenting member who is a nonresident. Service on  
20 nonresidents shall also be made by publication as provided by law. The jurisdiction  
21 of the court is plenary and exclusive. All members who are parties to the proceeding  
22 are entitled to judgment against the corporation for the amount of the fair value of  
23 their memberships. The court may appoint appraisers to receive evidence and  
24 recommend a decision on the question of fair value of the memberships. The  
25 appraisers have the power and authority specified in the order of their appointment or  
26 as amended. The judgment is payable only on and concurrently with the tender to the  
27 corporation of a written resignation from membership by the dissenting member. On  
28 payment of the judgment, the dissenting member ceases to have an interest in the  
29 membership.

30 (b) The judgment may include an allowance for interest at a rate the court  
31 finds to be fair and equitable from the date on which the vote was taken on the

1 proposed corporate action to the date of payment.

2 (c) The costs and expenses of a proceeding under this section shall be  
 3 determined by the court and assessed against the corporation. If the court finds that  
 4 the failure of members to accept the offer was arbitrary, vexatious, or not in good  
 5 faith, all or any part of the costs and expenses may be apportioned and assessed  
 6 against any or all of the dissenting members. The expenses shall include the  
 7 reasonable compensation and expenses of the appraisers but shall exclude the fees and  
 8 expenses of counsel for, and experts employed by, any party.

9 (d) Notwithstanding (c) of this section, if the fair value of the memberships  
 10 as determined by the court materially exceeds the amount that the corporation offered  
 11 to pay, or if an offer was not made, the court in its discretion may award to a member  
 12 who is party to the proceeding reasonable compensation for an expert or experts  
 13 employed by the member in the proceeding.

14 **Sec. 10.21.543. Tender of dissenters' resignation from membership.** Within  
 15 20 days after demanding payment for a membership, a member shall tender to the  
 16 corporation a written resignation from membership. If the member fails to tender  
 17 resignation to the corporation, the corporation may terminate the member's rights  
 18 under AS 10.21.500 - 10.21.543 unless ordered otherwise by a court. A member who  
 19 has tendered a resignation from membership under this section may not transfer the  
 20 membership unless the resignation is revoked with permission of the corporation.

21 **Article 9. Dissolution of Public Benefit Corporations.**

22 **Sec. 10.21.550. Application of AS 10.21.550 - 10.21.628.** The provisions of  
 23 AS 10.21.550 - 10.21.628 apply only to a public benefit corporation.

24 **Sec. 10.21.553. Voluntary dissolution of public benefit corporations.** (a)  
 25 A corporation may voluntarily elect to wind up and dissolve

26 (1) by the approval of a majority of all members; or

27 (2) by approval of the board and approval of the members.

28 (b) A corporation may elect by approval of the board to wind up and dissolve  
 29 if the corporation

30 (1) has been adjudicated bankrupt;

31 (2) has disposed of all of its assets and has not conducted activity for

1 a period of five years immediately preceding the adoption of the resolution electing  
2 to dissolve the corporation; or

3 (3) does not have members.

4 **Sec. 10.21.555. Filing of certificate of election to wind up and dissolve.** (a)

5 A corporation that has elected to wind up and dissolve shall file a certificate  
6 evidencing the election with the commissioner.

7 (b) The certificate shall be signed and verified by at least a majority of the  
8 directors then in office or by one or more members authorized to do so by approval  
9 of a majority of all members and must contain

10 (1) a statement that the corporation has elected to wind up and dissolve;

11 (2) a statement of the number of votes for the election if the election  
12 was made by the vote of the members alone and that the election was made by  
13 approval of a majority of all members;

14 (3) a statement of whether or not the election was made by the board  
15 and members under AS 10.21.553(a)(2);

16 (4) if the certificate is executed by a member, a statement that the  
17 person executing the certificate is authorized to execute the certificate by approval of  
18 a majority of all members;

19 (5) if the election was made by the board under AS 10.21.553(b), a  
20 statement of the circumstances showing the corporation to be within one of the  
21 categories described in AS 10.21.553(b).

22 **Sec. 10.21.558. Revocation of election to wind up and dissolve corporation.**

23 (a) A voluntary election to wind up and dissolve under AS 10.21.553 may be revoked  
24 before distribution of assets

25 (1) if the election was made under AS 10.21.553(a)(1) by approval of  
26 a majority of all members;

27 (2) if the election was made under AS 10.21.553(a)(2) by approval of  
28 the board and the members; or

29 (3) if the election was made under AS 10.21.553(b) by approval of the  
30 board.

31 (b) After a revocation, a certificate evidencing the revocation shall be signed,

1 verified, and filed in the manner prescribed in AS 10.21.555.

2 (c) The certificate required by (b) of this section must contain a statement

3 (1) that the corporation has revoked its election to wind up and  
4 dissolve;

5 (2) that assets have not been distributed as a result of the election;

6 (3) of the number of votes for the revocation and that the revocation  
7 was made by approval of a majority of all members, if the revocation was made by  
8 a vote of the members alone;

9 (4) of whether or not the revocation was made by the board and  
10 members under AS 10.21.553(a)(2); and

11 (5) of whether or not the revocation was made by the board alone.

12 **Sec. 10.21.560. Commencement and conduct of voluntary dissolution.** (a)

13 Voluntary proceedings for winding up the corporation commence with the approval  
14 required under AS 10.21.553.

15 (b) If a voluntary proceeding for winding up has commenced, the board shall  
16 continue to act as a board and has full powers to wind up and settle the corporation's  
17 affairs before and after filing of the certificate of dissolution.

18 (c) If a voluntary proceeding for winding up has commenced, the corporation  
19 shall cease to conduct its activities except to the extent necessary for beneficial  
20 winding up, to carry out the corporation's purposes, and to preserve the corporation's  
21 goodwill or going concern value pending a sale or other disposition of its assets, or  
22 both, in whole or in part. The board shall give written notice by mail of the  
23 commencement of the proceeding for voluntary winding up to all members of the  
24 corporation. It is unnecessary to give notice to members who voted in favor of  
25 winding up and dissolving of the corporation. Written notice shall also be given by  
26 mail to all known creditors and claimants whose addresses appear on the records of  
27 the corporation and to the commissioner.

28 **Sec. 10.21.563. Jurisdiction and power of court over voluntary winding up.**

29 If a corporation is in the process of voluntary winding up, the superior court, upon the  
30 petition of the corporation, the commissioner, or three or more creditors of the  
31 corporation, and upon notice to the members and creditors as the court may order, may

1 take jurisdiction over the voluntary winding-up proceeding if it appears necessary for  
 2 the protection of a party in interest or if it appears necessary to protect the purposes  
 3 served by the corporation. The court, if it assumes jurisdiction, may make orders as  
 4 to any and all matters concerning the winding up of the affairs of the corporation and  
 5 the protection of its creditors, assets, and purposes. The provisions of AS 10.21.573 -  
 6 10.21.600 apply to court proceedings under this section.

7 **Sec. 10.21.565. Certificate of dissolution.** (a) If a corporation has been  
 8 completely wound up without court proceedings, a majority of the directors then in  
 9 office shall sign and verify a certificate of dissolution stating that

10 (1) the corporation has been completely wound up;

11 (2) its known debts and liabilities have been paid or adequately  
 12 provided for as far as the corporation's assets permitted or that it has not incurred  
 13 known debts or liabilities; if there are known debts or liabilities as to which adequate  
 14 provision for payment has been made, the certificate must state the name and address  
 15 of the corporation, person, or governmental agency that has assumed or guaranteed the  
 16 payment, or the name and address of the depository with which deposit has been made,  
 17 and other information as necessary to enable the creditor or other person to whom  
 18 payment is to be made to appear and claim payment of the debt or liability;

19 (3) its known assets have been distributed to the persons entitled to the  
 20 assets or that the corporation has not acquired known assets;

21 (4) the corporation is dissolved.

22 (b) The certificate of dissolution shall be filed with the commissioner. After  
 23 filing the certificate of dissolution, the corporate existence ceases, except for the  
 24 purpose of further winding up if needed.

25 **Sec. 10.21.568. Termination of corporation on expiration of term of**  
 26 **existence.** Except as otherwise provided by law, if the term of existence for which a  
 27 corporation was organized expires without renewal or extension, the board shall  
 28 terminate the corporation's activities and wind up its affairs. After the affairs of the  
 29 corporation have been wound up under this section, a majority of the directors then in  
 30 office shall execute and file a certificate of dissolution conforming to the requirements  
 31 in AS 10.21.565.

1           **Sec. 10.21.570. Petition for court order declaring corporation duly wound**  
 2 **up and dissolved.** (a) Instead of filing a certificate of dissolution, the board may  
 3 petition the superior court for an order declaring the corporation duly wound up and  
 4 dissolved. The petition shall be filed in the name of the corporation.

5           (b) Upon the filing of a petition under (a) of this section, the court shall order  
 6 all interested persons, including the commissioner, to show cause why an order should  
 7 not be made declaring the corporation duly wound up and dissolved. Notice of the  
 8 order shall be served on all creditors, claimants, and members in the same manner as  
 9 the notice given under AS 10.21.600(b). Notice shall also be served on the  
 10 commissioner.

11           (c) A person claiming to be an interested party to the winding up and  
 12 dissolution as a member, creditor, or otherwise may appear in the proceeding at any  
 13 time before the expiration of 30 days from the completion of publication of the order  
 14 to show cause and contest the petition. The claim of a person who fails to appear  
 15 within 30 days is barred.

16           (d) Thirty days after the filing of a petition under (a) of this section, the court  
 17 may issue an order declaring the corporation duly wound up and dissolved. This order  
 18 has the effect prescribed in AS 10.21.603 and shall be filed in the same manner as  
 19 provided under AS 10.21.605.

20           **Sec. 10.21.573. Involuntary dissolution.** (a) A complaint for involuntary  
 21 dissolution of a corporation on any of the bases specified in (b) of this section may be  
 22 filed in the superior court by

23                   (1) one-half or more of the directors in office;

24                   (2) a person holding or authorized in writing by persons holding not  
 25 less than 33 1/3 percent of the voting power exclusive of memberships held by persons  
 26 who have personally participated in a transaction listed in (b)(5) of this section;

27                   (3) a member if the basis for dissolution is that the period for which  
 28 the corporation was formed has terminated without extension;

29                   (4) a person authorized in the articles to file the complaint; or

30                   (5) the commissioner.

31           (b) The bases for involuntary dissolution are the following:

1 (1) the corporation has abandoned its activity for more than one year;

2 (2) the corporation has an even number of directors who are equally  
3 divided and cannot agree on the management of its affairs, so that corporate activities  
4 cannot be conducted to the corporation's advantage or so that there is danger that  
5 corporate property will be impaired or lost or its activities impaired, and the members  
6 are so divided into factions that they cannot elect a board consisting of an uneven  
7 number;

8 (3) there is internal dissension, and factions of members in the  
9 corporation are so deadlocked that corporate activities cannot be conducted to the  
10 advantage of the corporation;

11 (4) during a four-year period, or, if all voting power has been exercised  
12 at two consecutive meetings or in two written ballots for the election of directors,  
13 during the period of those meetings or ballots, whichever period is shorter, the  
14 members have failed to elect successors to directors whose terms have expired or  
15 would have expired upon election of their successors;

16 (5) members, other persons with a controlling interest in the  
17 corporation, officers, directors, or employees have

18 (A) been guilty of or have knowingly allowed persistent and  
19 pervasive fraud, mismanagement, or abuse of authority; or

20 (B) misapplied or wasted the corporation's property;

21 (6) liquidation is reasonably necessary because the corporation is failing  
22 and has continuously failed to carry out its purposes; or

23 (7) the period for which the corporation was formed has terminated  
24 without extension.

25 (c) A creditor may intervene before trial of an action under this section.

26 (d) In an action brought under (a) of this section, the commissioner is an  
27 indispensable party.

28 **Sec. 10.21.575. Additional authority of the commissioner to procure**  
29 **involuntary dissolution by court action.** (a) The commissioner may bring an action  
30 against a corporation or purported corporation in the name of the people of this state,  
31 on the commissioner's own information or on complaint of a private party, to procure

1 a judgment dissolving the corporation and annulling, vacating, or forfeiting its  
2 corporate existence if the corporation has

3 (1) violated a statute regulating domestic corporations or charitable  
4 organizations and the statute violated is other than procedural;

5 (2) fraudulently abused or usurped corporate privileges or powers; or

6 (3) violated a provision of law by an act or default that under the law  
7 constitutes a basis for forfeiture of corporate existence.

8 (b) If the basis for involuntary dissolution is an act that the corporation has  
9 done or omitted to do and that can be corrected by amendment of its articles or by  
10 other corporate action, the commissioner may not maintain a court action under this  
11 section unless

12 (1) the commissioner, not less than 30 days before the commencement  
13 of the action, has given the corporation written notice of the act or omission; and

14 (2) the corporation has failed to institute proceedings to correct the act  
15 or omission within the 30-day period, or, after the institution of proceedings to make  
16 the required correction, the corporation fails to make the amendment or take the  
17 corrective corporate action.

18 (c) In an action under this section, the court may order dissolution or other  
19 relief. The court may also appoint a receiver for winding up the affairs of the  
20 corporation or may order that the corporation be wound up by its board, subject to the  
21 supervision of the court.

22 (d) The commissioner shall publish one time in a newspaper of general  
23 circulation in the state a notice to the members of the corporation of the  
24 commencement of an action under this section.

25 **Sec. 10.21.578. Involuntary dissolution by the commissioner without court**  
26 **action.** (a) The commissioner may involuntarily dissolve a corporation if

27 (1) the corporation has failed to file and, if required, publish a  
28 document or pay a fee required under this chapter as provided in AS 10.21.858;

29 (2) the corporation has failed for 30 days to appoint and maintain a  
30 registered agent in the state;

31 (3) the corporation has failed for 30 days after change of its registered

1 office or registered agent to file in the office of the commissioner a statement of the  
2 change;

3 (4) the corporation has failed for two years to complete dissolution  
4 under a certificate of election to dissolve filed under AS 10.21.555;

5 (5) a vacancy in the board of the corporation is not filled within six  
6 months or by the next annual meeting, whichever occurs first; or

7 (6) a misrepresentation of material facts has been made in an  
8 application, report, affidavit, or other document submitted under this chapter.

9 (b) The commissioner may not dissolve a corporation under this section unless  
10 the commissioner has given the corporation at least 60 days' notice of its delinquency,  
11 omission, or noncompliance by certified mail addressed to its registered office, or in  
12 care of its registered agent, board chair, president, or secretary at the last known  
13 address as shown by the records of the commissioner, and the corporation has failed,  
14 within 30 days after receipt of the notice, to contest the alleged delinquency, omission,  
15 or noncompliance at a hearing before the commissioner or, having failed to request a  
16 hearing, has failed to correct the alleged delinquency, omission, or noncompliance.

17 (c) If, following a hearing, the commissioner determines a delinquency,  
18 omission, or noncompliance exists that constitutes a basis for involuntary dissolution  
19 under this section, the corporation may appeal to the superior court by filing with the  
20 clerk a petition setting out a copy of the notice given by the commissioner under (b)  
21 of this section, a copy of a timely demand for a hearing by the corporation, and a copy  
22 of a statement by the commissioner of an intention to dissolve the corporation under  
23 (d) of this section. The matter shall be tried de novo by the superior court, and the  
24 court shall either sustain the commissioner or direct the commissioner to take action  
25 the court considers proper.

26 (d) If a corporation has given cause for involuntary dissolution or has failed  
27 to correct the delinquency, omission, or noncompliance as provided in this section, and  
28 the superior court has not issued an order, the commissioner shall dissolve the  
29 corporation by issuing a certificate of involuntary dissolution containing a statement  
30 that the corporation has been dissolved, the date, and the reason for which it was  
31 dissolved. The original certificate of dissolution shall be placed in the department files

1 and a copy of it mailed to the corporation at its registered office, or in care of its  
2 registered agent, president, or secretary at the last known address as shown by the  
3 records of the commissioner. Upon the issuance of the certificate of involuntary  
4 dissolution, the existence of the corporation ceases, except as otherwise provided in  
5 this section, and its name becomes available to and may be adopted by another  
6 corporation after at least six months following the dissolution.

7 (e) A corporation dissolved under this section may be reinstated within two  
8 years from the date of the certificate of involuntary dissolution if it is established to  
9 the satisfaction of the commissioner that in fact there was no cause for the dissolution,  
10 or that the delinquency, omission, or noncompliance resulting in dissolution has been  
11 corrected, and if the corporation pays two times the amount by which it is delinquent  
12 and the amount the corporation would have paid had it not been dissolved during the  
13 two-year period. The commissioner may not reinstate a corporation under this  
14 subsection if the same or a deceptively similar corporate, reserved, or registered name  
15 is currently on file with the commissioner, unless the corporation being reinstated  
16 amends its articles to change its name to conform with the provisions of this chapter.

17 (f) Nothing in this section relieves a corporation reinstated under this section  
18 from penalty or forfeiture of its powers as a body corporate in a case of failure to pay  
19 subsequently accruing licensing fees imposed by a law of this state.

20 (g) An action arising out of a contract assigned by a corporation dissolved  
21 under this section may be brought in the name of the assignee. The fact of assignment  
22 and of purchase by the plaintiff must be set out in the complaint or other process. The  
23 defendant may use any matter or defense that the defendant could have used in a suit  
24 on the claim by the corporation had it not been dissolved under this section.

25 (h) Service of process on a corporation dissolved under this section shall be  
26 made in the same manner prescribed by law as if the corporation had not been  
27 dissolved.

28 **Sec. 10.21.580. Deadlock as basis for involuntary dissolution.** (a) If the  
29 basis for the complaint for involuntary dissolution of the corporation is a deadlock in  
30 the board as set out in AS 10.21.573(b)(2), the court may appoint a provisional  
31 director.

1 (b) The court may not appoint as a provisional director a party, an attorney of  
2 a party, a person interested in the action, or a person related according to the common  
3 law by consanguinity or affinity within the third degree to a judge of the court making  
4 the appointment in the action without the written consent of the parties, including the  
5 party to be appointed, filed with the clerk of the court. If a provisional director is  
6 appointed upon an ex parte application, the court, before making the order, shall  
7 require from the applicant an undertaking with sufficient sureties, in an amount to be  
8 fixed by the court, to the effect that the applicant will pay to the defendant all damages  
9 sustained by reason of the appointment of the provisional director, in case the applicant  
10 has procured the appointment wrongfully, maliciously, or without sufficient cause.  
11 The court may, in its discretion, at any time after the appointment, require an  
12 additional undertaking.

13 (c) Before starting upon the duties of a director, the provisional director shall  
14 be sworn to perform those duties faithfully and, with two or more sureties approved  
15 by the court, execute an undertaking to the state, in a sum the court directs, to the  
16 effect that the provisional director will faithfully discharge the duties of provisional  
17 director and obey the orders of the court in the action.

18 **Sec. 10.21.583. Receivers.** (a) If, at the time of filing of a complaint for  
19 involuntary dissolution or at a later time, the court has a reasonable basis to believe  
20 that, unless a receiver of the corporation is appointed, the interests of the corporation  
21 or the public or charitable purpose of the corporation will suffer pending the hearing  
22 and determination of the complaint, on application of the plaintiff, after a hearing on  
23 notice to the corporation as the court directs, and on the giving of security under (b)  
24 and (c) of this section, the court may appoint a receiver to take over and manage the  
25 affairs of the corporation and to preserve its property pending the hearing and  
26 determination of the complaint for dissolution.

27 (b) The court may not appoint as a receiver a party, an attorney of a party, a  
28 person interested in the action, or a person related according to the common law by  
29 consanguinity or affinity within the third degree to a judge of the court making the  
30 appointment in the action without the written consent of the parties, including the party  
31 to be appointed, filed with the clerk of the court. If a receiver is appointed upon an

1 ex parte application, the court, before making the order, shall require from the  
2 applicant an undertaking, with sufficient sureties, in an amount to be fixed by the  
3 court, to the effect that the applicant will pay to the defendant all damages sustained  
4 by reason of the appointment of the receiver, in case the applicant has procured the  
5 appointment wrongfully, maliciously, or without sufficient cause. The court may, in  
6 its discretion, at any time after the appointment, require an additional undertaking.

7 (c) Before starting the duties of a receiver, the receiver shall be sworn to  
8 perform those duties faithfully, and, with two or more sureties approved by the court,  
9 execute an undertaking to the state, in a sum the court directs, to the effect that the  
10 receiver will faithfully discharge the duties of receiver and obey the orders of the court  
11 in the action.

12 (d) The compensation of the receiver shall be paid out of the assets of the  
13 corporation and, unless otherwise agreed, shall be fixed by the court.

14 **Sec. 10.21.585. Decree winding up and dissolving corporation; further**  
15 **judicial relief.** After hearing, the court may decree a winding up and dissolution of  
16 the corporation if cause for winding up and dissolution is shown or, with or without  
17 winding up and dissolution, may make orders and decrees and issue injunctions in the  
18 case as justice and equity may require.

19 **Sec. 10.21.588. Commencement of involuntary proceedings.** (a)  
20 Involuntary proceedings for winding up a public benefit corporation commence when  
21 an order for winding up is entered under AS 10.21.585.

22 (b) If an involuntary proceeding for winding up has commenced, the board  
23 shall conduct the winding up of the affairs of the corporation, subject to the  
24 supervision of the court, unless other persons are appointed by the court to conduct the  
25 winding up. The directors or other persons may, subject to restrictions imposed by the  
26 court, exercise their powers through the executive officers of the corporation without  
27 order of the court.

28 (c) If an involuntary proceeding for winding up has commenced, the  
29 corporation shall cease to conduct its activities except to the extent necessary for the  
30 beneficial winding up of the corporation and to preserve the corporation's goodwill or  
31 going concern value, pending a sale or other disposition of its assets in whole or in

1 part. The directors shall mail written notice of the commencement of the proceeding  
 2 for involuntary winding up to all members and all known creditors and claimants  
 3 whose addresses appear on the records of the corporation, unless the order for winding  
 4 up has been stayed by appeal or the proceeding or the execution of the order has been  
 5 enjoined.

6 **Sec. 10.21.590. Jurisdiction of court in involuntary dissolution.** If an  
 7 involuntary proceeding for winding up has been commenced, the jurisdiction of the  
 8 court includes

9 (1) the determination of the validity of all claims and demands against  
 10 the corporation, whether due, not yet due, contingent, unliquidated, or limited to  
 11 damages, and the barring from participation of creditors and claimants failing to make  
 12 and present claims and proof as required by an order;

13 (2) the determination or compromise of all claims of every nature  
 14 against the corporation or any of its property and the determination of the amount of  
 15 money or assets required to be retained to pay or provide for the payment of claims;

16 (3) the presentation and filing of intermediate and final accounts of the  
 17 directors or other persons appointed to conduct the winding up and hearing, the  
 18 allowance, disallowance, or settlement of the accounts, and the discharge of the  
 19 directors or other persons from their duties and liabilities;

20 (4) the appointment of a master to hear and determine any or all  
 21 matters with power or authority the court considers proper;

22 (5) the filling of vacancies on the board that the directors or members  
 23 are unable to fill;

24 (6) the removal of a director if it appears that the director has been  
 25 guilty of dishonesty, misconduct, neglect, or breach of trust in conducting the winding  
 26 up or if the director is unable to act; the court may order an election to fill a vacancy  
 27 caused by the removal of a director under this paragraph, and may enjoin, for the time  
 28 it considers proper, the reelection of the removed director, or the court, instead of  
 29 ordering an election, may appoint a director to fill the vacancy caused by removal  
 30 under this paragraph; a director appointed by the court under this paragraph shall serve  
 31 until the next regular meeting of members or until a successor is elected or appointed;

1 (7) the staying of the prosecution of a suit, proceeding, or action  
2 against the corporation and requiring the parties to present and prove their claims in  
3 the manner required of other creditors;

4 (8) the determination of whether adequate provision has been made for  
5 payment or satisfaction of all debts and liabilities not actually paid;

6 (9) the making of orders for the withdrawal or termination of  
7 proceedings to wind up and dissolve, subject to conditions for the protection of  
8 creditors;

9 (10) the making of an order, on the allowance or settlement of the final  
10 accounts of the directors or other persons, that the corporation has been duly wound  
11 up and is dissolved;

12 (11) the making of orders for the bringing in of new parties the court  
13 considers proper for the determination of all questions and matters; and

14 (12) the disposition of assets held in charitable trust.

15 **Sec. 10.21.593. Powers and duties of directors and officers in dissolution**  
16 **proceeding.** The powers and duties of the directors, other persons appointed by the  
17 court under AS 10.21.588, and officers after commencement of a dissolution  
18 proceeding include the following acts in the name and on behalf of the corporation:

19 (1) to elect officers and employ agents and attorneys to liquidate or  
20 wind up the corporation's affairs;

21 (2) to continue to conduct the affairs of the corporation to the extent  
22 necessary for disposal or winding up;

23 (3) to carry out contracts and collect, pay, compromise, and settle debts  
24 and claims for or against the corporation;

25 (4) to defend suits brought against the corporation;

26 (5) to sue, in the name of the corporation, for all sums due or owing  
27 to the corporation or to recover property of the corporation;

28 (6) to collect amounts remaining unpaid on memberships;

29 (7) to recover unlawful distributions;

30 (8) to sell at public or private sale, to exchange, to convey, or otherwise  
31 to dispose of all or a part of the assets of the corporation for reasonable amounts as

1 determined by the board and to execute bills of sale and deeds of conveyance in the  
2 name of the corporation; and

3 (9) in general, to make contracts and do all things in the name of the  
4 corporation that are proper or convenient for the purposes of winding up, settling, and  
5 liquidating the affairs of the corporation.

6 **Sec. 10.21.595. Vacancies on board during winding up.** A vacancy on the  
7 board may be filled during a winding-up proceeding in the manner provided in  
8 AS 10.21.385.

9 **Sec. 10.21.598. Proceeding to determine identity of directors or to appoint**  
10 **directors.** If the identity of a director or the right to hold office is in doubt, if a  
11 director is dead or unable to act, if a director fails or refuses to act, or if the  
12 whereabouts of a director cannot be ascertained, an interested person, including the  
13 commissioner, may petition the superior court to determine the identity of the director  
14 or, if there are not any directors, to appoint directors to wind up the affairs of the  
15 corporation, after hearing upon notice to the persons the court directs.

16 **Sec. 10.21.600. Creditors and claimants.** (a) In a court-directed winding up  
17 of a corporation, a creditor or a claimant may be barred from participation in a  
18 distribution of the general assets if the creditor or claimant fails to make and present  
19 claims and proofs within the time the court directs. The time in which to present  
20 claims may not be less than four or more than six months after the first publication of  
21 notice to creditors unless it appears by affidavit that there are not any claims, in which  
22 case the time limit may be three months. If it is shown that a claimant did not receive  
23 notice because of absence from the state or other cause, the court may allow a claim  
24 to be filed or presented at any time before distribution is completed.

25 (b) Notice to creditors in a court-directed winding up shall be published not  
26 less than once a week for three consecutive weeks in a newspaper of general  
27 circulation in the state or in a newspaper that is designated by the court. The notice  
28 shall direct creditors and claimants to make and present claims and proofs to the  
29 person at the place and within the time specified in the notice. A copy of the notice  
30 shall be mailed to the last known address of each person shown as a creditor or  
31 claimant on the books of the corporation.

1 (c) A holder of a secured claim may prove the whole debt in order to secure  
2 payment of a deficiency. If a secured creditor fails to present a claim, the claim is  
3 barred only as to a right to claim against the general assets for a deficiency in the  
4 amount realized on the security.

5 (d) Before a distribution is made in a court-directed winding up, the amount  
6 of an unmatured, contingent, or disputed claim against the corporation that has been  
7 presented and has not been disallowed, or the part of a claim to which the holder  
8 would be entitled if the claim were due, established, or absolute, shall be paid into the  
9 court and remain there to be paid over to the party if the party becomes entitled to  
10 payment, or, if the party fails to establish a claim, to be paid over or distributed with  
11 the other assets of the corporation to those entitled to the assets. The court may make  
12 other provisions for the full payment of unmatured, contingent, or disputed claims, if  
13 and when established. A creditor who has a claim that has been allowed but is not yet  
14 due is entitled to the present value of the claim upon distribution.

15 (e) A suit against the corporation on a claim that has been rejected shall be  
16 commenced within 30 days after written notice of rejection is given to the claimant.

17 **Sec. 10.21.603. Order declaring corporation duly wound up and dissolved.**

18 (a) After the final settlement of the accounts of the directors or other persons  
19 appointed under AS 10.21.588 and the determination that the corporation's affairs are  
20 in condition for it to be dissolved, the court shall make an order declaring the  
21 corporation duly wound up and dissolved.

22 (b) An order issued under (a) of this section must state

23 (1) that the corporation has been duly wound up and that its known  
24 debts and liabilities have been paid or adequately provided for, or that the debts and  
25 liabilities have been paid as far as the corporation's assets permit;

26 (2) if there are known debts or liabilities as to which adequate  
27 provision for payment has been made, what provision has been made, the name and  
28 address of the corporation, person, or governmental agency that has assumed or  
29 guaranteed the payment or the name and address of the depository with which deposit  
30 has been made, and other information that is necessary to enable the creditor or other  
31 person to whom payment is to be made to appear and claim payment of the debt or

1 liability;

2 (3) that the known assets of the corporation have been distributed to  
3 the persons entitled to the assets or that the corporation has not acquired assets;

4 (4) that the accounts of directors or other persons have been settled and  
5 that they are discharged from their duties and liabilities to creditors and members;

6 (5) that the corporation is dissolved.

7 (c) The court may make additional orders and grant further relief it considers  
8 proper on the evidence submitted.

9 (d) After making the order declaring the corporation dissolved, corporate  
10 existence ceases except for the purposes of further winding up if needed. The  
11 directors or other persons appointed under AS 10.21.588 are discharged from their  
12 duties and liabilities except with respect to completion of the winding up.

13 **Sec. 10.21.605. Filing of certified order, decree, or judgment of dissolution.**

14 If a corporation is dissolved or its existence forfeited by order, decree, or judgment of  
15 a court, a copy of the order, decree, or judgment, certified by the clerk of court, shall  
16 be filed with the commissioner.

17 **Sec. 10.21.608. Distribution of remaining corporate assets.** (a) After

18 determining that all of the known debts and liabilities of a corporation in the process  
19 of winding up have been paid or adequately provided for, the board shall distribute all  
20 the remaining corporate assets in the manner provided in AS 10.21.613 - 10.21.618.

21 (b) If the winding up is by court proceeding or subject to court supervision,  
22 the distribution may not be made until after the expiration of any period for the  
23 presentation of claims that has been ordered by the court.

24 (c) Assets that are not subject to attachment, execution, or sale for the  
25 corporation's debts and liabilities may be distributed under AS 10.21.613 - 10.21.618  
26 even though all debts and liabilities have not been paid or adequately provided for.

27 **Sec. 10.21.610. Payment of debts and liabilities.** (a) The payment of a debt

28 or liability, whether the whereabouts of the creditor is known or unknown, has been  
29 adequately provided for if

30 (1) payment of the debt or liability has been assumed or guaranteed in  
31 good faith by one or more financially responsible persons or by the United States

1 government or an agency of the United States, and the provision, including the  
2 financial responsibility of the persons, was determined in good faith and with  
3 reasonable care by the board to be adequate at the time of distribution of the assets by  
4 the board under this chapter;

5 (2) the amount of the debt or liability has been deposited with the  
6 commissioner of revenue.

7 (b) This section does not prescribe the exclusive means of making adequate  
8 provision for debts and liabilities.

9 **Sec. 10.21.613. Return, transfer, or conveyance of assets.** After complying  
10 with the provisions of AS 10.21.608, if the corporation holds assets subject to a valid  
11 condition requiring return, transfer, or conveyance, and the condition has occurred or  
12 will occur by reason of the dissolution, the assets shall be returned, transferred, or  
13 conveyed in accordance with the condition.

14 **Sec. 10.21.615. Disposition of assets held for public or charitable purposes.**  
15 (a) Assets that are held in charitable trust under AS 10.21.185, that are received and  
16 held by the corporation for a public or charitable purpose, or that are legally required  
17 to be used for a particular purpose shall, unless disposed of under AS 10.21.613, be  
18 distributed to one or more domestic or foreign corporations or other organizations  
19 engaged in activities substantially similar to those of the dissolved corporation.

20 (b) A disposition contained in a will or other instrument, in trust or otherwise,  
21 made before or after the dissolution, to or for the benefit of a dissolved corporation  
22 inures to or for the benefit of the corporation or organization acquiring the assets of  
23 the dissolved corporation as provided in this section, and, to the extent necessary for  
24 that purpose, the corporation or organization acquiring the assets of the dissolved  
25 corporation is considered a successor to the dissolved corporation. Property received  
26 under this subsection shall be devoted by the acquiring corporation or organization to  
27 the purposes expressed by the testator or grantor.

28 **Sec. 10.21.618. Disposal of corporate assets.** (a) Subject to the provisions  
29 of AS 10.21.608 and except as provided in AS 10.21.613 and 10.21.615, all of a  
30 corporation's assets shall be disposed of on dissolution in conformity with its articles  
31 or bylaws, subject to complying with the provisions of a trust under which assets are

1 held.

2 (b) The superior court shall make the disposition required in (a) of this section  
3 in proceedings to which the commissioner is a party. The commissioner or, on 30  
4 days' notice to the commissioner, a person interested in the dissolution may file the  
5 court action for the disposition.

6 (c) Notwithstanding the provisions of (a) of this section, a distribution of  
7 corporate assets may not be made to the members, directors, officers, or employees of  
8 the corporation, or to its parent or its subsidiary as members, directors, officers,  
9 employees.

10 **Sec. 10.21.620. Distributions authorized in money, property, or securities.**

11 Subject to the provisions of a trust under which assets to be distributed are held, if the  
12 distribution can be done fairly and ratably and in conformity with the provisions of the  
13 articles and bylaws, distribution of assets may be made either in money, property, or  
14 securities and either in periodic installments or as a whole. Distribution of assets shall  
15 be made as soon as reasonably consistent with the beneficial liquidation of the  
16 corporation.

17 **Sec. 10.21.623. Recovery of improper distributions.** (a) If a distribution of

18 assets has been made in the process of winding up a corporation without a court order  
19 and without prior payment or adequate provision for payment of the debts and  
20 liabilities of the corporation, the corporation may recover the amount improperly  
21 distributed to a person. A person who received an improper distribution may be joined  
22 as a defendant in the same action or be brought in on the motion of another defendant.  
23 In this subsection, "process of winding up" includes a proceeding under AS 10.21.553  
24 - 10.21.628 and any other distribution of assets to a person made in contemplation of  
25 termination or abandonment of the corporate business.

26 (b) The commissioner or a creditor of the corporation, whether or not the  
27 creditor has reduced the claim to judgment, may bring a court action in the name of  
28 the corporation to enforce the liability under (a) of this section against a person  
29 receiving a distribution.

30 **Sec. 10.21.625. Existence of corporation after dissolution.** (a) A

31 corporation that is dissolved voluntarily or involuntarily continues to exist for the

1 purpose of winding up its affairs, defending actions by or against it, enabling it to  
2 collect and discharge obligations, disposing of and conveying its property, and  
3 collecting and dividing its assets, but not for the purpose of continuing its activities,  
4 except to the extent necessary for winding up.

5 (b) An action or proceeding to which a corporation is a party does not abate  
6 by the dissolution of the corporation or by reason of proceedings for winding up and  
7 dissolution. A corporation that is dissolved voluntarily or involuntarily may not  
8 commence a court action, except for a court action under AS 10.21.623.

9 (c) Assets inadvertently or otherwise omitted from the winding up continue in  
10 the dissolved corporation for the benefit of the persons entitled to the assets on  
11 dissolution of the corporation and, on realization, shall be distributed to the persons  
12 entitled.

13 (d) The directors of the corporation on the date of its dissolution, or as  
14 determined under AS 10.21.605, shall exercise and have the powers necessary to act  
15 under this section.

16 **Sec. 10.21.628. Suits against persons to whom assets were distributed upon**  
17 **dissolution.** (a) If a corporation has been dissolved, a person to whom assets were  
18 distributed on dissolution may be sued in the corporate name on a cause of action  
19 against the corporation that arose before dissolution. Notice of the action shall be  
20 given to the commissioner. The commissioner may intervene in a suit brought under  
21 this section.

22 (b) Summons or other process against a dissolved corporation may be served  
23 by delivering a copy to an officer, director, or person having charge of the  
24 corporation's assets or, if no such person can be found, to an agent on whom process  
25 might be served at the time of dissolution. If it is shown by affidavit to the  
26 satisfaction of the court that none of these persons can be found with due diligence,  
27 then the court may order that summons or other process be served on the dissolved  
28 corporation by personally delivering a copy of the process and a copy of the order to  
29 the commissioner. Service in this manner is complete 10 days after the delivery of  
30 process to the commissioner.

31 (c) A dissolved corporation survives and continues to exist indefinitely for the

1 purpose of being sued in a quiet title action. A judgment rendered in a quiet title  
 2 action binds every person having an interest in the corporation to the extent of the  
 3 person's interest. Service of summons or other process may be made as provided in  
 4 (b) of this section.

5 (d) After receipt of the process under (b) of this section and the fee for filing,  
 6 the commissioner shall give notice to the corporation at the last known address of the  
 7 corporation or at the last known address of the last registered agent of the corporation.  
 8 If those addresses are not known, the commissioner is not required to take any action.

9 (e) This section is procedural in nature and is not intended to determine  
 10 liability.

11 **Article 10. Dissolution of Mutual Benefit Corporations.**

12 **Sec. 10.21.630. Application of AS 10.21.630 - 10.21.710.** The provisions of  
 13 AS 10.21.630 - 10.21.710 apply only to a mutual benefit corporation.

14 **Sec. 10.21.633. Voluntary dissolution of mutual benefit corporations.** (a)  
 15 A corporation may voluntarily elect to wind up and dissolve by the affirmative vote  
 16 of members representing at least two-thirds of its voting power.

17 (b) A corporation may elect by approval of the board to wind up and dissolve  
 18 if the corporation has

19 (1) been adjudicated bankrupt; or

20 (2) disposed of all of its assets and has not conducted activity for a  
 21 period of five years immediately preceding the adoption of the resolution electing to  
 22 dissolve the corporation.

23 **Sec. 10.21.635. Filing of certificate of election to wind up and dissolve.** (a)  
 24 A corporation that has elected to wind up and dissolve shall file a certificate  
 25 evidencing the election with the commissioner.

26 (b) The certificate shall be signed and verified by at least a majority of the  
 27 directors then in office or by one or more members authorized to do so by the  
 28 affirmative vote of members representing at least two-thirds of its voting power and  
 29 must contain

30 (1) a statement that the corporation has elected to wind up and dissolve;

31 (2) a statement of the number of votes for the election if the election

1 was made by vote of the members alone and that the election was made by the  
2 affirmative vote of members representing at least two-thirds of its voting power;

3 (3) if the certificate is executed by a member, a statement that the  
4 person executing the certificate was authorized to execute the certificate by the  
5 affirmative vote of members representing at least two-thirds of its voting power;

6 (4) if the election was made by the board under AS 10.21.633(b), a  
7 statement of the circumstances showing the corporation to be in one of the categories  
8 described in AS 10.21.633(b).

9 **Sec. 10.21.638. Revocation of election to wind up and dissolve corporation.**

10 (a) A voluntary election to wind up and dissolve under AS 10.21.633 may be revoked  
11 before distribution of assets

12 (1) if the election was made under AS 10.21.633(a), by the affirmative  
13 vote of members representing at least two-thirds of its voting power; or

14 (2) if the election was by the board under AS 10.21.633(b), by approval  
15 of the board.

16 (b) After a revocation, a certificate evidencing the revocation shall be signed,  
17 verified, and filed in the manner prescribed under AS 10.21.635.

18 (c) The certificate required by (b) of this section must contain a statement

19 (1) that the corporation has revoked its election to wind up and  
20 dissolve;

21 (2) that assets have not been distributed as a result of the election;

22 (3) of the number of votes for the revocation and that the revocation  
23 was made by the affirmative vote of members representing at least two-thirds of its  
24 voting power, if the revocation was made by the vote of the members alone; and

25 (4) of whether or not the revocation was made by the board alone and  
26 reciting the circumstances permitting the board to make the revocation.

27 **Sec. 10.21.640. Commencement and conduct of voluntary dissolution.** (a)

28 Voluntary proceedings for winding up the corporation commence with the approval  
29 required under AS 10.21.633.

30 (b) If a voluntary proceeding for winding up has commenced, the board shall  
31 continue to act as a board and has full powers to wind up and settle the corporation's

1 affairs both before and after filing of the certificate of dissolution.

2 (c) If a voluntary proceeding for winding up has commenced, the corporation  
3 shall cease to conduct its activities except to the extent necessary for beneficial  
4 winding up, to carry out the corporation's purposes, and to preserve the corporation's  
5 good will or going-concern value pending a sale or other disposition of assets, or both,  
6 in whole or in part. The board shall give written notice by mail of the commencement  
7 of the proceeding for voluntary winding up to all members of the corporation. It is  
8 unnecessary to give notice to members who voted in favor of the winding up and  
9 dissolving of the corporation. Written notice shall also be given by mail to all known  
10 creditors and claimants whose addresses appear on the records of the corporation and  
11 to the commissioner.

12 **Sec. 10.21.643. Jurisdiction and power of court over voluntary winding up.**

13 If a corporation is in the process of voluntary winding up, the superior court, upon the  
14 petition of the corporation, the members representing 10 percent of the voting power  
15 of the corporation, the commissioner, or three or more creditors, and upon notice to  
16 the members and creditors as the court may order, may take jurisdiction over the  
17 voluntary winding-up proceeding if it appears necessary for the protection of a party  
18 in interest or, in the case of a corporation holding assets in charitable trust, for the  
19 protection of the assets. The court, if it assumes jurisdiction, may make orders as to  
20 any and all matters concerning the winding up of the affairs of the corporation and the  
21 protection of its members, creditors, and, in the case of a corporation holding assets  
22 in charitable trust, for the protection of those assets. The provisions of AS 10.21.653  
23 - 10.21.678 apply to court proceedings under this section.

24 **Sec. 10.21.645. Certificate of dissolution.** (a) If a corporation has been  
25 completely wound up without court proceedings, a majority of the directors then in  
26 office shall sign and verify a certificate of dissolution stating that

27 (1) the corporation has been completely wound up;

28 (2) the corporation's known debts and liabilities have been paid or  
29 adequately provided for, or paid or adequately provided for as far as the corporation's  
30 assets permitted, or that it has not incurred known debts or liabilities; if there are  
31 known debts or liabilities as to which adequate provision has been made, the certificate

1 must state what provision for payment has been made, the name and address of the  
2 corporation, person, or governmental agency that has assumed or guaranteed the  
3 payment, or the name and address of the depository with which deposit has been made,  
4 and other information that is necessary to enable the creditor or other person to whom  
5 payment is to be made to appear and claim payment of the debt or liability;

6 (3) the corporation's known assets have been distributed to the person  
7 entitled to the assets or that the corporation has not acquired known assets, as the case  
8 may be; and

9 (4) the corporation is dissolved.

10 (b) The certificate of dissolution shall be filed with the commissioner. After  
11 filing the certificate of dissolution, corporate existence ceases, except for the purpose  
12 of further winding up if needed.

13 **Sec. 10.21.648. Termination of corporation on expiration of term of**  
14 **existence.** Except as otherwise provided by law, if the term of existence for which a  
15 corporation was organized expires without renewal or extension, the board shall  
16 terminate the corporation's activities and wind up its affairs. After the affairs of the  
17 corporation have been wound up under this section, a majority of the directors then in  
18 office shall execute and file a certificate conforming to the requirements in  
19 AS 10.21.645.

20 **Sec. 10.21.650. Petition for court order declaring corporation duly wound**  
21 **up and dissolved.** (a) Instead of filing a certificate of dissolution, the board may  
22 petition the superior court for an order declaring the corporation duly wound up and  
23 dissolved. The petition shall be filed in the name of the corporation.

24 (b) Upon the filing of a petition under (a) of this section, the court shall order  
25 all interested persons, including the commissioner, to show cause why an order should  
26 not be made declaring the corporation duly wound up and dissolved. The order shall  
27 be served by notice to all creditors, claimants, and members in the same manner as the  
28 notice given under AS 10.21.680(b). Notice shall also be served on the commissioner.

29 (c) A person claiming to be an interested party to the winding up and  
30 dissolution as a member, creditor, or otherwise may appear in the proceeding at any  
31 time before the expiration of 30 days from the completion of publication of the order

1 to show cause and contest the petition. The claim of a person who fails to appear is  
2 barred.

3 (d) Thirty days after the filing of a petition under (a) of this section, the court  
4 may issue an order declaring the corporation duly wound up and dissolved. The order  
5 has the effect prescribed in AS 10.21.683 and shall be filed as in the same manner  
6 provided in AS 10.21.685.

7 **Sec. 10.21.653. Involuntary dissolution.** (a) A complaint for involuntary  
8 dissolution of a corporation on any of the bases specified in (b) of this section may be  
9 filed in the superior court by

10 (1) one-half or more of the directors in office;

11 (2) a person holding or authorized in writing by persons holding not  
12 less than 33 1/3 percent of the voting power exclusive of memberships held by persons  
13 who have personally participated in a transaction listed in (b)(4) of this section;

14 (3) a member, if the basis for dissolution is that the period for which  
15 the corporation was formed has terminated without extension;

16 (4) a person authorized in the articles to file the complaint; or

17 (5) the commissioner.

18 (b) The bases for involuntary dissolution are that

19 (1) the corporation has an even number of directors who are equally  
20 divided and cannot agree on the management of its affairs, so that the corporate  
21 activities cannot be conducted to the corporation's advantage or so that there is danger  
22 that corporate property will be impaired or lost or its activities impaired, and the  
23 members are so divided into factions that they cannot elect a board consisting of an  
24 uneven number;

25 (2) there is internal dissension and factions of members in the  
26 corporation are so deadlocked that corporate activities cannot be conducted to the  
27 advantage of the corporation;

28 (3) during any four-year period, or, if all voting power has been  
29 exercised at two consecutive meetings or in two written ballots for the election of  
30 directors, during the period of those meetings or ballots, whichever period is shorter,  
31 the members have failed to elect successors to directors whose terms have expired or

1 would have expired on the election of their successors;

2 (4) members, other persons with a controlling interest in the  
3 corporation, the officers, or directors have

4 (A) been guilty of or have knowingly allowed persistent and  
5 pervasive fraud, mismanagement, abuse of authority, or persistent unfairness  
6 toward a member; or

7 (B) misapplied or wasted the corporation's property;

8 (5) in the case of a corporation with 35 or fewer members, liquidation  
9 is reasonably necessary for the protection of the rights or interests of a complaining  
10 member or members; or

11 (6) the period for which the corporation was formed has terminated  
12 without extension.

13 (c) A member, creditor, or the commissioner may intervene before trial of an  
14 action under this section.

15 (d) In an action brought under (a) of this section the commissioner is an  
16 indispensable party.

17 **Sec. 10.21.655. Additional authority of the commissioner to procure**  
18 **involuntary dissolution.** (a) The commissioner may bring an action against a  
19 corporation or purported corporation in the name of the people of this state, on the  
20 commissioner's own information or on complaint of a private party, to procure a  
21 judgment dissolving the corporation and terminating its corporate existence if the  
22 corporation has

23 (1) violated a statute regulating corporations and the statute violated is  
24 other than procedural;

25 (2) fraudulently abused or usurped corporate privileges or powers; or

26 (3) violated a provision of law by an act or default that under the law  
27 constitutes a basis for forfeiture of corporate existence.

28 (b) If the basis for involuntary dissolution is a matter or act that the  
29 corporation has done or omitted to do that can be corrected by amendment of its  
30 articles or by other corporate action, the commissioner may not maintain a court action  
31 under this section unless

1 (1) the commissioner, not less than 30 days before the commencement  
2 of the action, has given the corporation written notice of the act or omission; and

3 (2) the corporation fails to institute proceedings to correct the act or  
4 omission within the 30-day period, or, after the institution of proceedings to make the  
5 required correction, the corporation fails to make the amendment or take the corrective  
6 corporate action.

7 (c) In an action under this section, the court may order dissolution or other  
8 relief. The court may also appoint a receiver for winding up the affairs of the  
9 corporation or may order that the corporation be wound up by its board, subject to the  
10 supervision of the court.

11 (d) The commissioner shall also publish one time in a newspaper of general  
12 circulation in the state a notice to the members of the corporation of the  
13 commencement of an action under this section.

14 **Sec. 10.21.658. Involuntary dissolution by the commissioner without court**  
15 **action.** (a) The commissioner may involuntarily dissolve a corporation if

16 (1) the corporation is delinquent six months in filing its biennial report  
17 or in paying a license filing fee or a penalty;

18 (2) the corporation has failed for 30 days to appoint and maintain a  
19 registered agent in this state;

20 (3) the corporation has failed for 30 days after change of its registered  
21 office or registered agent to file in the office of the commissioner a statement of the  
22 change;

23 (4) the corporation has failed for two years to complete dissolution  
24 under a certificate of election to dissolve filed under AS 10.21.635;

25 (5) a vacancy in the board of the corporation is not filled within six  
26 months or by the next annual meeting, whichever occurs first;

27 (6) a misrepresentation of material fact has been made in an  
28 application, report, affidavit, or other document submitted under this chapter; or

29 (7) the corporation is 90 days delinquent in filing notice of change of  
30 an officer or director as required by this chapter.

31 (b) The commissioner may not dissolve a corporation under this section unless

1 the commissioner has given the corporation at least 60 days' notice of its delinquency,  
2 omission, or noncompliance by certified mail addressed to its registered office, or in  
3 care of its registered agent, board chair, president, or secretary at the last known  
4 address as shown by the records of the commissioner, and the corporation has failed,  
5 within 30 days after receipt of the notice, to contest the alleged delinquency, omission,  
6 or noncompliance at a hearing before the commissioner or, having failed to request a  
7 hearing, has failed to correct the alleged delinquency, omission, or noncompliance.

8 (c) If, following a hearing, the commissioner determines a delinquency,  
9 omission, or noncompliance exists that constitutes a basis for involuntary dissolution  
10 under this section, the corporation may appeal to the superior court by filing with the  
11 clerk a petition setting out a copy of the notice given by the commissioner under (b)  
12 of this section, a copy of a timely demand for a hearing by the corporation, and a copy  
13 of a statement by the commissioner of an intention to dissolve the corporation under  
14 (d) of this section. The matter shall be tried de novo by the superior court, and the  
15 court shall either sustain the commissioner or direct the commissioner to take action  
16 the court considers proper.

17 (d) If a corporation has given cause for involuntary dissolution and has failed  
18 to correct the delinquency, omission, or noncompliance as provided in this section, and  
19 the superior court has not issued an order, the commissioner shall dissolve the  
20 corporation by issuing a certificate of involuntary dissolution containing a statement  
21 that the corporation has been dissolved, the date, and the reason for which it was  
22 dissolved. The original certificate of dissolution shall be placed in the department files  
23 and a copy of it mailed to the corporation at its registered office or in care of its  
24 registered agent, president, or secretary at the last known address as shown by the  
25 records of the commissioner. Upon the issuance of the certificate of involuntary  
26 dissolution, the existence of the corporation ceases, except as otherwise provided in  
27 this section, and its name shall be available to and may be adopted by another  
28 corporation after at least six months following the dissolution.

29 (e) A corporation dissolved under this section may be reinstated within two  
30 years from the date of the certificate of involuntary dissolution if it is established to  
31 the satisfaction of the commissioner that in fact there was no cause for the dissolution,

1 or that the delinquency, omission, or noncompliance resulting in dissolution has been  
 2 corrected, and if the corporation pays two times the amount by which it is delinquent  
 3 and the amount the corporation would have paid had it not been dissolved during the  
 4 two-year period. The commissioner may not reinstate a corporation under this  
 5 subsection if the same or a deceptively similar corporate, reserved, or registered name  
 6 is currently on file with the commissioner, unless the corporation being reinstated  
 7 amends its articles to change its name to conform with the provisions of this chapter.

8 (f) Nothing in this section relieves a corporation reinstated under this section  
 9 from penalty or forfeiture of its powers as a body corporate in a case of failure to pay  
 10 subsequently accruing licensing fees imposed by a law of this state.

11 (g) An action arising out of a contract assigned by a corporation dissolved  
 12 under this section may be brought in the name of the assignee. The fact of assignment  
 13 and of purchase by the plaintiff must be set out in the complaint or other process. The  
 14 defendant may use any matter or defense the defendant could have used in a suit on  
 15 the claim by the corporation had it not been dissolved under this section.

16 (h) Service of process on a corporation dissolved under this section shall be  
 17 made in the same manner prescribed by law as if the corporation had not been  
 18 dissolved.

19 **Sec. 10.21.660. Deadlock as basis for involuntary dissolution.** (a) If the  
 20 basis for the complaint for involuntary dissolution of the corporation is a deadlock in  
 21 the board as set out in AS 10.21.653(b)(1), the court may appoint a provisional  
 22 director.

23 (b) The court may not appoint as a provisional director a party, an attorney of  
 24 a party, a person interested in the action, or a person related according to the common  
 25 law by consanguinity or affinity within the third degree of kindred to a judge of the  
 26 court making the appointment in the action without the written consent of the parties,  
 27 including the party to be appointed, filed with the clerk of the court. If a provisional  
 28 director is appointed upon an ex parte application, the court, before making the order,  
 29 shall require from the applicant an undertaking with sufficient sureties, in an amount  
 30 to be fixed by the court, to the effect that the applicant will pay to the defendant all  
 31 damages sustained by reason of the appointment of the provisional director, in case the

1 applicant has procured the appointment wrongfully, maliciously, or without sufficient  
2 cause. The court may, in its discretion, at any time after the appointment, require an  
3 additional undertaking.

4 (c) Before starting the duties of a director, the provisional director shall be  
5 sworn to perform those duties faithfully and, with two or more sureties approved by  
6 the court, execute an undertaking to the state, in an amount the court or judge directs,  
7 to the effect that the provisional director will faithfully discharge the duties of  
8 provisional director and obey the orders of the court in the action.

9 **Sec. 10.21.663. Receivers.** (a) If, at the time of filing of a complaint for  
10 involuntary dissolution or at a later time, the court has a reasonable basis to believe  
11 that, unless a receiver of the corporation is appointed, the interests of the corporation  
12 or its members will suffer pending the hearing and determination of the complaint, on  
13 application of the plaintiff, after a hearing on notice to the corporation as the court  
14 directs, and on the giving of security under (b) and (c) of this section, the court may  
15 appoint a receiver to take over and manage the affairs of the corporation and to  
16 preserve its property pending the hearing and determination of the complaint for  
17 dissolution.

18 (b) The court may not appoint as a receiver a party, an attorney of a party, a  
19 person interested in an action, or a person related according to the common law by  
20 consanguinity or affinity within the third degree of kindred to a judge of the court  
21 making the appointment in the action without the written consent of the parties,  
22 including the party to be appointed, filed with the clerk of the court. If a receiver is  
23 appointed upon an ex parte application, the court, before making the order, shall  
24 require from the applicant an undertaking, with sufficient sureties, in an amount to be  
25 fixed by the court, to the effect that the applicant will pay to the defendant all damages  
26 sustained by reason of the appointment of the receiver, in case the applicant has  
27 procured the appointment wrongfully, maliciously, or without sufficient cause. The  
28 court may, in its discretion, at any time after the appointment, require an additional  
29 undertaking.

30 (c) Before starting the duties of a receiver, the receiver shall be sworn to  
31 perform those duties faithfully, and, with two or more sureties approved by the court,

1 execute an undertaking to the state, in an amount the court directs, to the effect that  
 2 the receiver will faithfully discharge the duties of receiver and obey the orders of the  
 3 court in the action.

4 (d) The compensation of the receiver shall be paid out of the assets of the  
 5 corporation and, unless otherwise agreed, shall be fixed by the court.

6 **Sec. 10.21.665. Decree winding up and dissolving corporation: further**  
 7 **judicial relief.** After hearing, the court may decree a winding up and dissolution of  
 8 the corporation if cause for winding up and dissolution is shown or, with or without  
 9 winding up and dissolution, may make orders and decrees and issue injunctions in the  
 10 case as justice and equity may require.

11 **Sec. 10.21.668. Commencement of involuntary proceedings.** (a)  
 12 Involuntary proceedings for winding up a mutual benefit corporation commence when  
 13 an order for winding up is entered under AS 10.21.665.

14 (b) If an involuntary proceeding for winding up has commenced, the board  
 15 shall conduct the winding up of the affairs of the corporation, subject to the  
 16 supervision of the court, unless other persons are appointed by the court to conduct the  
 17 winding up. The directors or other persons may, subject to restrictions imposed by the  
 18 court, exercise their powers through the executive officers of the corporation without  
 19 order of the court.

20 (c) If an involuntary proceeding for winding up has commenced, the  
 21 corporation shall cease to conduct its activities except to the extent necessary for the  
 22 beneficial winding up of the corporation and to preserve the corporation's goodwill or  
 23 going concern value, pending a sale or other disposition of its assets in whole or in  
 24 part. The directors shall mail written notice of the commencement of the proceeding  
 25 for involuntary winding up to all members and all known creditors and claimants  
 26 whose addresses appear on the records of the corporation, unless the order for winding  
 27 up has been stayed by appeal or the proceeding or the execution of the order has been  
 28 enjoined.

29 **Sec. 10.21.670. Jurisdiction of court in involuntary dissolution.** If an  
 30 involuntary proceeding for winding up has been commenced, the jurisdiction of the  
 31 court includes

1 (1) the determination of the validity of all claims and demands against  
2 the corporation, whether due, not yet due, contingent, unliquidated, or limited to  
3 damages, and the barring from participation of creditors and claimants failing to make  
4 and present claims and proof as required by an order;

5 (2) the determination or compromise of all claims of every nature  
6 against the corporation or its property and the determination of the amount of money  
7 or assets required to be retained to pay or provide for the payment of claims;

8 (3) the determination of the rights of members and classes of members  
9 in and to the assets of the corporation;

10 (4) the presentation and filing of intermediate and final accounts of the  
11 directors or other persons appointed to conduct the winding up and hearing, the  
12 allowance, disallowance, or settlement of the accounts, and the discharge of the  
13 directors or other persons from their duties and liabilities;

14 (5) the appointment of a master to hear and determine all matters with  
15 the power or authority the court considers proper;

16 (6) the filling of vacancies on the board that the directors or members  
17 are unable to fill;

18 (7) the removal of a director if it appears that the director has been  
19 guilty of dishonesty, misconduct, neglect, or breach of trust in conducting the winding  
20 up or if the director is unable to act; the court may order an election to fill the vacancy  
21 caused by the removal of a director under this paragraph, and may enjoin, for the time  
22 it considers proper, the reelection of the removed director, or the court, instead of  
23 ordering an election, may appoint a director to fill the vacancy caused by removal  
24 under this paragraph; a director appointed by the court under this paragraph shall serve  
25 until the next regular meeting of members or until a successor is elected or appointed;

26 (8) the staying of the prosecution of a suit, proceeding, or action  
27 against the corporation and requiring the parties to present and prove their claims in  
28 the manner required of other creditors;

29 (9) the determination of whether adequate provision has been made for  
30 payment or satisfaction of all debts and liabilities not actually paid;

31 (10) the making of orders for the withdrawal or termination of

1 proceedings to wind up and dissolve, subject to conditions for the protection of  
2 creditors;

3 (11) the making of an order, on the allowance or settlement of the final  
4 accounts of the directors or other persons, that the corporation has been duly wound  
5 up and is dissolved;

6 (12) the making of orders for the bringing in of new parties the court  
7 considers proper for the determination of all questions and matters; and

8 (13) the disposition of assets held in charitable trust.

9 **Sec. 10.21.673. Powers and duties of directors and officers in dissolution**  
10 **proceeding.** The powers and duties of the directors, other persons appointed by the  
11 court under AS 10.21.668, and officers after commencement of a dissolution  
12 proceeding include the following acts in the name and on behalf of the corporation:

13 (1) to elect officers and employ agents and attorneys to liquidate or  
14 wind up the corporation's affairs;

15 (2) to continue to conduct the affairs of the corporation to the extent  
16 necessary for disposal or winding up;

17 (3) to carry out contracts and collect, pay, compromise, and settle debts  
18 and claims for or against the corporation;

19 (4) to defend suits brought against the corporation;

20 (5) to sue, in the name of the corporation, for all sums due or owing  
21 to the corporation or to recover the property of the corporation;

22 (6) to collect amounts remaining unpaid on memberships;

23 (7) to recover unlawful distributions;

24 (8) to sell at public or private sale, to exchange, to convey, or otherwise  
25 to dispose of all or a part of the assets of the corporation for reasonable amounts as  
26 determined by the board and to execute bills of sale and deeds of conveyance in the  
27 name of the corporation; and

28 (9) in general, to make contracts and do all things in the name of the  
29 corporation that are proper or convenient for the purposes of winding up, settling, and  
30 liquidating the affairs of the corporation.

31 **Sec. 10.21.675. Vacancies on board during winding up.** A vacancy on the

1 board may be filled during a winding-up proceeding in the manner provided in  
2 AS 10.21.385.

3 **Sec. 10.21.678. Proceeding to determine identity of directors or to appoint**  
4 **directors.** If the identity of a director or the right to hold office is in doubt, if a  
5 director is dead or unable to act, if a director fails or refuses to act, or if the  
6 whereabouts of a director cannot be ascertained, an interested person, including the  
7 commissioner, may petition the superior court to determine the identity of the director  
8 or, if there are not any directors, to appoint directors to wind up the affairs of the  
9 corporation, after hearing upon notice to the persons the court directs.

10 **Sec. 10.21.680. Creditors and claimants.** (a) In a court-directed winding up  
11 of a corporation, a creditor or claimant may be barred from participation in a  
12 distribution of the general assets if the creditor or claimant fails to make and present  
13 claims and proofs within the time the court directs. The time in which to present  
14 claims may not be less than four or more than six months after the first publication of  
15 notice to creditors unless it appears by affidavit that there are not any claims, in which  
16 case the time limit may be three months. If it is shown that a claimant did not receive  
17 notice because of absence from the state or other cause, the court may allow a claim  
18 to be filed or presented at any time before distribution is completed.

19 (b) Notice to creditors in a court-directed winding up shall be published not  
20 less than once a week for three consecutive weeks in a newspaper of general  
21 circulation in the state or in a newspaper designated by the court. The notice must  
22 direct creditors and claimants to make and present claims and proofs to the person at  
23 the place and within the time specified in the notice. A copy of the notice shall be  
24 mailed to the last known address of each person shown as a creditor or claimant on  
25 the books of the corporation.

26 (c) A holder of a secured claim may prove the whole debt in order to secure  
27 payment of a deficiency. If a secured creditor fails to present a claim, the claim shall  
28 be barred only as to a right to claim against the general assets for a deficiency in the  
29 amount realized on the security.

30 (d) Before a distribution is made in a court-directed winding up, the amount  
31 of an unmatured, contingent, or disputed claim against the corporation that has been

1 presented and has not been disallowed, or the part of a claim to which the holder  
2 would be entitled if the claim were due, established, or absolute, shall be paid into  
3 court and remain there to be paid over to the party if the party becomes entitled to  
4 payment, or, if the party fails to establish a claim, to be paid over or distributed with  
5 the other assets of the corporation to those entitled to the assets. The court may make  
6 other provisions for the full payment of unmatured, contingent, or disputed claims, if  
7 and when established. A creditor who has a claim that has been allowed but is not yet  
8 due is entitled to the present value of the claim upon distribution.

9 (e) A suit against the corporation on a claim that has been rejected shall be  
10 commenced within 30 days after written notice of rejection is given to the claimant.

11 **Sec. 10.21.683. Order declaring corporation duly wound up and dissolved.**

12 (a) After the final settlement of the accounts of the directors or other person appointed  
13 under AS 10.21.668 and the determination that the corporation's affairs are in  
14 condition for it to be dissolved, the court shall make an order declaring the corporation  
15 duly wound up and dissolved.

16 (b) An order issued under (a) of this section must state

17 (1) that the corporation has been duly wound up and that its known  
18 debts and liabilities have been paid or adequately provided for, or that the debts and  
19 liabilities have been paid as far as the corporation's assets permit;

20 (2) if there are known debts or liabilities for which adequate provision  
21 for payment has been made, what provision has been made, the name and address of  
22 the corporation, person, or governmental agency that has assumed or guaranteed the  
23 payment or the name and address of the depository with which deposit has been made,  
24 and other information that is necessary to enable the creditor or other person to whom  
25 payment is to be made to appear and claim payment of the debt or liability;

26 (3) that the known assets of the corporation have been distributed to  
27 the persons entitled to the assets or that the corporation has not acquired assets;

28 (4) that the accounts of directors or other persons have been settled and  
29 that they are discharged from their duties and liabilities to creditors and members;

30 (5) that the corporation is dissolved.

31 (c) The court may make additional orders and grant further relief as it

1 considers proper on the evidence submitted.

2 (d) After making the order declaring the corporation dissolved, corporate  
3 existence ceases except for the purposes of further winding up if needed. The  
4 directors or other persons appointed under AS 10.21.668 are discharged from their  
5 duties and liabilities except with respect to completion of the winding up.

6 **Sec. 10.21.685. Filing of certified order, decree, or judgment of dissolution.**

7 If a corporation is dissolved or its existence forfeited by order, decree, or judgment of  
8 a court, a copy of the order, decree, or judgment, certified by the clerk of court, shall  
9 be filed with the commissioner.

10 **Sec. 10.21.688. Distribution of remaining corporate assets.** (a) After  
11 determining that all of the known debts and liabilities of a corporation in the process  
12 of winding up have been paid or adequately provided for, the board shall distribute all  
13 the remaining corporate assets in the manner provided in AS 10.21.693 - 10.21.698.

14 (b) If the winding up is by court proceeding or subject to court supervision,  
15 the distribution may not be made until after the expiration of any period for the  
16 presentation of claims that has been ordered by the court.

17 (c) Assets that are not subject to attachment, execution or sale for the  
18 corporation's debts and liabilities may be distributed under AS 10.21.693 - 10.21.698  
19 even though all debts and liabilities have not been paid or adequately provided for.

20 **Sec. 10.21.690. Payment of debts and liabilities.** (a) The payment of a debt  
21 or liability, whether the whereabouts of the creditor is known or unknown, has been  
22 adequately provided for if

23 (1) payment of the debt or liability has been assumed or guaranteed in  
24 good faith by one or more financially responsible persons or by the United States  
25 government or an agency of the United States government, and the provision, including  
26 the financial responsibility of the persons, was determined in good faith and with  
27 reasonable care by the board to be adequate at the time of distribution of the assets by  
28 the board under this chapter; and

29 (2) the amount of the debt or liability has been deposited with the  
30 commissioner of revenue.

31 (b) This section does not prescribe the exclusive means of taking adequate

1 provision for debts and liabilities.

2 **Sec. 10.21.693. Return, transfer, or conveyance of assets.** After complying  
3 with the provisions of AS 10.21.688, if the corporation holds assets subject to a valid  
4 condition requiring return, transfer, or conveyance, and the condition has occurred or  
5 will occur by reason of the dissolution, the assets shall be returned, transferred, or  
6 conveyed in accordance with the condition.

7 **Sec. 10.21.695. Disposal of corporate assets.** (a) Subject to the provisions  
8 of AS 10.21.688 and except as provided in AS 10.21.693, all of a corporation's assets  
9 shall be disposed of on dissolution in conformity with its articles or bylaws and  
10 complying with the provisions of a trust under which assets are held.

11 (b) Except as provided in (c) of this section, the superior court shall make the  
12 disposition required in (a) of this section in proceedings to which the commissioner  
13 is a party. The commissioner or, on 30 days' notice to the commissioner, a person  
14 interested in the dissolution may file the court action for the disposition.

15 (c) The disposition required in (a) of this section may be made without the  
16 decree of the superior court, subject to the rights of persons concerned in the  
17 dissolution, if the commissioner makes a written waiver of objections to the  
18 disposition.

19 (d) Notwithstanding the provisions of (a) of this section, assets held in  
20 charitable trust under AS 10.21.185 shall be disposed of under AS 10.21.615(a) as if  
21 the mutual benefit corporation were a public benefit corporation.

22 **Sec. 10.21.698. Distributions.** After complying with the provisions of  
23 AS 10.21.688, and except as otherwise provided in AS 10.21.693 and 10.21.695, assets  
24 held by a corporation shall be disposed of on dissolution as follows:

25 (1) if the articles or bylaws provide the manner of disposition, the  
26 assets shall be disposed of in that manner; or

27 (2) if the articles or bylaws do not provide the manner of disposition,  
28 the assets shall be distributed among the members in accordance with their rights in  
29 the corporation.

30 **Sec. 10.21.700. Distributions authorized in money, property, or securities.**  
31 Subject to the provisions of a trust under which assets to be distributed are held, if the

1 distribution can be done fairly and ratably and in conformity with the provisions of the  
 2 articles and bylaws, distribution of assets may be made either in money, property, or  
 3 securities and either in periodic installments or as a whole. Distribution of assets shall  
 4 be made as soon as reasonably consistent with the beneficial liquidation of the  
 5 corporation's assets.

6 **Sec. 10.21.703. Adoption of plan not in accordance with liquidation rights.**

7 (a) If a corporation in the process of winding up has more than one class of  
 8 memberships outstanding, a plan of distribution of the memberships, obligations, or  
 9 securities of another corporation, domestic or foreign, or assets other than money that  
 10 is not in accordance with the liquidation rights of a class under the articles or bylaws  
 11 may be adopted if approved by the board and a majority of all members of each class.

12 (b) A plan adopted under (a) of this section may provide that the distribution  
 13 is in complete or partial satisfaction of the rights of members on distribution and  
 14 liquidation of the assets.

15 (c) A plan of distribution approved under (a) of this section is binding upon  
 16 all members. The board shall mail notice of the adoption of the plan within 20 days  
 17 after its adoption to all members having a liquidation preference under the articles or  
 18 bylaws.

19 **Sec. 10.21.705. Recovery of improper distributions.** (a) If a distribution of

20 assets has been made in the process of winding up a corporation without a court order  
 21 and without prior payment or adequate provision for payment of the debts and  
 22 liabilities of the corporation, the corporation may recover the amount improperly  
 23 distributed to a person. A person who received an improper distribution may be joined  
 24 as a defendant in the same action or be brought in on the motion of another defendant.  
 25 In this subsection, "process of winding up" includes a proceeding under AS 10.21.633  
 26 - 10.21.710 and any other distribution of assets to a person made in contemplation of  
 27 termination or abandonment of the corporate business.

28 (b) The commissioner or a creditor of that corporation, whether or not the  
 29 creditor has reduced the claim to judgment, may bring a court action in the name of  
 30 the corporation to enforce the liability under (a) of this section against a person  
 31 receiving a distribution.

1 (c) A member who satisfies a liability under this section has a right to ratable  
2 contribution from other members similarly liable. A member who has been compelled  
3 to return to the corporation more than the member's share of the amount needed to pay  
4 the debts and liabilities of the corporation may require the corporation to recover from  
5 other members similarly liable a proportion of the amounts received by them on the  
6 improper distribution, to give contribution to those held liable under this section, and  
7 to make the distribution of the assets fair and ratable, according to the rights and  
8 preferences of the memberships, after payment or adequate provision for payment of  
9 all the debts and liabilities of the corporation.

10 **Sec. 10.21.708. Existence of corporation after dissolution.** (a) A  
11 corporation that is dissolved voluntarily or involuntarily continues to exist for the  
12 purpose of winding up its affairs, defending actions by or against it, enabling it to  
13 collect and discharge obligations, disposing of and conveying its property, and  
14 collecting and dividing its assets, but not for the purpose of continuing its activities,  
15 except to the extent necessary for the winding up.

16 (b) An action or proceeding to which a corporation is a party does not abate  
17 by the dissolution of the corporation or by reason of proceedings for winding up and  
18 dissolution. A corporation that is dissolved voluntarily or involuntarily may not  
19 commence a court action, except under AS 10.21.705.

20 (c) Assets inadvertently or otherwise omitted from the winding up continue in  
21 the dissolved corporation for the benefit of the persons entitled to the assets on  
22 dissolution of the corporation and, on realization, shall be distributed to the person  
23 entitled.

24 (d) The directors of the corporation on the date of its dissolution, or as  
25 determined under AS 10.21.685, shall exercise and have the powers necessary to act  
26 under this section.

27 **Sec. 10.21.710. Suits against persons to whom assets were distributed upon**  
28 **dissolution.** (a) If a corporation has been dissolved, a person to whom assets were  
29 distributed on dissolution may be sued in the corporate name on a cause of action  
30 against the corporation that arose before dissolution. Notice of the action shall be  
31 given to the commissioner. The commissioner may intervene in a suit brought under

1 this section.

2 (b) Summons or other process against a dissolved corporation may be served  
3 by delivering a copy to an officer, director, or person having charge of the  
4 corporation's assets or, if the person cannot be found, to an agent upon whom process  
5 might be served at the time of dissolution. If it is shown by affidavit to the  
6 satisfaction of the court that none of these persons can be found with due diligence,  
7 then the court may make an order that summons or other process be served upon the  
8 dissolved corporation by personally delivering a copy of the process and a copy of the  
9 order to the commissioner. Service in this manner is complete 10 days after the  
10 delivery of process to the commissioner.

11 (c) A dissolved corporation survives and continues to exist indefinitely for the  
12 purpose of being sued in a quiet title action. A judgment rendered in a quiet title  
13 action binds every person having an interest in the corporation to the extent of the  
14 person's interest. Service of summons or other process may be made as provided in  
15 (b) of this section.

16 (d) After receipt of the process under (b) of this section and the fee for filing,  
17 the commissioner shall give notice to the corporation at the last known address of the  
18 corporation or at the last known address of the last registered agent of the corporation.  
19 If those addresses are not known, the commissioner is not required to take any action.

20 (e) This section is procedural in nature and is not intended to determine  
21 liability.

22 **Sec. 10.21.713. Special provisions on dissolution of owners' associations.**

23 (a) Notwithstanding a provision in AS 10.21.550 - 10.21.710, if there is a lot, parcel,  
24 area, apartment, or unit for which an owners' association is obligated to provide  
25 management, maintenance, preservation, or control, a corporation formed for those  
26 purposes or a person acting on its behalf may not, without the approval of 100 percent  
27 of the members,

28 (1) transfer all or substantially all of the association's assets; or

29 (2) file a certificate of dissolution.

30 (b) A court may not enter an order declaring the owners' association duly  
31 wound up and dissolved unless there is a judicial determination that the corporate

1 purposes are no longer attainable.

2 (c) In (a) of this section, "approval of 100 percent of the members" means  
3 unanimous approval by the affirmative vote of every member of the corporation  
4 whether or not the voting rights of some or all of the members have been extinguished  
5 by the articles.

6 **Article 11. Foreign Corporations.**

7 **Sec. 10.21.750. Applicability to foreign corporations.** To the extent provided  
8 in this chapter, this chapter is applicable to a foreign corporation that is authorized to  
9 conduct or that conducts affairs in this state.

10 **Sec. 10.21.755. Admission of foreign corporation.** (a) A foreign corporation  
11 may not conduct affairs in this state until it has been issued a certificate of authority  
12 from the commissioner. A foreign corporation may not be issued a certificate of  
13 authority to conduct affairs that a corporation organized under this chapter is not  
14 permitted to conduct.

15 (b) A foreign corporation that is a religious corporation may not be issued a  
16 certificate of authority to conduct affairs in this state under this chapter.

17 (c) A foreign corporation may not be denied a certificate of authority because  
18 the laws of the state or country under which it is organized governing its organization  
19 and internal affairs differ from the laws of this state.

20 **Sec. 10.21.758. Liability to state for conducting affairs without certificate**  
21 **of authority.** (a) A foreign corporation that conducts affairs in this state without a  
22 certificate of authority is liable to this state for the years or portions of years during  
23 which it conducted affairs in this state without a certificate of authority in an amount  
24 equal to

25 (1) all fees and corporation taxes that would have been imposed by this  
26 chapter on the corporation if it had applied for and received a certificate of authority  
27 to conduct affairs in this state as required by this chapter and filed all reports required  
28 by this chapter;

29 (2) all penalties imposed by this chapter for failure to pay the fees; and

30 (3) a penalty of up to \$10,000 a year or portion of a year for each year  
31 it conducted affairs in this state without a certificate of authority.

1 (b) The attorney general shall bring proceedings to recover amounts due to the  
2 state under this section.

3 **Sec. 10.21.760. Conducting affairs without certificate of authority as a bar**  
4 **to right to sue.** A foreign corporation conducting affairs in this state without a  
5 certificate of authority may not maintain an action in a court of this state until it  
6 obtains a certificate of authority. A successor or assignee of a foreign corporation  
7 conducting affairs without a certificate of authority may not maintain an action in a  
8 court of this state on a right, claim, or demand arising out of the conduct of affairs by  
9 the corporation in this state until a certificate of authority is obtained by the  
10 corporation or by a corporation that has acquired all or substantially all of its assets.

11 **Sec. 10.21.763. Conducting affairs without certificate of authority not**  
12 **affecting contracts and right to defend action.** The failure of a foreign corporation  
13 to obtain a certificate of authority to conduct affairs in this state

14 (1) does not impair the validity of a contract or act of the corporation;  
15 and

16 (2) does not prevent the corporation from defending an action in a court  
17 of this state.

18 **Sec. 10.21.765. Activities not constituting conducting affairs in this state.**  
19 The activities of a foreign corporation that are not considered to be conducting affairs  
20 in this state, for the purposes of this chapter, include

21 (1) maintaining, defending, or settling a court action, an administrative  
22 proceeding, or an arbitration proceeding, or settling claims or disputes;

23 (2) holding meetings of directors or members of the corporation or  
24 carrying on other activities concerning the internal affairs of the corporation;

25 (3) maintaining bank accounts;

26 (4) securing or collecting debts or enforcing rights in property securing  
27 debts;

28 (5) granting funds;

29 (6) distributing information to members;

30 (7) conducting an isolated transaction, completed within 30 days, not  
31 in the course of a number of repeated transactions of like nature.

1           **Sec. 10.21.768. Corporate name of foreign corporation.** (a) Except as  
2 provided in AS 10.21.053, a certificate of authority may not be issued to a foreign  
3 corporation unless the corporate name of the corporation

4                   (1) contains the word "corporation," "company," "incorporated," or  
5 "limited," or an abbreviation of one of these words, or, for use in this state, adds at the  
6 end of its name one of these words or an abbreviation of one of them;

7                   (2) does not contain a word or phrase that indicates or implies that it  
8 is organized for a purpose other than the purpose contained in its articles or that it is  
9 authorized or empowered to conduct the business of banking or insurance;

10                  (3) does not contain the word "city," "borough," or "village," or  
11 otherwise imply that the corporation is a municipality, but the name of a city, borough,  
12 or village may be used in the corporate name;

13                  (4) is the same name as, or deceptively similar to, the name of a  
14 domestic corporation existing under the laws of this state or a foreign corporation  
15 authorized to conduct affairs in this state, a name the exclusive right to which is  
16 reserved in a manner provided in this title, or the name of a corporation that has in  
17 effect a registration of its name under this chapter.

18                  (b) The provisions of (a)(1) of this section do not apply to a foreign  
19 corporation formed and operated exclusively for a charitable purpose.

20           **Sec. 10.21.770. Assumed corporate name: commissioner to cross-index.**

21 (a) Except as provided in AS 10.21.053(a)(2), if a foreign corporation applying for  
22 a certificate of authority has a name that is impermissible under AS 10.21.768, it shall  
23 select an assumed name, acceptable under the provisions of AS 10.21.768, under which  
24 it elects to conduct affairs in this state.

25                  (b) The commissioner shall maintain records that cross-reference the actual and  
26 assumed names of all foreign corporations authorized to conduct affairs in this state.

27           **Sec. 10.21.773. Change of name by foreign corporation.** If a foreign

28 corporation authorized to conduct affairs in this state changes its name to one under  
29 which a certificate of authority would not be granted to it under this chapter, the  
30 certificate of authority of the corporation is suspended, and the foreign corporation  
31 may not conduct affairs in this state until it has changed its name to a name available

1 to it under the laws of this state.

2 **Sec. 10.21.775. Application for certificate of authority.** To receive a  
3 certificate of authority to conduct affairs in this state, a foreign corporation shall apply  
4 in duplicate to the commissioner.

5 **Sec. 10.21.778. Contents of application.** An application for a certificate of  
6 authority must set out

7 (1) the name of the corporation;

8 (2) the assumed name, if any, of the corporation or, if the name of the  
9 corporation is required by this chapter to contain, but does not contain, the word  
10 "corporation," "company," "incorporated," or "limited," or an abbreviation of one of  
11 these words, the name of the corporation with the word or abbreviation that it elects  
12 to use in this state;

13 (3) the date of incorporation and the period of duration of the  
14 incorporation;

15 (4) the address of the principal office of the corporation in the state or  
16 country under whose laws it is incorporated;

17 (5) the address of the proposed registered office of the corporation in  
18 this state and the name of its proposed registered agent in this state at that address;

19 (6) the purpose the corporation proposes to pursue in the conduct of  
20 affairs in this state;

21 (7) the names and addresses of the directors and officers of the  
22 corporation;

23 (8) a statement of the number of memberships that the corporation may  
24 issue, itemized by classes;

25 (9) a statement of the number of members, itemized by classes;

26 (10) an estimate expressed in dollars of

27 (A) the value of all property to be owned by the corporation  
28 during the following year, wherever located;

29 (B) the value of the property of the corporation to be located  
30 in this state during the following year;

31 (C) the gross amount of all income that will be earned by the

1 corporation during the following year; and

2 (D) the gross amount of income that will be generated by the  
3 corporation at or from offices in this state during the following year;

4 (11) additional information necessary or appropriate to enable the  
5 commissioner to determine whether the corporation is entitled to a certificate of  
6 authority and to determine and assess the fees prescribed in this chapter that are  
7 payable;

8 (12) the name and address of a person holding at least five percent of  
9 the members of the corporation, and the percentage of control held by that person; in  
10 this paragraph, "percentage of control" means the percentage of the members of the  
11 entire board of directors that a person has the power to elect or designate.

12 **Sec. 10.21.780. Filing of application for certificate of authority.** The  
13 application of the corporation for a certificate of authority shall be submitted on forms  
14 prescribed and furnished by the commissioner. Duplicate originals of the application  
15 and a verified copy of the articles and all amendments to the articles shall be delivered  
16 to the commissioner for processing under AS 10.21.905 and issuance of a certificate  
17 of authority. The application shall be executed by the board chair, president, or vice-  
18 president, and by the secretary or assistant secretary, and verified by one of the officers  
19 signing the application.

20 **Sec. 10.21.783. Effect of certificate of authority.** On the issuance of a  
21 certificate of authority by the commissioner, the corporation may conduct affairs in this  
22 state for the purpose set out in its application, subject, however, to the right of this  
23 state to suspend or revoke the authority as provided in this chapter.

24 **Sec. 10.21.785. Amended certificate of authority.** (a) A foreign corporation  
25 authorized to conduct affairs in this state shall obtain an amended certificate of  
26 authority if it changes its corporate name or desires to pursue in this state other or  
27 additional purposes than those set out in its earlier application for a certificate of  
28 authority.

29 (b) The requirements as to form and content of an application for an amended  
30 certificate of authority, the manner of its execution, the filing of duplicate originals of  
31 the application with the commissioner, and the issuance of an amended certificate of

1 authority are the same as in the case of an original application for a certificate of  
2 authority.

3 **Sec. 10.21.788. Powers of foreign corporation.** A foreign corporation that  
4 has received a certificate of authority enjoys, until a certificate of revocation or of  
5 withdrawal is issued as provided in this chapter, the same, but not greater, rights and  
6 privileges as a domestic corporation organized for the purposes set out in the  
7 application under which the certificate of authority is issued and, except as otherwise  
8 provided in this chapter, is subject to the duties, restrictions, penalties, and liabilities  
9 imposed on a domestic corporation of like character.

10 **Sec. 10.21.790. Revocation of certificate of authority.** A certificate of  
11 authority of a foreign corporation to conduct affairs in this state may be revoked by  
12 the commissioner if

13 (1) the corporation has failed to file and, if required, publish any  
14 document or pay a fee required under this chapter as provided in AS 10.21.868;

15 (2) the corporation fails to appoint and maintain a registered agent in  
16 this state;

17 (3) the corporation fails, after change of its registered office or  
18 registered agent, to file with the commissioner a statement of the change as required  
19 by this chapter;

20 (4) the corporation fails to file with the department an amendment to  
21 its articles of incorporation or articles of merger within the time prescribed by this  
22 chapter; or

23 (5) a misrepresentation of a material matter has been made in an  
24 application, report, affidavit, or other document submitted under this chapter.

25 **Sec. 10.21.793. Limitations on revocation of certificate of authority.** The  
26 commissioner may not revoke a certificate of authority of a foreign corporation unless  
27 the corporation

28 (1) has been given at least 60 days' notice by certified mail addressed  
29 to its registered office in this state; and

30 (2) fails before revocation to file the biennial report, pay the fees or  
31 penalties that are due, file the required statement of change of registered agent or

1 registered office, file the articles of amendment or articles of merger, or correct a  
2 misrepresentation.

3 **Sec. 10.21.795. Issuance of certificate of revocation.** Upon revoking a  
4 certificate of authority, the commissioner shall

- 5 (1) issue a certificate of revocation in duplicate;  
6 (2) file one of the certificates in the office of the commissioner;  
7 (3) mail to the corporation at its registered office in this state a notice  
8 of the revocation and one of the certificates.

9 **Sec. 10.21.798. Effect of certificate of revocation.** Upon the issuance of a  
10 certificate of revocation, the authority of a corporation to conduct affairs in this state  
11 ceases.

12 **Sec. 10.21.800. Registered office and registered agent of a foreign**  
13 **corporation.** A foreign corporation authorized to conduct affairs in this state shall  
14 have and continuously maintain in this state

15 (1) a registered office, which may be the same as its principal office  
16 in this state; and

17 (2) a registered agent, who may be either an individual resident in this  
18 state if the resident's office is identical to the registered office, or a domestic  
19 corporation or foreign corporation authorized to conduct affairs in this state that has  
20 an office that is identical to the registered office.

21 **Sec. 10.21.803. Change of registered office; change or resignation of**  
22 **registered agent.** (a) A foreign corporation authorized to conduct affairs in this state  
23 may change its registered office or its registered agent, or both, by filing with the  
24 commissioner a verified statement of change setting out

- 25 (1) the name of the corporation;  
26 (2) the address of its registered office;  
27 (3) the address of the proposed registered office if the address of its  
28 registered office is to be changed;  
29 (4) the name of its registered agent;  
30 (5) the name of its successor registered agent if its registered agent is  
31 to be changed; and

1 (6) a statement that the change is authorized by resolution adopted by  
2 its board of directors.

3 (b) A registered agent may resign by filing a written notice, executed in  
4 duplicate, with the commissioner. The written notice of resignation must set out the  
5 latest address of the principal office of the corporation and the names, addresses, and  
6 titles of the most recent officers of the corporation known to the agent. The  
7 commissioner shall immediately mail a copy of the notice to the corporation at its  
8 principal office. The resignation becomes effective 30 days after the filing of the  
9 written notice or upon the appointment of a new agent by the corporation, whichever  
10 is sooner.

11 **Sec. 10.21.805. Filing of statement of change.** A statement of change under  
12 AS 10.21.803(a) shall be executed and verified by the corporation by the board chair,  
13 president, or a vice-president and delivered to the commissioner. If the commissioner  
14 finds that the statement conforms to the provisions of this chapter, the commissioner  
15 shall file the statement in the office of the commissioner, and upon filing, the change  
16 of address of the registered office or the appointment of a new registered agent, or  
17 both, become effective.

18 **Sec. 10.21.808. Service of process on foreign corporation.** The registered  
19 agent appointed by a foreign corporation authorized to conduct affairs in this state is  
20 an agent of the corporation upon whom process, notice, or demand required or  
21 permitted by law to be served upon the corporation may be served.

22 **Sec. 10.21.810. Service on commissioner.** If a foreign corporation that is  
23 authorized to conduct affairs in this state, or that is not authorized to conduct affairs  
24 in this state but is conducting affairs in this state, fails to appoint or maintain a  
25 registered agent in this state, if a registered agent cannot with reasonable diligence be  
26 found at the registered office, or if the certificate of authority of a foreign corporation  
27 is suspended or revoked, the commissioner is an agent upon whom process, notice, or  
28 demand may be served. Service is made on the commissioner as provided in  
29 AS 10.21.088(b).

30 **Sec. 10.21.813. Records kept by commissioner.** The commissioner shall  
31 keep a record of all processes, notices, or demands served on a corporation under

1 AS 10.21.810 and shall record the time of service and any action taken with reference  
2 to the service.

3 **Sec. 10.21.815. Procedure not exclusive.** AS 10.21.808 - 10.21.813 do not  
4 limit or affect the right to serve process, notice, or demand required or permitted by  
5 law to be served on a corporation in any other manner.

6 **Sec. 10.21.818. Amendment to articles of incorporation of foreign**  
7 **corporation.** If the articles of a foreign corporation authorized to conduct affairs in  
8 this state are amended, the foreign corporation shall, within 30 days after the  
9 amendment becomes effective, file with the commissioner a copy of the amendment  
10 authenticated by the proper officer of the state or country under whose laws it is  
11 incorporated. The filing of the amendment does not enlarge or alter the purpose that  
12 the corporation may pursue in the conduct of affairs in this state under a name other  
13 than the name set out in its certificate of authority.

14 **Sec. 10.21.820. Organic change of foreign corporation.** If a foreign  
15 corporation authorized to conduct affairs in this state is a party to an organic change  
16 permitted by the laws of the state or country where it is incorporated, and the  
17 corporation is the surviving corporation, it shall, within 30 days after the change  
18 becomes effective, file with the commissioner a copy of the articles of merger,  
19 consolidation, or reorganization authenticated by the proper office of the state or  
20 country under whose laws the organic change was carried out. It is not necessary for  
21 the corporation to obtain a new or amended certificate of authority to conduct affairs  
22 in this state unless the name of the corporation is changed or unless the corporation  
23 desires to pursue in this state other or additional purposes than those that it is  
24 authorized to pursue in this state.

25 **Sec. 10.21.823. Withdrawal of foreign corporation.** A foreign corporation  
26 authorized to conduct affairs in this state may withdraw from this state on obtaining  
27 from the commissioner a certificate of withdrawal. To obtain a certificate of  
28 withdrawal the foreign corporation shall deliver to the commissioner an application for  
29 withdrawal.

30 **Sec. 10.21.825. Contents of application for withdrawal.** An application for  
31 withdrawal must set out

1 (1) the name of the corporation and the state or country where it is  
2 incorporated;

3 (2) that the corporation is not conducting affairs in this state;

4 (3) that the corporation surrenders its authority to conduct affairs in this  
5 state;

6 (4) that the corporation revokes the authority of its registered agent in  
7 this state to accept service of process and consents that service of process in a court  
8 action based on a cause of action arising in this state during the time the corporation  
9 was authorized to conduct affairs in this state may be made on the corporation by  
10 service on the commissioner;

11 (5) a post office address to which the commissioner may mail a copy  
12 of a process against the corporation that may be served on the commissioner;

13 (6) a statement of the number of memberships that the corporation may  
14 issue, itemized by classes, as of the date of the application;

15 (7) a statement of the number of members itemized by classes, as of  
16 the date of the application;

17 (8) additional information necessary or appropriate to enable the  
18 commissioner to determine and assess unpaid fees payable as prescribed in this  
19 chapter.

20 **Sec. 10.21.828. Form of application for withdrawal.** An application for  
21 withdrawal shall be made on forms prescribed and furnished by the commissioner and  
22 shall be executed by the corporation by its board chair, president, or vice-president,  
23 and by its secretary or an assistant secretary, and verified by one of the officers  
24 signing the application, or, if the corporation is in the hands of a receiver or trustee,  
25 the application shall be executed and verified on behalf of the corporation by the  
26 receiver or trustee.

27 **Sec. 10.21.830. Filing of application for withdrawal.** Duplicate originals of  
28 an application for withdrawal shall be delivered to the commissioner for processing  
29 according to AS 10.21.905 and for issuance of a certificate of withdrawal.

30 **Sec. 10.21.833. Effect of certificate of withdrawal.** On the issuance of a  
31 certificate of withdrawal, the authority of a corporation to conduct affairs in this state

1 ceases.

2 **Article 12. Reports, Fees, and Penalties.**

3 **Sec. 10.21.850. Biennial report of domestic and foreign corporations.** A  
4 domestic corporation and a foreign corporation authorized to conduct affairs in this  
5 state shall file a biennial report within the time prescribed by this chapter.

6 **Sec. 10.21.852. Contents of biennial report.** A biennial report must include  
7 (1) the name of the corporation and the state or country where it is  
8 incorporated;

9 (2) the address of the registered office of the corporation in this state,  
10 the name of its registered agent in this state at that address, and, in the case of a  
11 foreign corporation, the address of its principal office in the state or country where it  
12 is incorporated;

13 (3) a brief statement of the purposes of the corporation in this state;

14 (4) the names and addresses of the directors and officers of the  
15 corporation;

16 (5) a statement of the number of memberships that the corporation has  
17 authority to issue, itemized by classes;

18 (6) a statement of the number of members itemized by classes;

19 (7) the name and address of each person holding as of the previous  
20 September 30 the power to directly cause the election or designation of one or more  
21 members of the board;

22 (8) the gross receipts of the corporation during the reporting period  
23 from all sources;

24 (9) the amount, expressed in dollars and as a percentage of the gross  
25 receipts of the corporation, of

26 (A) membership fees, dues, and assessments;

27 (B) donations;

28 (C) grants from governmental entities;

29 (D) sales of goods or services; and

30 (E) all other sources;

31 (10) in the case of a mutual benefit corporation, the amount, expressed

1 in dollars and as a percentage of the total income, of the total income used or held for

2 (A) recurrent administrative costs;

3 (B) nonrecurrent administrative costs;

4 (C) providing services or making facilities available to members  
5 as authorized in its articles, exclusive of the administrative cost of providing  
6 these services; and

7 (D) all other expenses of the corporation;

8 (11) in the case of a public benefit corporation, the amount, expressed  
9 both in dollars and as a percentage of total income, of the total income used or held  
10 for

11 (A) recurrent administrative costs;

12 (B) nonrecurrent administrative costs;

13 (C) public or charitable purposes as stated in its articles; and

14 (D) all other expenses of the corporation;

15 (12) the information required by AS 10.21.313.

16 **Sec. 10.21.854. Filing of biennial report.** (a) A biennial report of a domestic  
17 or foreign corporation shall be filed with the department and is due before July 2 of  
18 the filing year. The biennial report is delinquent if not filed before August 1 of each  
19 year. Delinquent reports are subject to the penalty provided in AS 10.21.858.

20 (b) Proof to the satisfaction of the commissioner that on or before August 1  
21 the report was deposited in the United States mail in a sealed envelope, properly  
22 addressed with postage prepaid, constitutes compliance with (a) of this section.

23 (c) The commissioner shall file the report if the commissioner finds that the  
24 report conforms to the requirements of this chapter. If the commissioner finds that the  
25 report does not conform to the requirements of this chapter, the commissioner shall  
26 promptly return it to the corporation for necessary corrections. If the report is  
27 corrected to conform to the requirements of this chapter and returned to the  
28 commissioner in sufficient time to be filed before October 1 of the year in which it is  
29 due, the penalty provided in AS 10.21.858 for failure to file the report within the time  
30 required does not apply.

31 (d) Upon receipt of a form from the commissioner, a domestic or foreign

1 corporation shall file a biennial report within six months after original incorporation  
2 or authorization to conduct affairs in this state.

3 **Sec. 10.21.856. Additional reporting requirement for certain corporations.**

4 (a) In addition to the biennial report required under AS 10.21.850, a public benefit  
5 corporation that is a domestic corporation or that is a foreign corporation conducting  
6 affairs in the state and that received an aggregate of \$5,000 or more during the  
7 calendar year from other corporations shall file with the department by July 1 each  
8 year on forms provided by the department a report that lists all payments received by  
9 the public benefit corporation from other corporations or from third persons  
10 transmitting the payments from other corporations. The list must include the full name  
11 and address of the principal office of each of the other corporations that make the  
12 payments, the amounts of the payments, and the purpose of the payments. The report  
13 required under this section that is due the same year as the public benefit corporation's  
14 biennial report may be included in the biennial report.

15 (b) In this section,

16 (1) "mutual benefit corporation" means a nonprofit corporation that is  
17 organized primarily for the benefit of its members;

18 (2) "nonprofit corporation" means a corporation that is exempt from  
19 federal taxation under 26 U.S.C. 501(c)(3) (Internal Revenue Code);

20 (3) "other corporations" means any other corporations, including  
21 corporations that are organized

22 (A) under the laws of this state or under the laws of another  
23 jurisdiction;

24 (B) for profit or not for a profit;

25 (4) "public benefit corporation" means a nonprofit corporation that is  
26 not a mutual benefit corporation, that is organized under this chapter, and that

27 (A) is organized for a public or charitable purpose;

28 (B) derives more than 10 percent of its annual income from  
29 donations; or

30 (C) does not have voting members or whose only members are  
31 its directors or officers.

1           **Sec. 10.21.858. Penalty for failure to file documents or pay fees.** If a  
2 domestic or foreign corporation fails to file and publish a document required by this  
3 chapter or pay a fee within the time prescribed by this chapter, the commissioner shall  
4 collect a penalty of \$10 for the first month that the filing, publication, or payment is  
5 not made and \$100 for each additional month up to a total of five months. After six  
6 months without the filing, publication, or payment, the commissioner may

7                   (1) involuntarily dissolve a delinquent domestic corporation under  
8 AS 10.21.578; or

9                   (2) revoke the certificate of authority of a delinquent foreign  
10 corporation to conduct affairs in this state under AS 10.21.790.

11           **Sec. 10.21.860. Interrogatories by commissioner.** (a) The commissioner  
12 may propound to a domestic or foreign corporation and to an officer or director of a  
13 domestic or foreign corporation interrogatories reasonably necessary and proper to  
14 enable the commissioner to ascertain whether the corporation has complied with the  
15 provisions of this chapter.

16                   (b) The commissioner shall propound the interrogatories under (a) of this  
17 section as follows:

18                           (1) to a domestic corporation, by mailing the interrogatories to the  
19 corporation's agent identified under AS 10.21.088;

20                           (2) to a foreign corporation, by mailing them to the corporation's agent  
21 identified under AS 10.21.808; or

22                           (3) to an individual officer or director of a domestic or foreign  
23 corporation, by mailing by registered or certified mail a copy of the interrogatories  
24 addressed to the person at the person's office in this state or, if the person does not  
25 have an office in this state, to the principal office of the person.

26                   (c) Interrogatories shall be answered within 30 days, or within the additional  
27 time established by the commissioner or by the superior court. Answers shall be full  
28 and complete, in writing, and under oath. If the interrogatories are directed to an  
29 individual, they shall be answered by that individual, and if directed to a corporation,  
30 they shall be answered by the board chair, president, vice-president, secretary, or  
31 assistant secretary of the corporation or, in the instance of a foreign corporation, the

1 person functioning as a comparable officer under the laws of the jurisdiction of  
2 incorporation.

3 (d) A petition stating good cause to extend the date for answer, to modify, to  
4 set aside the interrogatories propounded by the commissioner, or to enforce compliance  
5 with AS 10.21.862 may be filed in the superior court before the expiration of the 30  
6 days established in (c) of this section for answer.

7 **Sec. 10.21.862. Confidentiality of information disclosed by interrogatories.**

8 Interrogatories and answers propounded and obtained under AS 10.21.860 are not open  
9 to public inspection, and the commissioner may not disclose facts or information  
10 obtained from the interrogatories except as official duty requires or unless the  
11 interrogatories or answers are required for evidence in criminal proceedings or other  
12 action by the state.

13 **Sec. 10.21.864. Failure to answer interrogatories.** Unless otherwise provided  
14 by an order of court issued in response to a petition filed under AS 10.21.860(d),

15 (1) a domestic or foreign corporation, and each officer or director of  
16 a domestic or foreign corporation, that knowingly fails or refuses to answer truthfully  
17 and fully interrogatories propounded by the commissioner within the time prescribed  
18 by AS 10.21.860(c) is guilty of a class A misdemeanor; and

19 (2) the commissioner is not required to file a document to which the  
20 interrogatories relate until the interrogatories are properly answered or if the answers  
21 disclose that the document does not conform to the provisions of this chapter.

22 **Sec. 10.21.866. Penalty for signing false document.** An officer or director  
23 of a domestic or foreign corporation who knowingly signs articles or a statement,  
24 report, application, or other document filed with the commissioner that is known to the  
25 officer or director to be false in a material respect is guilty of a class A misdemeanor.

26 **Sec. 10.21.868. Fees.** (a) The department shall establish by regulation,  
27 charge, and collect a fee for

28 (1) filing articles of incorporation and issuing a certificate of  
29 incorporation;

30 (2) filing an application for a certificate of authority to conduct affairs  
31 in this state and issuing a certificate of authority;

- 1 (3) filing articles of amendment and issuing a certificate of amendment;  
2 (4) filing a statement of change of the identity or address of a  
3 registered agent;  
4 (5) a foreign corporation's filing a certificate of the appointment and  
5 consent of an agent residing in this state or a certificate of revocation of the  
6 appointment of the resident agent;  
7 (6) filing a document required by this chapter for the dissolution of a  
8 corporation organized under this chapter;  
9 (7) filing a document not listed under (1) - (6) of this subsection;  
10 (8) furnishing a certified copy of a document.

11 (b) A fee required under this chapter shall be paid in advance.

12 (c) The fees charged under this section shall be uniform, except that a lesser  
13 fee may be charged to a public benefit corporation or to a foreign corporation that  
14 would, if formed under this chapter, be a public benefit corporation.

15 (d) The department may by regulation charge a corporation subject to this  
16 chapter a fixed fee in place of the fees prescribed in this chapter and for routine  
17 administrative services rendered to the corporation by the department.

18 **Sec. 10.21.872. Withdrawal of foreign corporation.** A registered foreign  
19 corporation may withdraw from this state upon payment of all penalties due at the time  
20 of desired withdrawal, and by filing with the department a certificate of withdrawal,  
21 signed by its proper officers and under its corporate seal.

22 **Sec. 10.21.876. Penalties on filing certificate of dissolution of foreign**  
23 **corporation.** If a foreign corporation desires to file a certificate of dissolution from  
24 the state of its incorporation, it shall file the certificate, signed by the proper state  
25 officer and under seal, upon payment of all penalties due to this state at the time of  
26 dissolution.

27 **Sec. 10.21.882. Exemption from biennial corporation tax.** A corporation  
28 organized under this chapter or a foreign corporation organized under the laws of the  
29 United States, a state, or foreign country for the same purpose as those allowed under  
30 this chapter is exempt from the payment of the biennial corporation tax imposed by  
31 AS 10.06.845.

1           **Sec. 10.21.894. Appeal from revocation of certificate of authority.** If the  
 2 commissioner revokes a certificate of authority of a foreign corporation to conduct  
 3 affairs in this state under this chapter, the foreign corporation may appeal to the  
 4 superior court by filing with the clerk of the court a petition setting out a copy of its  
 5 certificate of authority and a copy of the notice of revocation given by the  
 6 commissioner. The matter shall be tried de novo by the superior court, and the court  
 7 shall either sustain the action of the commissioner or direct the commissioner to take  
 8 action the court considers proper.

9           **Sec. 10.21.896. Cancellation of certificates issued and filings accepted.** The  
 10 commissioner may, within one year after a filing and after written notice to the  
 11 corporation or individual making a filing, cancel a certificate issued or filing accepted  
 12 under this chapter, on any basis existing at the time of issuance or filing for which the  
 13 commissioner could have originally refused to issue the certificate or accept the filing.  
 14 The notice of cancellation must state the reason for the cancellation. A corporation  
 15 or individual may request a hearing within 90 days after receipt of the notice.  
 16 Cancellation becomes final if the corporation or individual does not request a hearing  
 17 within 90 days after receipt of notice. Notice of cancellation shall be sent by certified  
 18 mail with return receipt requested. If the return receipt is not received by the  
 19 department within a reasonable time and the department has made diligent inquiry as  
 20 to the address of the corporation, notice may be made by publication in a newspaper  
 21 of general circulation in the vicinity of the registered office of the corporation or the  
 22 address of the individual who made the filing, and cancellation becomes final 60 days  
 23 after publication of the notice if the person or corporation does not request a hearing.

24           **Sec. 10.21.898. Forms to be furnished by the commissioner.** Reports  
 25 required by this chapter to be filed with the department or the commissioner must be  
 26 on forms prescribed and furnished by the commissioner. Forms for other documents  
 27 to be filed in the office of the department or the commissioner shall be furnished by  
 28 the commissioner on request, but the use of these forms, unless required in this  
 29 chapter, is not mandatory.

### 30                           **Article 13. Miscellaneous Provisions.**

31           **Sec. 10.21.905. Processing of writings filed with the commissioner.** If a

1 writing delivered to the commissioner for filing conforms to law and all fees  
2 prescribed in this chapter have been paid, the commissioner shall

3 (1) endorse on each duplicate original the word "filed" and the date of  
4 the filing;

5 (2) file one duplicate original in the office of the commissioner;

6 (3) return to the corporation or its representative a duplicate original  
7 of the writing and any writing issued by the commissioner attached to the original.

8 **Sec. 10.21.910. Appeal from disapproval of document.** If the commissioner  
9 fails to approve articles of incorporation, amendment, merger, consolidation, or  
10 dissolution, or any other document required by this chapter to be approved by the  
11 commissioner, the commissioner shall, within 10 days after the receipt of the  
12 document, give written notice of disapproval to the person or domestic or foreign  
13 corporation delivering the document, specifying the reasons for disapproval. The  
14 person or corporation may appeal from the disapproval to the superior court by filing  
15 with the clerk of the court a petition setting out a copy of the document sought to be  
16 filed and a copy of the written disapproval. The matter shall be tried de novo by the  
17 superior court, which shall either sustain the action of the commissioner or direct the  
18 commissioner to take action the court considers proper.

19 **Sec. 10.21.915. Correction of writings.** A writing relating to a domestic or  
20 foreign corporation filed by the commissioner under this chapter may be corrected,  
21 including deletion of matter not permitted to be stated in the writing, if it contains an  
22 error apparent on the face or a defect in the execution of the writing. A certificate  
23 entitled "Certificate of Correction of . . . (correct title of writing)" shall be signed and  
24 verified or acknowledged, in the same manner as the original writing and delivered to  
25 the commissioner. The certificate shall set out the name of the corporation, the date  
26 the writing to be corrected was filed by the commissioner, the provision in the writing  
27 corrected or eliminated, and, if the execution was defective, the proper execution. The  
28 filing of the certificate by the commissioner does not alter the effective time of the  
29 writing being corrected and does not affect any right or liability accrued or incurred  
30 before the filing. A corporate name may not be changed or corrected under this  
31 section.



1 chapter applies to commerce with foreign nations and among the several states and to  
2 corporations formed under federal law.

3 **Sec. 10.21.965. Provisions as restatements and continuations.** If a provision  
4 of this chapter is substantially the same as a statutory provision in former AS 10.20  
5 existing on the day before the effective date of this Act, it shall be construed as a  
6 restatement and continuation, and not as a new enactment.

7 **Sec. 10.21.970. Corporations organized under Alaska Native Claims**  
8 **Settlement Act.** (a) A village corporation organized under 43 U.S.C. 1601 - 1629f,  
9 as amended (Alaska Native Claims Settlement Act) that elects the status of a nonprofit  
10 corporation under 43 U.S.C. 1607(a) must be incorporated under and is subject to this  
11 chapter, except

12 (1) each corporation shall issue without further consideration the  
13 number of shares of common stock that may be necessary to comply with the  
14 requirement of the Act and all stock so issued is considered fully paid and  
15 nonassessable when issued;

16 (2) unless otherwise provided in the articles, the capital

17 (A) is deemed the consideration for the initial issuance of  
18 shares; and

19 (B) of a corporation organized under the Act includes the

20 (i) land or interests in it conveyed to the corporation by  
21 the United States under the Act, but does not include the land or  
22 interests in it that are required to be conveyed under 43 U.S.C. 1613(c)  
23 entered at its fair value to the corporation upon receiving the  
24 conveyance of it; and

25 (ii) money, when received under 43 U.S.C. 1605 and 43  
26 U.S.C. 1608, that is retained by the corporation and that is not  
27 immediately distributed or required to be distributed under 43 U.S.C.  
28 1606(j).

29 (b) Payment from the money of a corporation organized under the Act that is  
30 required by the language of the Act to be distributed to shareholders or to other  
31 corporations so organized is not a distribution to its members under AS 10.21.180.

1 (c) Notwithstanding the provisions of AS 10.21.513, a plan of merger,  
2 consolidation, or exchange in which each participating corporation either (1) was  
3 organized under the Act, within the same one of the 12 regions of Alaska established  
4 under the Act, or (2) resulted from the prior merger, consolidation, or exchange of  
5 other similarly organized corporations within the same region, is approved if it receives  
6 the affirmative vote of the holders of at least a majority of the outstanding shares or  
7 members of each corporation. If a class of members of a corporation specified in this  
8 subsection is entitled to vote as a class, the plan of merger, consolidation, or exchange  
9 is approved if it receives the affirmative vote of the holders of at least a majority of  
10 the members of each class entitled to vote as a class and of the total memberships.  
11 Notwithstanding AS 10.21.530 - 10.21.543, a plan of merger, consolidation, or  
12 exchange approved under this section may not include a right of members to dissent  
13 if prohibited by the Act.

14 (d) A director or officer of a corporation organized under the Act is not  
15 personally liable to the contract creditors specified in AS 10.21.440 except as  
16 otherwise provided by law.

17 (e) Notwithstanding the provisions of AS 10.21.450 - 10.21.460, a corporation  
18 organized under the Act may amend its articles by a vote of the board of directors in  
19 order for the corporation to comply with the mandatory requirements of the Act.

20 (f) Notwithstanding the other provisions of this chapter, a corporation  
21 organized under the Act is governed by the Act to the extent the Act is inconsistent  
22 with this chapter, and the corporation may take any action, including amendment of  
23 its articles, authorized by the Act, and the action is considered to be approved and  
24 adopted if approved under the Act. An amendment approved under the Act and  
25 delivered to the commissioner under AS 10.21.463 shall be filed by the commissioner  
26 under AS 10.21.905, and a certificate of amendment shall be issued.

27 (g) Notwithstanding AS 10.21.180, the directors of the corporation organized  
28 under the Act may, from time to time, distribute to its members in partial liquidation  
29 a portion of the corporation's assets out of capital, in cash or property, except that a  
30 distribution

31 (1) may not be made at a time when the corporation is, or as a result

1 of the distribution would be, likely to be unable to meet its liabilities as they mature;

2 (2) may not be made unless the articles of incorporation authorize the  
3 board to make the distribution or the distribution is authorized by the affirmative vote  
4 of at least two-thirds of the shareholders;

5 (3) when made, shall be identified as a distribution in partial liquidation  
6 and the amount for each membership shall be disclosed to the members concurrently  
7 with the distribution.

8 (h) For the purposes of this chapter, in the Act

9 (1) "stock" means a membership;

10 (2) "stockholder" means a member.

11 (i) In this section, "Act" means 43 U.S.C. 1601 - 1629f (Alaska Native Claims  
12 Settlement Act).

13 **Sec. 10.21.975. Reservation of power.** The legislature reserves the right, at  
14 the legislature's pleasure, to alter, amend, suspend, or repeal, in whole or in part, this  
15 chapter or a certificate of incorporation or the authority to conduct affairs in this state  
16 of a domestic or foreign corporation, whether or not existing or authorized as of the  
17 effective date of this Act.

18 **Sec. 10.21.980. Signature.** If a person signs by using a mark, the signer's  
19 name shall be written near the mark by a witness who shall write the witness' own  
20 name near the signer's name. A signature by mark can be acknowledged or can serve  
21 as a signature to a sworn statement.

22 **Sec. 10.21.985. Rules of construction governing.** (a) Unless a provision or  
23 the context otherwise requires, the general provisions and rules of construction in this  
24 section govern this chapter.

25 (b) When, by the provisions of this chapter, a power is granted to, or a duty  
26 imposed on, a public officer, the power may be exercised or the duty performed by a  
27 deputy of the officer or by a person authorized, under law, by the officer, unless this  
28 chapter expressly provides otherwise.

29 (c) When a notice, report, statement, or record is required or authorized by this  
30 chapter, it shall be made in writing in a manner reasonably calculated to communicate  
31 the notice, report, statement, or record to the recipient.

1 (d) A reference in this chapter to mailing means first class mail, postage  
2 prepaid, unless certified mail is specified.

3 (e) Subject to a specific accounting treatment required by a particular section  
4 of this chapter,

5 (1) references in this chapter to financial statements, balance sheets, and  
6 income statements and references to assets, liabilities, income, and similar accounting  
7 items of a corporation mean financial statements or accounting items prepared or  
8 determined fairly and reasonably to present the purported matters;

9 (2) financial statements prepared or determined in accordance with  
10 generally accepted accounting principles then applicable are fair and reasonable; the  
11 fair and reasonable quality of statements and determinations prepared under other  
12 practices and principles shall be proved by the corporation;

13 (3) references in this chapter to financial statements mean, in the case  
14 of a corporation that has subsidiaries, consolidated statements of the corporation and  
15 its subsidiaries, and all references to accounting items mean items determined on a  
16 consolidated basis in accordance with consolidated financial statements.

17 (f) A reference in this chapter to the time a notice is given or sent means

18 (1) if the notice is written, when notice is deposited in the United  
19 States mail with postage prepaid, personally delivered to the recipient, delivered to a  
20 common carrier for transmission, or actually transmitted by electronic means to the  
21 recipient; or

22 (2) if the notice is oral, when the notice is communicated in person or  
23 by electronic means to the recipient or to a person at the office of the recipient who  
24 the person giving the notice has reason to believe will promptly communicate it to the  
25 recipient.

26 (g) Since there are fundamental differences between for-profit and nonprofit  
27 corporations, it is not necessary to construe language in this chapter to have the same  
28 meaning as similar or identical language in AS 10.06.

29 **Sec. 10.21.990. Definitions.** In this chapter, unless the context otherwise  
30 requires,

31 (1) "acknowledged" means that a document is accompanied by a

1 certificate of its acknowledgment as provided in AS 09.63;

2 (2) "affiliate" means a person that directly or indirectly through one or  
3 more intermediaries controls, is controlled by, or is under common control with, a  
4 corporation subject to this chapter;

5 (3) "alien" means

6 (A) an individual who is not a citizen or national of the United  
7 States, or who is not lawfully admitted to the United States for permanent  
8 residence or paroled into the United States under 8 U.S.C. 1101 - 1503,  
9 (Immigration and Nationality Act);

10 (B) a person, other than an individual, that was not created or  
11 organized under the laws of the United States or of a state, or whose principal  
12 office is not located in a state; or

13 (C) a person, other than an individual, that was created or  
14 organized under the laws of the United States or of a state, or whose principal  
15 office is located in a state, and that is controlled by a person described in (A)  
16 or (B) of this paragraph;

17 (4) "approved by a majority of all members" or "approval of a majority  
18 of all members" means approval by an affirmative vote or written ballot of a majority  
19 of the votes entitled to be cast; this approval includes the affirmative vote of

20 (A) a majority of the outstanding memberships of each class,  
21 unit, or grouping of members entitled by the articles or the bylaws to vote as  
22 a class, unit, or grouping of members on the subject matter; or

23 (B) a greater proportion, including all, of the memberships of  
24 a class, unit, or grouping of members, if a greater proportion is required by this  
25 chapter or the articles;

26 (5) "approved by a majority of the entire board" or "approval of a  
27 majority of the entire board" means approval by an affirmative vote or written ballot  
28 of a majority of the entire board;

29 (6) "approved by the board" or "approval of the board" means approved  
30 or ratified by the vote of the board or by a committee authorized to exercise the  
31 powers of the board, except as to matters not within the competence of a committee

1 under AS 10.21.390;

2 (7) "approved by the members" or "approval of the members" means  
3 approved or ratified by the affirmative vote of a majority of the memberships entitled  
4 to vote represented at a duly held meeting at which a quorum is present, or of a  
5 greater proportion, including all, of the memberships of a class if a greater proportion  
6 is required by this chapter or the articles for specified member action;

7 (8) "articles" or "articles of incorporation" means the original or  
8 restated articles of incorporation and all amendments and includes articles of merger;

9 (9) "books, records, and minutes" or "books, records, or minutes"  
10 means the items a corporation must keep under AS 10.21.298;

11 (10) "bylaws" means a code of rules adopted for the regulation or  
12 management of the affairs of the corporation irrespective of the name by which these  
13 rules are known;

14 (11) "certified mail" includes registered mail;

15 (12) "commissioner" means the commissioner of commerce and  
16 economic development or a designee of the commissioner;

17 (13) "control" or "controlling interest" means

18 (A) the power to elect or designate one or more members of the  
19 board of directors in the case of a foreign or domestic corporation having five  
20 or fewer directors; or

21 (B) the power to elect or designate 20 percent or more of the  
22 members of the board of directors in the case of a foreign or domestic  
23 corporation having more than five directors;

24 (14) "corporation" means a nonprofit corporation subject to the  
25 provisions of this chapter, but does not include a foreign corporation;

26 (15) "corporation without members" includes a domestic corporation  
27 in which the directors are the only members;

28 (16) "department" means the Department of Commerce and Economic  
29 Development;

30 (17) "director" means a natural person who is a member of the  
31 governing board of a corporation, irrespective of the title by which the person is

1 known;

2 (18) "domestic corporation" means a nonprofit corporation subject to  
3 the provisions of this chapter, but does not include a foreign corporation;

4 (19) "donation" includes the transfer of any legal consideration if the  
5 transferor becomes entitled to a charitable tax deduction upon transfer; "donation" does  
6 not include a grant or other transfer from or by a state, federal, municipal, or other  
7 governmental agency or body;

8 (20) "entire board" means the total number of directors of a corporation  
9 if there are not any vacancies;

10 (21) "filed" means filed in the office of the commissioner unless  
11 otherwise expressly provided;

12 (22) "foreign corporation" means a corporation organized under laws  
13 other than the laws of this state that would, if formed in this state, be either a mutual  
14 benefit corporation or a public benefit corporation;

15 (23) "insolvent" means the inability of a corporation to pay its debts  
16 as they become due in the regular course of business;

17 (24) "knowingly" has the meaning given in AS 11.81.900;

18 (25) "member" means a person having membership rights in a  
19 corporation under the provisions of its articles of incorporation or bylaws;

20 (26) "mutual benefit corporation" means a domestic corporation other  
21 than a public benefit corporation;

22 (27) "nonprofit corporation" means a corporation

23 (A) formed exclusively for a purpose for which a corporation  
24 may be formed under this chapter and not for pecuniary profit or financial gain;  
25 and

26 (B) in which no part of the assets, income, or profits of the  
27 corporation is distributable to, or inures to the benefit of, its members,  
28 directors, or officers except to the extent permitted under this chapter;

29 (28) "organic change" means a merger, consolidation, or sale of assets  
30 other than in the regular course of business;

31 (29) "proxy" means a written authorization signed by a member or the

1 member's attorney-in-fact giving another person power to vote with respect to the  
2 membership of the member; in this paragraph, "signed" means the placing of the  
3 member's name on the proxy by manual signature by the member or by the member's  
4 attorney-in-fact;

5 (30) "proxy holder" means the person to whom a proxy is given;

6 (31) "public benefit corporation" means a domestic corporation

7 (A) formed for a public or charitable purpose;

8 (B) that derives more than 10 percent of its annual income from  
9 donations; or

10 (C) without voting members or whose only members are its  
11 directors or officers;

12 (32) "religious corporation" means a corporation that may be organized  
13 under AS 10.41 or under the comparable law of another jurisdiction;

14 (33) "signature" includes a mark if the person cannot write;

15 (34) "state" means a state of the United States, the District of  
16 Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam,  
17 the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or any  
18 other territory or possession of the United States;

19 (35) "subsidiary" of a specified corporation means a corporation in  
20 which the specified corporation holds a controlling interest;

21 (36) "surviving corporation" means a corporation into which one or  
22 more other corporations are merged;

23 (37) "vacancy," when used with respect to the board, means an  
24 authorized position of director that is not then filled by a duly elected director, whether  
25 caused by death, resignation, removal, change in the authorized number of directors,  
26 or otherwise;

27 (38) "verified" means certified as true under in AS 09.63.040;

28 (39) "vote" includes authorization by written consent, subject to the  
29 provisions of AS 10.21.285 and 10.21.405(b);

30 (40) "writing" includes any form of recorded message capable of  
31 comprehension by ordinary visual means.

1                   **Sec. 10.21.995. Short title.** This chapter may be cited as the Alaska Nonprofit  
2                   Corporations Code.

3                   \* **Sec. 2.** AS 10 is amended by adding a new chapter to read:

4                                   **Chapter 41. Religious Corporations.**

5   **Article 1. Corporate Purpose and Powers.**

6                                   **Sec. 10.41.005. Purposes for which authorized.** A corporation may be  
7                   formed for acquiring, holding, or disposing of church or religious society property for

8   (1) the benefit of religion;

9   (2) works of charity and education; or

10    (3) public worship.

11                           **Sec. 10.41.010. Corporate powers.** A corporation organized under this  
12                   chapter may

13    (1) acquire by donation, gift, bequest, devise, or purchase, may hold  
14                   and maintain real and personal property, and may grant, sell, convey, or otherwise  
15                   dispose of property as may be necessary to carry on or promote the purposes of the  
16                   corporation, but not for the purpose of obtaining revenue or profits from the property;

17    (2) borrow money and give written obligations for repayment, and give  
18                   mortgages or other liens on real or personal property to secure payment of written  
19                   obligations, when necessary to promote the purposes of the corporation;

20    (3) enter into contracts;

21    (4) sue and be sued;

22    (5) establish and maintain a cemetery subject to the provisions of  
23                   AS 10.30;

24    (6) adopt and use a common seal by which all deeds and acts of the  
25                   corporation may be authenticated;

26    (7) make and alter bylaws, which may not be inconsistent with its  
27                   articles or with the laws of the state, for the administration and regulation of the affairs  
28                   of the corporation;

29    (8) pay pensions and establish pension plans, pension trusts, and other  
30                   incentive plans for its officers and employees;

31    (9) act as a trustee under a trust incidental to the principal affairs of the

1 corporation, and receive, hold, administer, exchange, and expend money and property  
2 subject to the trust;

3 (10) have and exercise all powers necessary or convenient to carry out  
4 the purposes for which the corporation was organized.

5 **Sec. 10.41.015. Limitations on authority of corporate agents.** (a) A  
6 limitation on the powers of the corporation sole, trustees, members, or officers, or on  
7 the manner of exercise of their powers, contained in or implied by the articles, bylaws,  
8 or action of the trustees, members, or officers, or by AS 10.41.300 - 10.41.455, may  
9 not be asserted as between the corporation, or a member, and a third person, except  
10 in a proceeding

11 (1) by a member or the state to enjoin the doing or continuance of  
12 unauthorized business by the corporation or its officers, or both, in cases where third  
13 parties have not acquired rights under AS 10.41.020;

14 (2) to dissolve the corporation; or

15 (3) by the corporation or by a member suing in a representative suit for  
16 violation of the duties of the corporation sole, trustee, member, or officer.

17 (b) This section also applies to contracts, undertakings, and conveyances made  
18 by foreign corporations in this state and to conveyances by foreign corporations of real  
19 property situated in this state.

20 **Sec. 10.41.020. Contracts or conveyances binding corporation.** (a) A  
21 contract or conveyance made in the name of the corporation that is authorized or  
22 ratified by the corporation sole, trustees, or members or that is done within the scope  
23 of the authority, actual or apparent, conferred by the corporation sole, trustees, or  
24 members, or within the agency powers of the officers executing it, except as the  
25 authority is limited by law, binds the corporation, and the corporation acquires rights  
26 under the contract, whether the contract is executed or is wholly or in part executory.

27 (b) This section also applies to contracts and conveyances made by foreign  
28 corporations of real property situated in this state.

29 **Article 2. Name and Service of Process.**

30 **Sec. 10.41.030. Corporate name.** (a) Depending on the election of  
31 organizational form under AS 10.41.105(a)(6), a corporation organized under this

1 chapter shall adopt one of the following as its corporate name:

2 (1) in the case of a corporation sole, the corporate name must be the  
3 same as the office within the church or religious denomination held by the incorporator  
4 and must be followed by the words "and successors, a corporation sole";

5 (2) in the case of a trustee corporation, the corporate name must  
6 conclude with the words "a trustee corporation," may include a reference to the  
7 denomination, and may include a reference to a church, temple, synagogue, or other  
8 term designating a congregation or house of worship;

9 (3) in the case of a membership corporation, the corporate name must  
10 conclude with the words "a membership corporation," may include a reference to the  
11 denomination, and may include a reference to a church, temple, synagogue, or other  
12 term designating a congregation or house of worship.

13 (b) The name of the corporation may not

14 (1) contain a word or phrase that indicates or implies that it is  
15 organized for a purpose other than the purpose contained in its articles or that it is  
16 authorized or empowered to conduct the business of banking or insurance;

17 (2) contain the word "city," "borough," or "village," or otherwise imply  
18 that the corporation is a municipality, but the name of a city, borough, or village may  
19 be used in the corporate name;

20 (3) be the same name as, or deceptively similar to, the name of a  
21 domestic corporation existing under the laws of this state, the name of a foreign  
22 corporation authorized to conduct affairs in this state, or a name the exclusive right to  
23 which is reserved in the manner provided in this title.

24 **Sec. 10.41.035. Reservation of corporate name.** The exclusive right to the  
25 use of a corporate name may be reserved by a

26 (1) person intending to organize a domestic corporation under this  
27 chapter;

28 (2) domestic corporation intending to change its name;

29 (3) foreign corporation intending to apply for a certificate of authority  
30 to conduct affairs in this state;

31 (4) foreign corporation authorized to conduct affairs in this state and

1 intending to change its name; or

2 (5) person intending to organize a foreign corporation and to have it  
3 apply for a certificate of authority to conduct affairs in this state.

4 **Sec. 10.41.040. Application to reserve corporate name.** Reservation of a  
5 corporate name is made by filing an application with the commissioner. If the  
6 commissioner finds that the name is available for corporate use and is not a reserved  
7 or registered business name under AS 10.35, the commissioner shall reserve it for the  
8 exclusive use of the applicant for a period of 120 days.

9 **Sec. 10.41.045. Transfer of reserved name.** The holder of a reserved  
10 corporate name may transfer the right to the exclusive use of the corporate name to  
11 another person by filing with the commissioner a notice of transfer signed by the  
12 holder and specifying the name and address of the transferee.

13 **Sec. 10.41.050. Registration of foreign corporation name.** A corporation  
14 organized and existing under the laws of any state may register its corporate name if  
15 the name is not the same as, or deceptively similar to, the name of a domestic  
16 corporation, the name of a foreign corporation authorized to conduct affairs in this  
17 state, or a corporate name reserved or registered under AS 10.35.

18 **Sec. 10.41.055. Use of same or deceptively similar name.** Incorporation,  
19 obtaining a certificate of authority by a foreign corporation, or registration of a  
20 corporate name gives the exclusive right to the use of the name. The person who has  
21 incorporated, received a certificate of authority, or registered a corporate name under  
22 this chapter may enjoin the use of the same name or a deceptively similar name and  
23 has a cause of action for damages against a person who uses the same name or  
24 deceptively similar name.

25 **Sec. 10.41.060. Procedure for registration of corporate name.** Registration  
26 of a corporate name is made by filing with the commissioner

27 (1) an application for registration executed by an officer of the  
28 corporation setting out the name of the corporation, the state under the laws of which  
29 it is incorporated, the date of incorporation, a statement that it is conducting affairs,  
30 and a brief statement of its corporate purposes; and

31 (2) a certificate from an official of the state where the corporation is

1 organized who has custody of the records pertaining to corporations stating that the  
2 corporation is in good standing under the laws of that state.

3 **Sec. 10.41.065. Fee for and duration of registered name.** (a) The  
4 department shall establish by regulation the fee for registration of a corporate name.

5 (b) The registration is effective until the close of the calendar year in which  
6 the application for registration is filed unless terminated earlier by involuntary  
7 dissolution in accordance with AS 10.41.300 - 10.41.455.

8 **Sec. 10.41.070. Renewal of registered name.** A foreign corporation that has  
9 registered its corporate name may renew the registration each year by (1) filing an  
10 application for renewal setting out the facts required in an original application for  
11 registration; (2) filing a certificate of good standing required for an original  
12 registration; and (3) paying a fee established by the department by regulation. An  
13 application for renewal shall be filed between October 1 and December 31 in each  
14 year. The renewal extends the registration for the following calendar year.

15 **Sec. 10.41.080. Service of process.** (a) A corporation organized under this  
16 chapter shall continuously maintain on file with the department the name and address  
17 of a person in this state designated to act as agent for the purpose of accepting service  
18 of process.

19 (b) When a corporation fails to designate an agent under (a) of this section and  
20 maintain this information on file, the commissioner is the agent upon whom process  
21 may be served. Service on the commissioner shall be made in the same manner as  
22 provided in AS 10.06.175.

### 23 **Article 3. Formation of Corporations.**

24 **Sec. 10.41.100. Incorporation of corporation sole, trustee corporation, or**  
25 **membership corporation.** (a) Whenever the rules or discipline of a church, religious  
26 congregation, or religious society permit or require its estate, property, temporalities,  
27 and business to be held in the name of or managed by a bishop, chief priest, or  
28 presiding elder, the bishop, chief priest, or presiding elder of the church, religious  
29 congregation, or religious society may incorporate as a corporation sole in the manner  
30 prescribed in this chapter.

31 (b) Individuals with an unincorporated church, religious congregation, or

1 religious society who are at least 18 years of age and are considered as belonging to  
 2 it may elect, appoint, or designate trustees and incorporate as a trustee corporation  
 3 under (c) - (e) of this section.

4 (c) In order for trustees to be elected, a written notice, signed by at least five  
 5 individuals, stating the time, place, and object of the meeting, must be posted at least  
 6 15 days before the meeting, at the place of worship of the church, religious  
 7 congregation, or religious society. At the time and place fixed in the notice, if at least  
 8 five individuals are present, they shall, by a plurality vote, elect a chair and secretary.  
 9 The chair and secretary shall together determine the qualifications of voters and receive  
 10 and count the votes. The voters shall, by a plurality vote, elect at least three and not  
 11 more than 15 individuals of their society as trustees, to take charge of its property and  
 12 temporal affairs. Immediately after the meeting, the chair and secretary shall sign and  
 13 acknowledge in the presence of two subscribing witnesses articles of incorporation  
 14 conforming to AS 10.41.105.

15 (d) When the constitution, rules, or usages of a church, religious congregation,  
 16 or religious society require that trustees be appointed by a minister, presiding elder,  
 17 or other officers, or by a body, the individual who appoints the trustees or the  
 18 presiding officer and secretary of the body shall execute, acknowledge, and deliver to  
 19 the trustees articles of incorporation conforming to AS 10.41.105.

20 (e) When the constitution, rules, and usages of a church, religious  
 21 congregation, or religious society declare that the ministers, elders, deacons, or other  
 22 officers elected by the church, congregation, or society according to the constitution,  
 23 rules, or usages are the trustees of the church, congregation, or society, those  
 24 designated individuals shall assemble, execute, and acknowledge articles of  
 25 incorporation conforming to AS 10.41.105.

26 (f) If a church, religious congregation, or religious society does not wish to  
 27 form as a corporation sole or as a trustee corporation, at least three individuals  
 28 belonging to the church, congregation, or society may incorporate as a membership  
 29 corporation by adopting articles of incorporation conforming to AS 10.41.105 and  
 30 electing the status of a membership corporation.

31 **Sec. 10.41.105. Mandatory content of articles of incorporation.** (a) The

1 articles of incorporation must set out

2 (1) the name of the corporation as provided in AS 10.41.030;

3 (2) the purpose for which the corporation is organized, which may be  
4 the conduct of any or all lawful affairs for which corporations may be incorporated  
5 under this chapter;

6 (3) the estimated value of the corporation's property at the time of  
7 executing the articles of incorporation;

8 (4) the name or title of the person or persons executing the articles;

9 (5) the address of the corporation's registered office in this state and  
10 the name and address of the person upon whom process may be served; and

11 (6) one of the following statements:

12 (A) "This corporation is a corporation sole and has elected to  
13 be so treated under the laws of the State of Alaska.";

14 (B) "This corporation is a trustee corporation and has elected  
15 to be so treated under the laws of the State of Alaska."; or

16 (C) "This corporation is a membership corporation and has  
17 elected to be so treated under the laws of the State of Alaska."

18 (b) It is not necessary to set out in the articles of incorporation the corporate  
19 powers enumerated in this chapter.

20 (c) A provision of the articles of incorporation that is inconsistent with a bylaw  
21 is controlling, notwithstanding the bylaw.

22 **Sec. 10.41.110. Optional provisions in articles of incorporation.** The  
23 articles of incorporation may set out

24 (1) any of the following provisions, which are not effective unless  
25 expressly provided in the articles:

26 (A) in the case of a corporation sole, trustee corporation, or  
27 membership corporation, a provision

28 (i) limiting the duration of the corporation's existence  
29 to a specified date;

30 (ii) limiting or restricting the affairs in which the  
31 corporation may engage or the powers that the corporation may

1 exercise, or both;

2 (iii) authorizing the corporation to merge or consolidate  
3 with a surviving or resulting corporation as long as the surviving or  
4 resulting corporation is also governed by this chapter;

5 (B) in the case of a trustee corporation,

6 (i) the name of the religious denomination to which the  
7 corporation belongs;

8 (ii) the names and addresses of the persons appointed to  
9 act as initial trustees;

10 (iii) the terms of office, method of selection, and  
11 qualifications, if any, for future trustees;

12 (iv) a provision requiring, for a corporate action, the  
13 vote of a larger proportion of or all of the trustees than is otherwise  
14 required under AS 10.41.145(a);

15 (C) in the case of a membership corporation,

16 (i) the name of the religious denomination to which the  
17 corporation belongs;

18 (ii) the qualifications, if any, for members;

19 (iii) the officers, the manner of their selection, their  
20 terms of office, and the functions, powers, and duties of the offices that  
21 are created for the governance of the internal affairs of the corporation;

22 (iv) a provision fixing a quorum of members other than  
23 a majority of the members entitled to vote, which may not be less than  
24 10 percent of the members entitled to vote at a meeting;

25 (v) a provision requiring, for any or all corporate  
26 actions, the vote of a larger proportion or of all of the members than is  
27 otherwise required under AS 10.41.150 or by this chapter;

28 (vi) a provision stating that a member or a group or  
29 class of members has more or less than one vote, or does not have a  
30 vote, in any or all elections or other matters presented to the members  
31 for a vote;

1 (2) any other provision not in conflict with law for the regulation of  
2 internal affairs and for the conduct of the affairs of the corporation, including any  
3 provision that is required or permitted by this chapter to be stated in the bylaws.

4 **Sec. 10.41.120. Filing of articles of incorporation.** Duplicate originals of the  
5 articles of incorporation shall be delivered to the commissioner for processing under  
6 AS 10.41.800 and for issuance of a certificate of incorporation.

7 **Sec. 10.41.125. Disclosure of corporate purpose.** A person presenting  
8 articles of incorporation under AS 10.41.120 shall deliver, with the articles, a separate  
9 statement of the codes, from the identification codes established under AS 10.06.870,  
10 that most closely describe the activities in which the corporation will initially engage.

11 **Sec. 10.41.130. Effect of issuance of certificate of incorporation.** (a) The  
12 corporate existence begins upon the issuance of the certificate of incorporation.

13 (b) The certificate of incorporation is conclusive evidence that all conditions  
14 precedent required to be performed have been satisfied and that the corporation has  
15 been incorporated.

16 (c) Issuance of the certificate does not affect the right of the state to bring a  
17 proceeding to cancel or revoke the certificate of incorporation or for involuntary  
18 dissolution of the corporation.

19 (d) The doctrines of de jure compliance, de facto corporations, and  
20 corporations by estoppel are abolished for religious corporations.

21 **Sec. 10.41.135. Assumption of purported powers of nonexistent**  
22 **corporation; liability.** Persons who assume to act as a corporation for which a  
23 certificate of incorporation has not been issued under AS 10.41.130 are jointly and  
24 severally liable for debts and liabilities incurred or arising as a result of that action.

25 **Sec. 10.41.140. Organizational meeting of trustee corporation.** After the  
26 issuance of a certificate of incorporation, an organizational meeting of the trustees  
27 named in the articles shall be held, at the call of the majority of the trustees named in  
28 the articles, for the purposes of adopting bylaws, electing officers, and transacting  
29 other business that may come before the meeting. Those calling the meeting shall give  
30 at least 20 days' notice of the meeting by mail to each trustee named. The notice must  
31 state the time and place of the meeting.

1                   **Sec. 10.41.145. Actions by trustees and committees of trustee corporation.**

2                   (a) A majority of the number of trustees fixed by the articles or bylaws constitutes a  
3                   quorum for the transaction of business unless a greater number is required by the  
4                   articles under AS 10.41.110. The act of a majority of the trustees present at a meeting  
5                   at which a quorum is present is the act of the corporation, unless the act of a greater  
6                   number is required by the articles under AS 10.41.110 or by this chapter.

7                   (b) The provisions of this section apply to committees of the trustees and  
8                   action by committees.

9                   **Sec. 10.41.150. Action by members of membership corporation.** A majority  
10                  of the members of a membership corporation constitutes a quorum for the transaction  
11                  of business unless a greater number is required by the articles under AS 10.41.110.  
12                  The act of a majority of the members present at a meeting at which a quorum is  
13                  present is the act of the corporation, unless the act of a greater number is required by  
14                  the articles under AS 10.41.110 or by this chapter.

15                  **Sec. 10.41.155. Adoption of bylaws.** Bylaws may be adopted in the following  
16                  manner:

17                         (1) in the case of a corporation sole, by the person who executed the  
18                         original articles of incorporation or by a successor in office;

19                         (2) in the case of a trustee corporation, by approval of the trustees;

20                         (3) in the case of a membership corporation, by approval of the  
21                         members.

22                  **Sec. 10.41.160. Content of bylaws.** The bylaws may contain any provision,  
23                  that does not conflict with law or the articles for the regulation of the internal affairs  
24                  and for the conduct of the affairs of the corporation, including

25                         (1) a provision referred to in AS 10.41.110(2);

26                         (2) the time, place, and manner of calling, conducting, and giving  
27                         notice of meetings of trustees, members, and committees;

28                         (3) the creation and authority of committees of the members or trustees;

29                         and

30                         (4) the manner and means of disposing or distributing assets under  
31                         AS 10.41.310(4) or 10.41.395(5) following dissolution.

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**Article 4. Finance.**

**Sec. 10.41.170. Donated assets held in charitable trust.** (a) A donation received by a domestic corporation, or by a foreign corporation from a source in the state, shall be held in charitable trust.

(b) In the absence of a written agreement between a donor and the corporation defining the terms of the charitable trust, acceptance of

(1) an unsolicited donation by the corporation implies as terms of the trust that the donation shall be applied to the religious or charitable purposes stated in the articles at the time of the donation or as amended in conformity with this chapter and may not be used for another purpose;

(2) a solicited donation by the corporation implies as a term of the trust that the donation shall be applied to the purpose or purposes stated in the solicitation and may not be used for another purpose.

**Sec. 10.41.175. Action to remedy breach of charitable trust.** (a) The following may bring an action to enjoin, correct, obtain damages for, or otherwise remedy a breach of a charitable trust established under AS 10.41.170:

- (1) the corporation;
- (2) an officer of the corporation;
- (3) a trustee of the corporation;
- (4) a donor or a person with a reversionary, contractual, or other property interest in the assets subject to the charitable trust; or
- (5) the commissioner.

(b) The plaintiff shall give notice to the commissioner of an action under (a) of this section, and the commissioner may intervene in that action.

(c) The rights and remedies prescribed by this section are cumulative and in addition to other rights or remedies available to a donor against a donee corporation or a trustee, an officer, or a member of a donee corporation.

**Sec. 10.41.180. Disposition of assets in regular course of activities; mortgage or pledge of assets.** (a) The sale, lease, exchange, or other disposition of all, or substantially all, of the property and assets of a corporation organized under this chapter in the usual and regular course of its activities, and the mortgage or pledge of

1 property and assets, whether or not in the usual and regular course of its activities,  
2 may be made on terms and conditions and for consideration as approved by

3 (1) the corporation sole, if the corporation is a corporation sole;

4 (2) a majority of all the trustees, if the corporation is a trustee  
5 corporation;

6 (3) a majority of all the members, if the corporation is a membership  
7 corporation.

8 (b) This section and the other provisions of this chapter do not authorize a  
9 sale, lease, exchange, or disposition prohibited by

10 (1) another law, including the law of trusts, charitable trusts, and  
11 contracts; or

12 (2) the articles or bylaws.

### 13 **Article 5. Amendments and Changes.**

14 **Sec. 10.41.200. Amendments to articles of incorporation.** By complying  
15 with the provisions of this chapter, a corporation may amend its articles of  
16 incorporation from time to time and in any and as many respects as may be desired  
17 if its articles, as amended, contain only provisions that would be lawful to insert in  
18 original articles of incorporation filed when the amendment is filed.

19 **Sec. 10.41.210. Procedure to amend articles of incorporation.** (a) The  
20 articles may be amended or repealed, in the case of

21 (1) a corporation sole, by the person who executed the original articles  
22 of incorporation or by a successor in office;

23 (2) a trustee corporation, unless the articles require a vote of a larger  
24 proportion or of all of the trustees under AS 10.41.110, by approval of the trustees;

25 (3) a membership corporation, unless the articles require a vote of a  
26 larger proportion or of all of the members under AS 10.41.110, by approval of the  
27 members.

28 (b) The amendment or amendments shall be filed with the commissioner in the  
29 same manner as is provided for filing the original articles.

### 30 **Article 6. Organic Change.**

31 **Sec. 10.41.230. Authorization in articles.** If the articles of incorporation

1 contain a provision under AS 10.41.110 authorizing the corporation to merge or  
2 consolidate, a corporation organized under this chapter may merge with or consolidate  
3 into another corporation also governed by this chapter.

4 **Sec. 10.41.240. Procedure for merger or consolidation.** (a) To merge or  
5 consolidate, a written plan of merger or consolidation shall be adopted, in the case of

6 (1) a corporation sole, by the person who executed the original articles  
7 or by a successor in office;

8 (2) a trustee corporation, unless the articles require a vote of a larger  
9 proportion or of all of the trustees under AS 10.41.110, by approval of the trustees;

10 (3) a membership corporation, unless the articles require a vote of a  
11 larger proportion or of all of the members under AS 10.41.110, by approval of the  
12 members.

13 (b) The written plan must set out

14 (1) the names of the corporations proposing to merge or consolidate  
15 and the name of the surviving or resulting corporation;

16 (2) the terms and conditions of the proposed merger or consolidation;

17 (3) a statement of changes in the articles or bylaws of the surviving or  
18 resulting corporation;

19 (4) if the surviving or resulting corporation is entitled to receive gifts,  
20 devises, bequests, legacies, or other transfers or assignments of money, real property,  
21 personal property, mixed property, or an asset impressed with a charitable trust under  
22 AS 10.41.170, a statement that the property may not be diverted from the uses and  
23 purposes for which it was originally received by the constituent corporations or from  
24 the uses and purposes for which it was expressed and intended;

25 (5) a certification that each corporation has adopted the plan in  
26 accordance with its constitution, canon law, or other general provisions for the  
27 governance of its affairs; and

28 (6) other provisions of the merger or consolidation considered necessary  
29 and desirable.

30 **Sec. 10.41.250. Filing of articles of merger or consolidation.** Duplicate  
31 originals of the articles of merger or consolidation shall be delivered to the

1 commissioner for processing according to AS 10.41.800 and for the issuance of a  
2 certificate of merger or consolidation.

3 **Sec. 10.41.260. Effect of merger or consolidation.** (a) A merger or  
4 consolidation is effective upon the issuance of a certificate of merger or consolidation  
5 by the commissioner, or on a later date, not more than 30 days after the filing of the  
6 certificate with the commissioner, as provided in the plan.

7 (b) When a merger or consolidation has become effective,

8 (1) the corporations that are parties to the plan of merger or  
9 consolidation are a single corporation that, in the case of a merger, is the corporation  
10 designated in the plan of merger as the surviving corporation and, in the case of a  
11 consolidation, is the resulting corporation provided for in the plan of consolidation;

12 (2) the separate existence of all corporations or parties to the plan of  
13 merger or consolidation, except the surviving or resulting corporation, ceases;

14 (3) a surviving or resulting corporation has all the rights, privileges,  
15 immunities, and powers, and is subject to all the duties and liabilities, of a corporation  
16 organized under this chapter;

17 (4) the surviving or resulting corporation possesses all the public and  
18 private rights, privileges, immunities, and franchises of each of the merging or  
19 consolidating corporations; all real property, personal property, and mixed property,  
20 all debts due on whatever account, all other choses in action, and every other interest  
21 of, belonging to, or due to each of the merged or consolidated corporations are  
22 transferred to and vested in the corporation without further act; and the title to real  
23 estate, or to an interest in real estate, vested in any of the corporations may not revert  
24 and is not in any way impaired by reason of a merger or consolidation, except that  
25 property received by a corporation by a conditional grant or similar device remains  
26 subject to the same conditions as if the merger or consolidation had not occurred;

27 (5) the surviving or resulting corporation is responsible and liable for  
28 all the liabilities and obligations of each of the merged or consolidated corporations;  
29 an existing claim, a pending action, or a pending proceeding by or against the merged  
30 or consolidated corporations may be prosecuted as if the merger or consolidation had  
31 not taken place, or the surviving or resulting corporation may be substituted in its

1 place; the rights of creditors or any liens on any of the property of the merged or  
2 consolidated corporation are not impaired by the merger or consolidation;

3 (6) in the case of a merger, the articles of incorporation of the  
4 surviving corporation are considered to be amended to the extent that changes in its  
5 articles are stated in the plan of merger; in the case of a consolidation, the statements  
6 that are set out in the articles of consolidation and that are required or permitted to be  
7 set out under AS 10.41.105 and 10.41.110 in the articles of corporations organized  
8 under this chapter are considered to be the original articles of incorporation of the  
9 resulting corporation.

### 10 **Article 7. Dissolution.**

11 **Sec. 10.41.300. Voluntary dissolution.** A corporation organized under this  
12 chapter may elect to wind up and dissolve, in the case of

13 (1) a corporation sole, by the approval of the corporation sole;

14 (2) a trustee corporation, by the approval of the trustees;

15 (3) a membership corporation, by approval of the members.

16 **Sec. 10.41.305. Filing of election to wind up and dissolve.** (a) A  
17 corporation organized under this chapter that has elected to wind up and dissolve shall  
18 file a certificate evidencing the election with the commissioner.

19 (b) The certificate shall be signed and verified, in the case of

20 (1) a corporation sole, by the corporation sole;

21 (2) a trustee corporation, by a majority of the trustees then in office;

22 (3) a membership corporation, by one or more members authorized to  
23 do so by approval of a majority of all the members.

24 (c) The certificate must contain

25 (1) the name of the corporation;

26 (2) a statement that the corporation has elected to wind up and dissolve  
27 and the reason for the action;

28 (3) a statement that the dissolution has been duly authorized in order  
29 to administer the affairs, property, and temporalities of the corporation;

30 (4) if the election was made by the corporation sole, a statement to that  
31 effect;

1 (5) if the election was made by the trustees, a statement that the  
2 election was approved by a majority of all the trustees;

3 (6) if the certificate is executed by a member, a statement that the  
4 person executing the certificate is authorized to execute the certificate by approval of  
5 a majority of all the members, a statement of the number of votes for the election, and  
6 a statement that the election was made by approval of a majority of all the members.

7 **Sec. 10.41.310. Distribution of assets.** The assets of a corporation in the  
8 process of dissolution shall be applied and distributed in the following order:

9 (1) all liabilities and obligations of the corporation shall be paid and  
10 discharged, or adequate provision shall be made for them;

11 (2) assets held by the corporation on condition requiring return,  
12 transfer, or conveyance shall, if the condition occurs by reason of the dissolution, be  
13 returned, transferred, or conveyed in accordance with the condition;

14 (3) assets received and held by the corporation subject to limitations  
15 permitting their use only for charitable, religious, eleemosynary, benevolent,  
16 educational, or similar purposes, or held in charitable trust under terms of  
17 AS 10.41.170, but not held on a condition requiring return, transfer, or conveyance by  
18 reason of the dissolution, shall be transferred or conveyed to one or more corporations  
19 organized under this chapter engaged in activities substantially similar to those of the  
20 dissolving corporation under a plan of distribution adopted as provided in this chapter;

21 (4) assets remaining after disposition under (1) - (3) of this section shall  
22 be distributed in accordance with the provisions of the articles or bylaws.

23 **Sec. 10.41.315. Revocation of election to wind up and dissolve corporation.**

24 (a) A voluntary election to wind up and dissolve under AS 10.41.305 may be revoked  
25 before distribution of assets

26 (1) by the corporation sole, if the election was made under  
27 AS 10.41.300(1);

28 (2) by approval of a majority of all the trustees, if the election was  
29 made under AS 10.41.300(2);

30 (3) by approval of a majority of all the members, if the election was  
31 by the members under AS 10.41.300(3).

1 (b) After a revocation, a certificate evidencing the revocation shall be signed,  
2 verified, and filed in the same manner prescribed under AS 10.41.305(a) and (b).

3 (c) The certificate required by (b) of this section must contain

4 (1) a statement that the corporation has revoked its election to wind up  
5 and dissolve;

6 (2) a statement that assets have not been distributed as a result of the  
7 election;

8 (3) in the case of a corporation sole, a statement that the election to  
9 revoke was made by the corporation sole;

10 (4) in the case of a trustee corporation, a statement that the election to  
11 revoke was made by a majority of all the trustees;

12 (5) in the case of a membership corporation, a statement that the  
13 election was made by a majority of all the members.

14 **Sec. 10.41.320. Commencement and conduct of voluntary dissolution.** (a)  
15 Voluntary proceedings for winding up the corporation commence with the approval  
16 required under AS 10.41.300.

17 (b) If a voluntary proceeding for winding up has commenced, in the case of

18 (1) a corporation sole, the corporation sole shall continue to act and has  
19 full powers to wind up and settle the corporation's affairs before and after filing of the  
20 certificate of dissolution;

21 (2) a trustee corporation, the trustees shall continue to act and have full  
22 powers to wind up and settle the corporation's affairs before and after filing of the  
23 certificate of dissolution;

24 (3) a membership corporation, the members shall continue to act and  
25 have full powers to wind up and settle the corporation's affairs before and after filing  
26 of the certificate of dissolution;

27 (c) If a voluntary proceeding for winding up has commenced, the corporation  
28 shall cease to conduct its activities except to the extent necessary for beneficial  
29 winding up, to carry out the corporation's purposes, and to protect assets held in  
30 charitable trust. Written notice of the dissolution shall be prominently posted in the  
31 place or places of customary worship and shall also be given by mail to all known

1 creditors and claimants whose addresses appear on the records of the corporation and  
2 to the commissioner.

3 **Sec. 10.41.325. Jurisdiction and power of court over voluntary winding up.**

4 If a corporation organized under this chapter is in the process of a voluntary winding  
5 up, the superior court, on the petition of the corporation, the commissioner, or three  
6 or more creditors of the corporation, and on notice to the persons and creditors that the  
7 court may order, may take jurisdiction over the voluntary winding-up proceeding if it  
8 appears necessary for the protection of a party in interest, of the assets held in  
9 charitable trust, or of the purposes served by the corporation. The court, if it assumes  
10 jurisdiction, may make orders on any or all matters concerning the winding up of the  
11 affairs of the corporation and the protection of the corporation's creditors, assets, and  
12 purposes. The provisions of AS 10.41.385 - 10.41.455 apply to court proceedings  
13 under this section.

14 **Sec. 10.41.330. Certificate of dissolution.** (a) If a corporation organized  
15 under this chapter has been completely wound up without court proceedings, the  
16 person or persons who conducted the dissolution under AS 10.41.320(b) shall sign and  
17 verify a certificate of dissolution stating that

18 (1) the corporation has been completely wound up;

19 (2) the corporation's known debts and liabilities have been paid or  
20 adequately provided for as far as the corporation's assets permitted, or that the  
21 corporation has not incurred known debts or liabilities; if there are known debts or  
22 liabilities as to which adequate provision for payment has been made, the certificate  
23 must state the name and address of the corporation, person, or governmental agency  
24 that has assumed or guaranteed the payment, or the name and address of the depository  
25 with which deposit has been made, and other information as necessary to enable the  
26 creditor or other person to whom payment is to be made to appear and claim payment  
27 of the debt or liability;

28 (3) the corporation's known assets have been distributed in conformity  
29 with AS 10.41.310 or that the corporation has not acquired assets; and

30 (4) the corporation is dissolved.

31 (b) The certificate of dissolution shall be filed with the commissioner. After

1 filing of the certificate of dissolution, the corporate existence ceases, except for the  
2 purpose of further winding up if needed.

3 **Sec. 10.41.335. Termination of corporation on expiration of term of**  
4 **existence.** Except as otherwise provided by law, if the term of existence for which a  
5 corporation organized under this chapter expires without renewal or extension, the  
6 corporation shall terminate its activities and wind up its affairs. After the affairs of the  
7 corporation have been wound up under this section, the person or persons who  
8 conducted the dissolution under AS 10.41.320(b) shall execute and file a certificate  
9 of dissolution conforming to the requirements in AS 10.41.330.

10 **Sec. 10.41.340. Petition for court order declaring corporation duly wound**  
11 **up and dissolved.** (a) Instead of filing a certificate of dissolution, the person or  
12 persons who conducted the dissolution under AS 10.41.320(b) may petition the  
13 superior court for an order declaring the corporation duly wound up and dissolved.  
14 The petition shall be filed in the name of the corporation.

15 (b) Upon the filing of a petition under (a) of this section, the court shall order  
16 all interested persons, including the commissioner, to show cause why an order should  
17 not be made declaring the corporation duly wound up and dissolved. The order shall  
18 be served by notice to all creditors, claimants, and any other persons as the court shall  
19 order. Notice shall also be served upon the commissioner.

20 (c) A person claiming to be an interested party to the winding up and  
21 dissolution as a creditor, or otherwise, may appear in the proceeding at any time before  
22 the expiration of 30 days from the completion of publication of the order to show  
23 cause and contest the petition. The claim of a person who fails to appear within 30  
24 days is barred.

25 (d) Thirty days after the filing of a petition under (a) of this section, the court  
26 may issue an order declaring the corporation duly wound up and dissolved. This order  
27 has the effect prescribed in AS 10.41.435 and shall be filed in the same manner as  
28 provided under AS 10.41.440.

29 **Sec. 10.41.350. Bases for involuntary dissolution.** A corporation may be  
30 dissolved involuntarily by the commissioner when it is established that the corporation

31 (1) has failed to file any document or pay any fee or penalty required

1 under this chapter as provided in AS 10.41.720 or 10.41.740;

2 (2) procured its articles of incorporation through fraud;

3 (3) has continued to exceed or abuse the authority conferred upon it by  
4 law;

5 (4) has continued to violate the terms of any trust, any conditional gift,  
6 or the terms of AS 10.41.170;

7 (5) has failed for 30 days to appoint and maintain a registered agent in  
8 the state;

9 (6) has failed for 30 days after change of its registered agent to file in  
10 the office of the commissioner a statement of the change;

11 (7) has failed, within the time required by this chapter, to revoke or  
12 complete a plan of voluntary dissolution.

13 **Sec. 10.41.355. Notice to corporation.** If the commissioner determines that  
14 a corporation has given cause for involuntary dissolution, the commissioner shall, at  
15 least 60 days before a certificate of dissolution is issued, mail to the corporation by  
16 certified mail addressed to its registered office a notice setting out the bases for  
17 involuntary dissolution.

18 **Sec. 10.41.357. Action on assigned contracts of dissolved corporations.** An  
19 action arising out of a contract assigned by a corporation dissolved under  
20 AS 10.41.350 may be brought in the name of the assignee. The fact of assignment and  
21 of purchase by the plaintiff must be set out in the complaint or other process. The  
22 defendant may use any matter of defense that the defendant could have used in a court  
23 action on the claim by the corporation if it had not been dissolved.

24 **Sec. 10.41.360. Removal of basis for involuntary dissolution; reinstatement.**  
25 (a) A corporation dissolved under AS 10.41.350 may be reinstated within two years  
26 from the date of the certificate of involuntary dissolution if it is established to the  
27 satisfaction of the commissioner that, in fact, there was not a cause for the dissolution  
28 or that the delinquency, omission, or noncompliance resulting in dissolution has been  
29 corrected, and if the corporation pays two times the fees that the corporation would  
30 have paid had it not been dissolved during the two-year period.

31 (b) Service of process on a corporation dissolved under this section shall be

1 made in the same manner prescribed by law as if the corporation had not been  
2 dissolved.

3 **Sec. 10.41.365. Jurisdiction of court to liquidate assets and business of**  
4 **corporation.** The superior court may liquidate the assets and business of a corporation  
5 in the cases provided in AS 10.41.350, 10.41.370, 10.41.375, and 10.41.380.

6 **Sec. 10.41.370. Action seeking liquidation.** The superior court may liquidate  
7 the assets and wind up the affairs of a corporation organized under this chapter when  
8 it is established that

9 (1) the acts of those in control of the corporation are illegal, oppressive,  
10 or fraudulent;

11 (2) in the case of a trustee corporation, the trustees are deadlocked in  
12 the management of the corporate affairs, the articles fail to provide machinery for  
13 resolving the deadlock, and irreparable injury to the corporation is being suffered or  
14 is threatened by reason of the deadlock;

15 (3) in the case of a membership corporation, the members are  
16 deadlocked in voting power, the members have failed, over a period of six months to  
17 resolve the deadlock, and irreparable injury to the corporation is being suffered or is  
18 threatened by reason of the deadlock; or

19 (4) the corporate assets are being misapplied or wasted.

20 **Sec. 10.41.375. Action by creditor for liquidation.** (a) In an action by a  
21 creditor, the superior court may liquidate the assets and wind up the affairs of a  
22 corporation organized under this chapter when

23 (1) the claim of the creditor has been reduced to judgment and an  
24 execution on the judgment has been returned unsatisfied and it is established that the  
25 corporation is insolvent; or

26 (2) the corporation has admitted in writing that the claim of the creditor  
27 is due and owing and it is established that the corporation is insolvent.

28 (b) In this section, "insolvent" means the inability of a corporation to pay its  
29 debts as they become due in the regular course of business.

30 **Sec. 10.41.380. Liquidation on application by corporation.** If a corporation  
31 that has filed a statement of intent to dissolve as provided in this chapter applies to

1 have its liquidation continued under the supervision of the court, the superior court  
2 may liquidate the assets and wind up the affairs of the corporation.

3 **Sec. 10.41.385. Procedure in liquidation of corporation by court.** In a  
4 proceeding to liquidate the assets and business of a corporation, the superior court may  
5 issue injunctions, appoint a receiver pendente lite with powers and duties as the court  
6 may direct, and take other action necessary to preserve the corporate assets wherever  
7 situated and carry on the activities of the corporation until a full hearing is held.

8 **Sec. 10.41.390. Appointment of receiver.** After a hearing held on the notice  
9 that the court may direct to be given to all parties to the proceedings and to any other  
10 parties in interest designated by the court, the court may appoint a liquidating receiver  
11 with authority to collect the assets of the corporation, including amounts owing to the  
12 corporation. The liquidating receiver may, subject to the order of the court, sell,  
13 convey, and dispose of all or a part of the assets of the corporation wherever situated,  
14 either at public or private sale.

15 **Sec. 10.41.395. Disposition of assets or proceeds.** The assets of the  
16 corporation or the proceeds resulting from a sale, conveyance, or other disposition of  
17 the assets shall be applied and distributed in the following order:

18 (1) all costs and expenses of the court proceedings shall be paid;

19 (2) all liabilities and obligations of the corporation shall be paid and  
20 discharged, or adequate provision shall be made for them;

21 (3) assets held by the corporation on condition requiring return,  
22 transfer, or conveyance shall, if the condition occurs by reason of the dissolution, be  
23 returned, transferred, or conveyed in accordance with the condition;

24 (4) assets received and held by the corporation subject to limitations  
25 permitting their use only for charitable, religious, eleemosynary, benevolent,  
26 educational, or similar purposes, or held in charitable trust under terms of  
27 AS 10.41.170, but not held on a condition requiring return, transfer, or conveyance by  
28 reason of the dissolution, shall be transferred or conveyed to one or more corporations  
29 organized under this chapter and engaged in activities substantially similar to those of  
30 the dissolving corporation under a plan of distribution adopted as provided in this  
31 chapter;

1 (5) remaining assets shall be distributed in accordance with the  
2 provisions of the articles or bylaws, or as the court may direct.

3 **Sec. 10.41.400. Powers and duties of receiver.** The order appointing the  
4 liquidating receiver must state the receiver's powers and duties. The powers and  
5 duties may be increased or diminished at any time during the liquidation proceedings.

6 **Sec. 10.41.405. Compensation of receiver and attorneys.** The court may  
7 allow from time to time as expenses of the liquidation compensation to the receiver  
8 and to attorneys in the proceeding and may direct the payment of the compensation out  
9 of the assets of the corporation or the proceeds of a sale or disposition of assets.

10 **Sec. 10.41.410. Power of receiver to sue and be sued.** A receiver of a  
11 corporation appointed under this chapter may sue and defend in all courts in the  
12 receiver's own name as receiver of the corporation.

13 **Sec. 10.41.415. Exclusive jurisdiction of appointing court.** The court  
14 appointing the receiver has exclusive jurisdiction of the corporation and its property,  
15 wherever situated.

16 **Sec. 10.41.420. Qualification of receiver.** (a) The court may appoint as a  
17 receiver a party, an attorney of a party, a person interested in the action, or a person  
18 related according to the common law by consanguinity or affinity within the third  
19 degree of kindred to a judge of the court making the appointment in the action without  
20 the written consent of the parties, including the party to be appointed, filed with the  
21 clerk of the court. If a receiver is appointed upon an ex parte application, the court,  
22 before making the order, shall require from the applicant an undertaking, with  
23 sufficient sureties, in an amount to be fixed by the court, to the effect that the  
24 applicant will pay to the corporation all damages sustained by reason of the  
25 appointment of the receiver if the applicant has procured the appointment wrongfully,  
26 maliciously, or without sufficient cause. The court may, in its discretion, at any time  
27 after appointment, require an additional undertaking.

28 (b) Before entering upon the duties of a receiver, the receiver must be sworn  
29 to perform those duties faithfully and, with two or more sureties, approved by the court  
30 or judge, execute an undertaking to the state, in a sum the court or judge directs, to  
31 the effect that the receiver will faithfully discharge the duties of receiver and obey the

1 order of the court in the action.

2 **Sec. 10.41.425. Filing of claims in liquidation proceedings.** (a) In a  
3 proceeding to liquidate the assets and wind up the affairs of a corporation, the court  
4 may require creditors of the corporation to file with the clerk of the court or with the  
5 receiver, in the form the court prescribes, proof under oath of their respective claims.

6 (b) If the court requires the filing of claims, it shall fix a date, not less than  
7 four months from the date of the order, as the last day for the filing of claims and  
8 shall prescribe the notice to be given to creditors and claimants of the date fixed.  
9 Before the date fixed, the court may extend the time of the filing of claims.

10 (c) A creditor who fails to file proof of a claim on or before the date fixed  
11 may be barred by order of the court from participating in the distribution of the assets  
12 of the corporation.

13 **Sec. 10.41.430. Discontinuance of liquidation proceedings.** The liquidation  
14 of the assets and winding up of the affairs of a corporation may be discontinued at any  
15 time during the liquidation proceedings when it is established that cause for liquidation  
16 no longer exists. In this event, the court shall dismiss the proceedings and direct the  
17 receiver to redeliver to the corporation its remaining property and assets.

18 **Sec. 10.41.435. Decree of involuntary dissolution.** In proceedings to  
19 liquidate the assets and wind up the affairs of a corporation, when the costs and  
20 expenses of the proceeding and the debts, obligations, and liabilities of the corporation  
21 have been paid and discharged, or when the remaining property and assets are not  
22 sufficient to satisfy and discharge the costs, expenses, debts, and obligations and all  
23 the property and assets have been applied to their payment, the court shall enter a  
24 decree dissolving the corporation. Upon entry of the decree, the existence of the  
25 corporation ceases.

26 **Sec. 10.41.440. Filing of certified order, decree, or judgment of dissolution.**  
27 If a corporation is dissolved or its existence forfeited by order, decree, or judgment of  
28 dissolution of a court, a copy of the order, decree, or judgment, certified by the clerk  
29 of the court, shall be filed with the commissioner.

30 **Sec. 10.41.445. Deposit with commissioner of amount due creditors.** Upon  
31 the voluntary or involuntary dissolution of a corporation, the portion of the assets

1 distributable to a creditor who is unknown or cannot be found, or who is under  
2 disability and there is no legally competent person to receive the distributable portion,  
3 shall be reduced to cash, deposited with the commissioner, and paid over to the  
4 creditor or the legal representative of the creditor upon proof satisfactory to the  
5 commissioner of a right to it the distributable portion.

6 **Sec. 10.41.447. Recovery of improper distributions.** (a) If a distribution of  
7 assets has been made in the process of winding up a corporation without a court order  
8 and without prior payment or adequate provision for payment of the debts and  
9 liabilities of the corporation, the amount improperly distributed to a person may be  
10 recovered by the corporation. A person who received an improper distribution may  
11 be joined as a defendant in the same action or be brought in on the motion of another  
12 defendant. In this subsection, "process of winding up" includes a proceeding under  
13 AS 10.41.300 - 10.41.455 and any other distribution of assets to a person made in  
14 contemplation of termination or abandonment of the corporation.

15 (b) A court action may be brought in the name of the corporation to enforce  
16 the liability under (a) of this section against a person receiving a distribution by the  
17 commissioner or by a creditor of that corporation, whether or not the creditor has  
18 reduced the claim to judgment.

19 **Sec. 10.41.450. Existence of corporation after dissolution.** (a) A  
20 corporation that is dissolved voluntarily or involuntarily continues to exist for the  
21 purpose of winding up its affairs, defending actions against it, enabling it to collect and  
22 discharge obligations, disposing of and conveying its property, and collecting and  
23 dividing its assets, but not for the purpose of continuing its activities, except to the  
24 extent necessary for the winding up.

25 (b) An action or proceeding to which a corporation is a party does not abate  
26 by the dissolution of the corporation or by reason of proceedings for winding up and  
27 dissolution. A corporation that is dissolved voluntarily or involuntarily may not  
28 commence a court action, except under AS 10.41.447.

29 (c) Assets inadvertently or otherwise omitted from the winding up continue in  
30 the dissolved corporation for the benefit of the persons entitled to the assets on  
31 dissolution of the corporation and, on realization, shall be distributed to the person

1 entitled.

2 (d) The directors of the corporation on the date of its dissolution, or as  
3 determined under AS 10.41.440, shall exercise and have the powers necessary to act  
4 under this section.

5 **Sec. 10.41.455. Continued existence for certain purposes.** If a dissolved  
6 corporation is the owner of real or personal property or claims an interest in or lien  
7 on real or personal property, the corporation, through its receiver, continues to exist  
8 for five years after the date of dissolution for the purpose of conveying, transferring,  
9 or releasing the real or personal property, the interest in the real or personal property,  
10 or the lien on the real or personal property. In addition, a dissolved corporation,  
11 through its receiver, continues to exist for the purpose of being sued in a quiet title  
12 action. The action or proceeding against the corporation may be instituted and  
13 maintained in the same manner as before the dissolution of the corporation. This  
14 section does not affect or suspend a statute of limitations applicable to a claim. For  
15 the purpose of service of process, notice, or demand within the prescribed time  
16 following dissolution, the commissioner is an agent of the dissolved corporation upon  
17 whom service may be made under AS 10.41.080(b).

## 18 **Article 8. Foreign Corporations.**

19 **Sec. 10.41.500. Applicability to foreign corporations.** To the extent provided  
20 in this chapter, this chapter is applicable to a foreign corporation that is authorized to  
21 conduct or conducts affairs in this state.

22 **Sec. 10.41.505. Admission of foreign corporation.** A foreign corporation  
23 may not conduct affairs in this state until it has been issued a certificate of authority  
24 from the commissioner. A foreign corporation may not be issued a certificate of  
25 authority to conduct affairs that a corporation organized under this chapter is not  
26 permitted to conduct. A foreign corporation may not be denied a certificate of  
27 authority because the laws of the state or country under which it is organized  
28 governing its organization and internal affairs differ from the laws of this state.

29 **Sec. 10.41.510. Liability to state for conducting affairs without certificate**  
30 **of authority.** (a) A foreign corporation that conducts affairs in this state without a  
31 certificate of authority is liable to this state for the years or portions of years during

1 which it conducted affairs in this state without a certificate of authority, in an amount  
2 equal to

3 (1) all fees that would have been imposed by this chapter on the  
4 corporation if it had applied for and received a certificate of authority to conduct  
5 affairs in this state as required by this chapter and filed all reports required by this  
6 chapter;

7 (2) all penalties imposed by this chapter for failure to pay the fees; and

8 (3) a penalty of up to \$10,000 a year or portion of a year for each year  
9 it conducted affairs in this state without a certificate of authority.

10 (b) The attorney general shall bring proceedings to recover amounts due to the  
11 state under this section.

12 **Sec. 10.41.515. Conducting affairs without certificate of authority as a bar**  
13 **to right to sue.** A foreign corporation conducting affairs in this state without a  
14 certificate of authority may not maintain an action or proceeding in a court of this state  
15 until it obtains a certificate of authority. A successor or assignee of a foreign  
16 corporation conducting affairs without a certificate of authority may not maintain an  
17 action or proceeding in a court of this state on a right, claim, or demand arising out  
18 of the conduct of affairs by the corporation in this state until a certificate of authority  
19 is obtained by the corporation or by a corporation that has acquired all or substantially  
20 all of its assets.

21 **Sec. 10.41.520. Conducting affairs without certificate of authority not**  
22 **affecting contracts and right to defend action.** The failure of a foreign corporation  
23 to obtain a certificate of authority to conduct affairs in this state does not impair the  
24 validity of a contract or act of the corporation, and does not prevent the corporation  
25 from defending an action or proceeding in a court of this state.

26 **Sec. 10.41.525. Activities not constituting conducting affairs in this state.**  
27 The activities of a foreign corporation that are not considered to be conducting affairs  
28 in this state, for the purposes of this chapter, include

29 (1) maintaining, defending, or settling a court action, an administrative  
30 proceeding, or an arbitration proceeding, or settling claims or disputes;

31 (2) holding meetings of the corporation or carrying on other activities

1 concerning the internal affairs of the corporation;

2 (3) maintaining bank accounts;

3 (4) securing or collecting debts, or enforcing rights in property securing  
4 debts;

5 (5) granting funds;

6 (6) distributing information to members;

7 (7) conducting an isolated transaction, completed within 30 days, not  
8 in the course of a number of repeated transactions of like nature.

9 **Sec. 10.41.530. Corporate name of foreign corporation.** A certificate of  
10 authority may not be issued to a foreign corporation if the corporate name of the  
11 corporation

12 (1) contains a word or phrase that indicates or implies that it is  
13 organized for a purpose other than the purpose contained in its articles or that it is  
14 authorized or empowered to conduct the business of banking or insurance;

15 (2) contains the word "city," "borough," or "village," or otherwise  
16 implies that the corporation is a municipality, but the name of a city, borough, or  
17 village may be used in the corporate name;

18 (3) is the same name as, or deceptively similar to, the name of a  
19 domestic corporation existing under the laws of this state or a foreign corporation  
20 authorized to conduct affairs in this state, or a name the exclusive right to which is  
21 reserved or registered under this title.

22 **Sec. 10.41.535. Assumed corporate name: commissioner to cross-index.**

23 (a) If a foreign corporation applying for a certificate of authority has a name that is  
24 impermissible under AS 10.41.530, it shall select an assumed name, acceptable under  
25 the provisions of AS 10.41.530, under which it elects to conduct affairs in this state.

26 (b) The commissioner shall maintain records that cross-reference the actual and  
27 assumed names of all foreign corporations authorized to conduct affairs in this state.

28 **Sec. 10.41.540. Change of name by foreign corporation.** If a foreign  
29 corporation authorized to conduct affairs in this state changes its name to one under  
30 which a certificate of authority would not be granted to it under this chapter, the  
31 certificate of authority of the corporation is suspended, and the foreign corporation

1 may not conduct affairs in this state until it has changed its name to a name available  
2 to it under the laws of this state.

3 **Sec. 10.41.545. Application for certificate of authority.** To receive a  
4 certificate of authority to conduct affairs in this state, a foreign corporation shall apply  
5 in duplicate to the commissioner.

6 **Sec. 10.41.550. Contents of application.** An application for a certificate of  
7 authority must set out

8 (1) the name of the corporation and the assumed name, if any, of the  
9 corporation;

10 (2) the date of incorporation and the period of duration of the  
11 incorporation;

12 (3) the address of the principal office of the corporation in the state or  
13 country under whose laws it is incorporated;

14 (4) the address of the proposed registered office of the corporation in  
15 this state and the name of its proposed registered agent in this state at that address;

16 (5) the purpose the corporation proposes to pursue in the conduct of  
17 affairs in this state;

18 (6) additional information necessary or appropriate to enable the  
19 commissioner to determine whether the corporation is entitled to a certificate of  
20 authority and to determine and assess the fees prescribed in this chapter that are  
21 payable;

22 (7) the name and address of each alien affiliate, the percentage of  
23 control held by each alien affiliate, and a specific description of the nature of the  
24 relationship between the foreign corporation and its alien affiliates, or a statement that  
25 the corporation does not have alien affiliates;

26 (8) the name and address of a person holding at least five percent of  
27 the members of the corporation, and the percentage of control held by that person.

28 **Sec. 10.41.555. Filing of application for certificate of authority.** The  
29 application of the corporation for a certificate of authority shall be submitted on forms  
30 prescribed and furnished by the commissioner. Duplicate originals of the application  
31 and a verified copy of the articles and all amendments to the articles shall be delivered

1 to the commissioner for processing under AS 10.41.800 and for issuance of a  
2 certificate of authority. The application shall be executed and verified by a trustee for  
3 a trustee corporation, by a member for a membership corporation, or, for a corporation  
4 sole, by the individual holding the position that owns the property of the corporation  
5 sole

6 **Sec. 10.41.560. Effect of certificate of authority.** On the issuance of a  
7 certificate of authority by the commissioner, the corporation may conduct affairs in this  
8 state for the purpose set out in its application, subject, however, to the right of this  
9 state to suspend or revoke the authority as provided in this chapter.

10 **Sec. 10.41.565. Amended certificate of authority.** (a) A foreign corporation  
11 authorized to conduct affairs in this state shall obtain an amended certificate of  
12 authority if it changes its corporate name or desires to pursue in this state other or  
13 additional purposes than those set out in its earlier application for a certificate of  
14 authority.

15 (b) The requirements as to form and content of an application for an amended  
16 certificate of authority, the manner of its execution, the filing of duplicate originals of  
17 the application with the commissioner, and the issuance of an amended certificate of  
18 authority are the same as in the case of an original application for a certificate of  
19 authority.

20 **Sec. 10.41.570. Powers of foreign corporation.** A foreign corporation that  
21 has received a certificate of authority enjoys, until a certificate of revocation or of  
22 withdrawal is issued as provided in this chapter, the same, but no greater, rights and  
23 privileges as a domestic corporation organized for the purposes set out in the  
24 application under which the certificate of authority is issued and, except as otherwise  
25 provided in this chapter, is subject to the duties, restrictions, penalties, and liabilities  
26 imposed on a domestic corporation of like character.

27 **Sec. 10.41.575. Revocation of certificate of authority.** A certificate of  
28 authority of a foreign corporation to conduct affairs in this state may be revoked by  
29 the commissioner if

30 (1) the corporation has failed to comply with a requirement of this  
31 chapter;

1 (2) the corporation fails, after change of its registered office or  
2 registered agent, to file with the commissioner a statement of the change as required  
3 by this chapter;

4 (3) the corporation fails to file with the department an amendment to  
5 its articles of incorporation or articles of merger within the time prescribed by this  
6 chapter; or

7 (4) a misrepresentation of a material matter has been made in an  
8 application, report, affidavit, or other document submitted under this chapter.

9 **Sec 10.41.580. Limitations on revocation of certificate of authority.** The  
10 commissioner may not revoke a certificate of authority of a foreign corporation unless

11 (1) the corporation has been given at least 60 days' notice by certified  
12 mail addressed to its registered office in this state; and

13 (2) the corporation fails before revocation to file the biennial report,  
14 pay the fees or penalties that are due, file the required statement of change of  
15 registered agent or registered office, file the articles of amendment or articles of  
16 merger, or correct a misrepresentation.

17 **Sec. 10.41.585. Issuance of certificate of revocation.** Upon revoking a  
18 certificate of authority, the commissioner shall

19 (1) issue a certificate of revocation in duplicate;

20 (2) file one of the certificates in the office of the commissioner;

21 (3) mail to the corporation at its registered office in this state a notice  
22 of the revocation and one of the certificates.

23 **Sec. 10.41.590. Effect of certificate of revocation.** Upon the issuance of a  
24 certificate of revocation, the authority of a corporation to conduct affairs in this state  
25 ceases.

26 **Sec. 10.41.595. Registered office and registered agent of a foreign**  
27 **corporation.** A foreign corporation authorized to conduct affairs in this state shall  
28 have and continuously maintain in this state

29 (1) a registered office that may be, but is not required to be, the same  
30 as its principal office in this state; and

31 (2) a registered agent, who may be either an individual resident in this

1 state whose office is identical to the registered office or a domestic corporation or a  
 2 foreign corporation authorized to conduct affairs in this state that has an office that is  
 3 identical to the registered office.

4 **Sec. 10.41.600. Change of registered office; change or resignation of**  
 5 **registered agent.** (a) A foreign corporation authorized to conduct affairs in this state  
 6 may change its registered office or its registered agent, or both, upon filing with the  
 7 commissioner a verified statement of change setting out

8 (1) the name of the corporation;

9 (2) the address of its registered office;

10 (3) the address of the proposed registered office if the address of its  
 11 registered office is to be changed;

12 (4) the name of its registered agent;

13 (5) the name of its successor registered agent if its registered agent is  
 14 to be changed.

15 (b) The commissioner shall file the verified statement if the statement complies  
 16 with this chapter. The change becomes effective when the statement is filed.

17 (c) A registered agent may resign by filing a written notice, executed in  
 18 duplicate, with the commissioner. The written notice of resignation must set out the  
 19 latest address of the principal office of the corporation. The commissioner shall  
 20 immediately mail a copy of the notice to the corporation at its principal office. The  
 21 resignation becomes effective 30 days after the filing of the written notice or upon the  
 22 appointment of a new agent by the corporation, whichever is sooner.

23 **Sec. 10.41.605. Service of process on foreign corporation.** The registered  
 24 agent appointed by a foreign corporation authorized to conduct affairs in this state is  
 25 an agent of the corporation upon whom process, notice, or demand required or  
 26 permitted by law to be served upon the corporation may be served.

27 **Sec. 10.41.610. Service on commissioner.** If a foreign corporation that is  
 28 authorized to conduct affairs in this state, or that is not authorized to conduct affairs  
 29 in this state but is conducting affairs in this state, fails to appoint or maintain a  
 30 registered agent in this state, if a registered agent cannot with reasonable diligence be  
 31 found at the registered office, or if the certificate of authority of a foreign corporation

1 is suspended or revoked, the commissioner is an agent upon whom process, notice, or  
2 demand may be served. Service is made upon the commissioner as provided in  
3 AS 10.06.175.

4 **Sec. 10.41.615. Records kept by commissioner.** The commissioner shall  
5 keep a record of all processes, notices, or demands served upon a corporation under  
6 AS 10.41.610 and shall record the time of service and any action taken with reference  
7 to the service.

8 **Sec. 10.41.620. Procedure not exclusive.** AS 10.41.605 - 10.41.615 do not  
9 limit or affect the right to serve process, notice, or demand required or permitted by  
10 law to be served upon a corporation in any other manner.

11 **Sec. 10.41.625. Amendment to articles of incorporation of foreign**  
12 **corporation.** If the articles of a foreign corporation authorized to conduct affairs in  
13 this state are amended, the foreign corporation shall, within 30 days after the  
14 amendment becomes effective, file with the commissioner a copy of the amendment  
15 authenticated by the proper officer of the state or country under whose laws it is  
16 incorporated. The filing of the amendment does not enlarge or alter the purpose that  
17 the corporation may pursue in the conduct of affairs in this state under a name other  
18 than the name set out in its certificate of authority.

19 **Sec. 10.41.630. Organic change of foreign corporation.** If a foreign  
20 corporation authorized to conduct affairs in this state is a party to an organic change  
21 permitted by the laws of the state or country where it is incorporated, and the  
22 corporation is the surviving corporation, it shall, within 30 days after the change  
23 becomes effective, file with the commissioner a copy of the articles of merger,  
24 consolidation, or reorganization authenticated by the proper officer of the state or  
25 country under whose laws the organic change was carried out. It is not necessary for  
26 the corporation to obtain a new or amended certificate of authority to conduct affairs  
27 in this state unless the name of the corporation is changed or unless the corporation  
28 desires to pursue in this state other or additional purposes than those that it is  
29 authorized to pursue in this state. In this section, "organic change" means a merger,  
30 consolidation, or sale of assets other than in the regular course of business.

31 **Sec. 10.41.635. Withdrawal of foreign corporation.** A foreign corporation

1 authorized to conduct affairs in this state may withdraw from this state on obtaining  
2 from the commissioner a certificate of withdrawal. To obtain a certificate of  
3 withdrawal the foreign corporation shall deliver to the commissioner an application for  
4 withdrawal.

5 **Sec. 10.41.640. Contents of application for withdrawal.** An application for  
6 withdrawal must set out

7 (1) the name of the corporation and the state or country where it is  
8 incorporated;

9 (2) that the corporation is not conducting affairs in this state;

10 (3) that the corporation surrenders its authority to conduct affairs in this  
11 state;

12 (4) that the corporation revokes the authority of its registered agent in  
13 this state to accept service of process and consents that service of process in an action  
14 or proceeding based on a cause of action arising in this state during the time the  
15 corporation was authorized to conduct affairs in this state may be made on the  
16 corporation by service on the commissioner;

17 (5) a post office address to which the commissioner may mail a copy  
18 of a process against the corporation that may be served on the commissioner;

19 (6) additional information necessary or appropriate to enable the  
20 commissioner to determine and assess unpaid fees payable as prescribed in this  
21 chapter.

22 **Sec. 10.41.645. Form of application for withdrawal.** An application for  
23 withdrawal shall be made on forms prescribed and furnished by the commissioner and  
24 shall be executed and verified by a trustee for a trustee corporation, a member for a  
25 membership corporation, or, for a corporation sole, the individual holding the position  
26 that owns the property of the corporation sole, or, if the corporation is in the hands of  
27 a receiver or trustee, the application shall be executed and verified on behalf of the  
28 corporation by the receiver or trustee.

29 **Sec. 10.41.650. Filing of application for withdrawal.** Duplicate originals of  
30 an application for withdrawal shall be delivered to the commissioner for processing  
31 according to AS 10.41.800 and for issuance of a certificate of withdrawal.

1           **Sec. 10.41.655. Effect of certificate of withdrawal.** On the issuance of a  
2 certificate of withdrawal, the authority of a corporation to conduct affairs in this state  
3 ceases.

4                           **Article 9. Reports, Fees, and Penalties.**

5           **Sec. 10.41.700. Biennial report of domestic and foreign corporations.** A  
6 domestic corporation and a foreign corporation authorized to conduct affairs in this  
7 state shall file a biennial report with the commissioner of commerce and economic  
8 development setting out

9                           (1) the name of the corporation;

10                          (2) the name and address of a person designated to act as agent for the  
11 purpose of accepting service of process; and

12                          (3) the real and personal property assets of the corporation.

13           **Sec. 10.41.710. Filing of biennial report.** (a) A biennial report of a domestic  
14 or foreign corporation shall be filed with the department and is due before July 2 of  
15 the filing year. The biennial report is delinquent if not filed before August 1 of each  
16 filing year as provided in this section. Delinquent reports are subject to the penalty  
17 provided in AS 10.41.720.

18                          (b) Proof to the satisfaction of the commissioner that on or before August 1  
19 of the filing year the report was deposited in the United States mail in a sealed  
20 envelope, properly addressed with postage prepaid, constitutes compliance with (a) of  
21 this section.

22                          (c) The commissioner shall file the report if the commissioner finds that the  
23 report conforms to the requirements of this chapter. If the commissioner finds that the  
24 report does not conform to the requirements of this chapter, the commissioner shall  
25 promptly return it to the corporation for necessary corrections. If the report is  
26 corrected to conform to the requirements of this chapter and returned to the  
27 commissioner in sufficient time to be filed before October 1 of the year in which it is  
28 due, the penalty provided in AS 10.41.720 for failure to file the report within the time  
29 required does not apply.

30                          (d) Upon receipt of a form from the commissioner, a domestic or foreign  
31 corporation shall file a biennial report within six months after original incorporation.

1           **Sec. 10.41.720. Penalties.** If a corporation organized under this chapter fails  
2 to file a document required by this chapter or pay a fee within the time prescribed by  
3 this chapter, the commissioner shall collect a penalty of \$10 for the first month that  
4 the document or payment is in default, and \$100 for each additional month up to a  
5 total of five months. After six months without the filing or payment, the commissioner  
6 may involuntarily dissolve the delinquent corporation under AS 10.41.350(1).

7           **Sec. 10.41.725. Interrogatories by commissioner.** (a) The commissioner  
8 may propound to a domestic or foreign corporation interrogatories reasonably  
9 necessary and proper to enable the commissioner to ascertain whether the corporation  
10 has complied with the provisions of this chapter.

11           (b) The commissioner shall propound the interrogatories under (a) of this  
12 section as follows:

13                   (1) to a corporation organized under this chapter, by mailing the  
14 interrogatories to the corporation's agent designated under AS 10.41.080 or 10.41.595;  
15 or

16                   (2) to an individual officer or trustee, by mailing by registered mail a  
17 copy of the interrogatories addressed to the person at the person's office in this state.

18           (c) Interrogatories shall be answered within 30 days, or within the additional  
19 time established by the commissioner or by the superior court. Answers shall be full  
20 and complete, in writing, and under oath. If the interrogatories are directed to an  
21 individual, they shall be answered by that individual, and if directed to a corporation,  
22 they shall be answered, in the case of

23                   (1) a corporation sole, by the corporation sole;

24                   (2) a trustee corporation, by a chair of the trustees or the chief religious  
25 official;

26                   (3) a membership corporation, by the chief executive officer designated  
27 in the articles or the chief religious official.

28           (d) A petition stating good cause to extend the date for answer, to modify, or  
29 to set aside the interrogatories propounded by the commissioner, or to enforce  
30 compliance with AS 10.41.730 may be filed in the superior court before the expiration  
31 of the 30 days established in (c) of this section for answer.

1                   **Sec. 10.41.730. Confidentiality of information disclosed by interrogatories.**

2                   Interrogatories and answers propounded and obtained under AS 10.41.725 are not open  
3                   to public inspection, and the commissioner may not disclose facts or information  
4                   obtained from the interrogatories except as official duty requires or unless the  
5                   interrogatories or answers are required for evidence in criminal proceedings or other  
6                   action by the state.

7                   **Sec. 10.41.735. Failure to answer interrogatories.** Unless otherwise provided  
8                   by an order of court issued in response to a petition filed under AS 10.41.725(d),

9                                 (1) a domestic or foreign corporation that knowingly fails or refuses to  
10                                answer truthfully and fully interrogatories propounded by the commissioner within the  
11                               time prescribed by AS 10.41.725(c) is guilty of a class A misdemeanor; in this  
12                               paragraph, "knowingly" has the meaning given in AS 11.81.900; and

13                               (2) the commissioner is not required to file a document to which the  
14                               interrogatories relate until the interrogatories are properly answered or if the answers  
15                               disclose that the document does not conform to the provisions of this chapter.

16                   **Sec. 10.41.740. Fees.** (a) The commissioner shall establish by regulation,  
17                   charge, and collect a fee for

18                               (1) filing articles of incorporation and issuing a certificate of  
19                               incorporation;

20                               (2) filing an application for a certificate of authority to conduct affairs  
21                               in this state and issuing the certificate;

22                               (3) filing articles of amendment and issuing a certificate of amendment;

23                               (4) filing a statement of change of the identity or address of a  
24                               registered agent;

25                               (5) a foreign corporation's filing a certificate of the appointment and  
26                               consent of an agent residing in this state or a certificate of revocation of the  
27                               appointment of the resident agent;

28                               (6) filing a document required by this chapter for the dissolution of a  
29                               corporation organized under this chapter;

30                               (7) filing a document not listed under (1) - (6) of this subsection;

31                               (8) furnishing a certified copy of a document.

1 (b) A fee required under this chapter shall be paid in advance.

2 (c) The fees charged under this section shall be uniform.

3 (d) The department may by regulation charge a corporation subject to this  
4 chapter a fixed fee in place of the fees prescribed in this chapter and for routine  
5 administrative services rendered to the corporation by the department.

6 **Sec. 10.41.745. Cancellation of certificates issued and filings accepted.** The  
7 commissioner may within one year after a filing, and after written notice to the  
8 corporation or individual making a filing, cancel a certificate issued or filing accepted  
9 under this chapter, on any basis existing at the time of issuance or filing for which the  
10 commissioner could have originally refused to issue the certificate or accept the filing.  
11 The notice of cancellation must state the reason for the cancellation. A corporation  
12 or individual may request a hearing within 90 days after receipt of the notice.  
13 Cancellation becomes final if the corporation or individual does not request a hearing  
14 within 90 days after receipt of notice. Notice of cancellation shall be sent by certified  
15 mail with return receipt requested. If the return receipt is not received by the  
16 department within a reasonable time and the department has made diligent inquiry as  
17 to the address of the corporation, notice may be made by publication in a newspaper  
18 of general circulation in the vicinity of the registered office of the corporation or the  
19 address of the individual who made the filing, and cancellation becomes final 60 days  
20 after publication of the notice if the person or corporation does not request a hearing.

21 **Sec. 10.41.750. Forms to be furnished by the commissioner.** Reports  
22 required by this chapter to be filed with the department or the commissioner must be  
23 on forms prescribed and furnished by the commissioner. Forms for other documents  
24 to be filed in the office of the department or the commissioner shall be furnished by  
25 the commissioner on request, but the use of these forms, unless required in this  
26 chapter, is not mandatory.

27 **Article 10. Miscellaneous Provisions.**

28 **Sec. 10.41.800. Processing of writings filed with the commissioner.** If a  
29 writing delivered to the commissioner for filing conforms to law and all fees  
30 prescribed in this chapter have been paid, the commissioner shall

31 (1) endorse on each duplicate original the word "filed" and the date of

1 the filing;

2 (2) file one duplicate original in the office of the commissioner;

3 (3) return to the corporation or its representative a duplicate original  
4 of the writing and any writing issued by the commissioner attached to the original.

5 **Sec. 10.41.810. Appeal from disapproval of document.** If the commissioner  
6 fails to approve articles of incorporation, amendment, merger, consolidation, or  
7 dissolution, or any other document required by this chapter to be approved by the  
8 commissioner, the commissioner shall, within 10 days after the receipt of the  
9 document, give written notice of disapproval to the person or corporation delivering  
10 the document, specifying the reasons for disapproval. The person or corporation may  
11 appeal from the disapproval to the superior court by filing with the clerk of the court  
12 a petition setting out a copy of the document sought to be filed and a copy of the  
13 written disapproval. The matter shall be tried de novo by the superior court, which  
14 shall either sustain the action of the commissioner or direct the commissioner to take  
15 action the court considers proper.

16 **Sec. 10.41.815. Corrections of writings.** A writing relating to a corporation  
17 organized under this chapter and filed by the commissioner may be corrected,  
18 including the deletion of a matter not permitted to be stated in the writing, if it  
19 contains an error apparent on the face or a defect in the execution of the writing. A  
20 certificate, entitled "Certificate of Correction of . . . (correct title of writing and name  
21 of corporation)," shall be signed, verified, or acknowledged in the same manner as the  
22 original writing and shall be delivered to the commissioner. The certificate must set  
23 out the name of the corporation, the date the writing to be corrected was filed by the  
24 commissioner, the provision in the writing corrected or eliminated, and, if the  
25 execution was defective, the proper execution. The filing of the certificate by the  
26 commissioner does not alter the effective time of the writing being corrected and does  
27 not affect a right or liability accrued or incurred before the filing. A corporate name  
28 may not be changed or corrected under this section.

29 **Sec. 10.41.820. Writings as evidence.** (a) A writing filed by the  
30 commissioner relating to a corporation organized under this chapter and containing  
31 statements of fact required or permitted by law and a certification by the commissioner

1 of the absence of a filing shall be received in all courts, public offices, and official  
2 bodies as prima facie evidence of these facts and of the execution of the writing.

3 (b) If, under the laws of a jurisdiction other than this state, a writing by an  
4 officer in that jurisdiction or a copy of a writing certified or exemplified by an officer  
5 may be received as prima facie evidence of the incorporation, existence, or capacity  
6 of a foreign corporation incorporated in that jurisdiction, the writing when exemplified  
7 shall be received in all courts, public offices, and official bodies of this state, as prima  
8 facie evidence with the same force as in that jurisdiction. The writing or certified copy  
9 of the writing shall be received without being exemplified if it is certified by the  
10 secretary of state or official performing the equivalent function as to corporate records  
11 of that jurisdiction.

12 **Sec. 10.41.830. Corporate seal as evidence.** The presence of a corporate seal  
13 on a writing purporting to be executed by authority of a corporation organized under  
14 this chapter shall be prima facie evidence that the writing was executed with the  
15 authority of the corporation.

16 **Sec. 10.41.840. Waiver of notice.** If notice is required to be given to a  
17 trustee, officer, or member of a corporation under this chapter or under the provisions  
18 of the articles or bylaws of the corporation, a waiver of the notice in writing signed  
19 by the person entitled to notice, whether before or after the time stated for notice, is  
20 equivalent to the giving of notice.

21 **Article 11. General Provisions.**

22 **Sec. 10.41.900. Powers of commissioner.** The commissioner has the power  
23 and authority reasonably necessary to enable the commissioner to administer this  
24 chapter efficiently and to perform the duties imposed by this chapter.

25 **Sec. 10.41.910. Regulations.** To the extent provided by explicit reference in  
26 this chapter, the department shall adopt regulations referred to in this chapter in  
27 accordance with AS 44.62 (Administrative Procedure Act).

28 **Sec. 10.41.920. Reservation of power.** The legislature reserves the right, at  
29 the legislature's pleasure, to alter, amend, suspend, or repeal, in whole or in part, this  
30 chapter or a certificate of incorporation or the authority to conduct affairs in this state  
31 of a domestic or foreign corporation, whether or not existing or authorized as of the

1 effective date of this Act.

2 **Sec. 10.41.930. Signature.** If a person signs by using a mark, the signer's  
3 name shall be written near the mark by a witness who shall write the witness' own  
4 name near the signer's name. A signature by mark can be acknowledged or can serve  
5 as a signature to a sworn statement.

6 **Sec. 10.41.940. Rules of construction governing.** (a) Unless a provision or  
7 the context otherwise requires, the general provisions and rules of construction in this  
8 section govern this chapter.

9 (b) When, by the provisions of this chapter, a power is granted to, or a duty  
10 imposed on a public officer, the power may be exercised or the duty performed by a  
11 deputy of the officer or by a person authorized, under law, by the officer, unless this  
12 chapter expressly provides otherwise.

13 (c) When a notice, report, statement, or record is required or authorized by this  
14 chapter, it shall be made in writing in a manner reasonably calculated to communicate  
15 the notice, report, statement, or record to the recipient.

16 (d) A reference in this chapter to mailing means first class mail, postage  
17 prepaid, unless certified mail is specified.

18 (e) Subject to any specific accounting treatment required by a particular section  
19 of this chapter,

20 (1) references in this chapter to financial statements, balance sheets, and  
21 income statements, and references to assets, liabilities, and similar accounting items  
22 of a corporation mean financial statements or accounting items prepared or determined  
23 fairly and reasonably to present the purported matters;

24 (2) financial statements prepared or determined in accordance with  
25 generally accepted accounting principles then applicable are fair and reasonable.

26 (f) A reference in this chapter to the time a notice is given or sent means the  
27 time

28 (1) if the notice is written, when notice is deposited in the United  
29 States mail with postage prepaid, personally delivered to the recipient, delivered to a  
30 common carrier for transmission, or actually transmitted by electronic means to the  
31 recipient by the person giving the notice; or

1 (2) if the notice is oral, when the notice is communicated in person or  
 2 by electronic means to the recipient or to a person at the office of the recipient who  
 3 the person giving the notice has reason to believe will promptly communicate it to the  
 4 recipient.

5 (g) Since there are fundamental differences between and among for-profit  
 6 corporations, nonprofit corporations, and corporations organized under this chapter, it  
 7 is not necessary to construe language in this chapter to have the same meaning as  
 8 similar or identical language in AS 10.06 or AS 10.21.

9 **Sec. 10.41.990. Definitions.** In this chapter, unless the context otherwise  
 10 requires,

11 (1) "acknowledged" means that a document is accompanied by a  
 12 certificate of its acknowledgment as provided in AS 09.63;

13 (2) "approval of the members" means approval or ratification by the  
 14 affirmative vote of a majority of the memberships entitled to vote represented at a duly  
 15 held meeting at which a quorum is present, unless the vote of a greater proportion,  
 16 including all, of the memberships of a class if a greater proportion is required by this  
 17 chapter or the articles for all or any specified member action;

18 (3) "approval of the trustees" means approval or ratification by the vote  
 19 of the trustees of a trustee corporation or by a committee authorized to exercise the  
 20 powers of the trustees, except as to matters not within the competence of the  
 21 committee;

22 (4) "approved by a majority of all the members" means approved by  
 23 an affirmative vote or written ballot of a majority of the votes entitled to be cast,  
 24 including the affirmative vote of

25 (A) a majority of the outstanding memberships of each class,  
 26 unit, or grouping of members entitled by the articles or the bylaws to vote as  
 27 a class, unit, or grouping of members on the subject matter; or

28 (B) a greater proportion, including all of the memberships of  
 29 a class, unit, or grouping of members, if a greater proportion is required by this  
 30 chapter or the articles;

31 (5) "approved by a majority of all the trustees" means approved by the

1 affirmative vote of a majority of the entire number of trustees provided in the articles  
2 or bylaws when there are no vacancies;

3 (6) "articles" or "articles of incorporation" means the original or  
4 restated articles of incorporation and all amendments;

5 (7) "bylaws" means a code of rules adopted for the regulation or  
6 management of the affairs of the corporation irrespective of the name by which these  
7 rules are known;

8 (8) "certified mail" includes registered mail;

9 (9) "commissioner" means the commissioner of commerce and  
10 economic development or a designee of the commissioner;

11 (10) "corporation" means a corporation subject to the provisions of this  
12 chapter, but does not include a foreign corporation;

13 (11) "corporation sole" means a corporation formed under  
14 AS 10.41.100(a) that has conformed its articles to AS 10.41.105(a)(6)(A) and the  
15 incumbent who occupies the designation as corporation sole;

16 (12) "department" means the Department of Commerce and Economic  
17 Development;

18 (13) "domestic corporation" means a corporation subject to the  
19 provisions of this chapter, but does not include a foreign corporation;

20 (14) "donation" includes the transfer of any legal consideration if the  
21 transferor becomes entitled to a charitable tax deduction upon transfer; "donation" does  
22 not include a grant or other transfer from or by a state, federal, municipal, or other  
23 governmental agency or body;

24 (15) "filed" means filed in the office of the commissioner unless  
25 otherwise expressly provided;

26 (16) "foreign corporation" means a corporation organized under laws  
27 other than the laws of this state that would, if formed in this state, be a religious  
28 corporation under this chapter;

29 (17) "member" means a person having membership rights in a  
30 membership corporation in accordance with the provisions of its articles of  
31 incorporation;

1 (18) "membership corporation" means a corporation formed under  
2 AS 10.41.100(f) that has conformed its articles to AS 10.41.105(a)(6)(C);

3 (19) "resulting corporation" means a new corporation organized under  
4 this chapter as a result of a consolidation of two or more religious corporations;

5 (20) "state" means a state of the United States, the District of  
6 Columbia, the Commonwealth of Puerto Rico, the Northern Marian Islands, Guam, the  
7 Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or any  
8 other territory or possession of the United States;

9 (21) "trustee" means any person elected, appointed, or designated a  
10 trustee of a trustee corporation organized under AS 10.41.100(b) - (e);

11 (22) "trustee corporation" means a corporation formed under  
12 AS 10.41.100(b) that has conformed its articles to AS 10.41.105(a)(6)(B);

13 (23) "surviving corporation" means a corporation into which one or  
14 more other corporations are merged;

15 (24) "vacancy," when used with respect to the body of trustees, means  
16 any authorized position of trustee that is not then filled by a duly elected, appointed,  
17 or designated trustee, whether caused by death, resignation, removal, change in the  
18 authorized number of trustees, or other event;

19 (25) "verified" means certified as true under AS 09.63.040;

20 (26) "vote" includes authorization by written consent;

21 (27) "writing" includes any form of recorded message capable of  
22 comprehension by ordinary visual means.

23 \* **Sec. 3.** AS 10.20.005, 10.20.007, 10.20.011, 10.20.016, 10.20.021, 10.20.026, 10.20.031,  
24 10.20.036, 10.20.041, 10.20.046, 10.20.051, 10.20.056, 10.20.061, 10.20.066, 10.20.071,  
25 10.20.076, 10.20.081, 10.20.086, 10.20.091, 10.20.096, 10.20.101, 10.20.106, 10.20.111,  
26 10.20.116, 10.20.121, 10.20.126, 10.20.131, 10.20.136, 10.20.141, 10.20.146, 10.20.151,  
27 10.20.153, 10.20.156, 10.20.161, 10.20.166, 10.20.171, 10.20.176, 10.20.181, 10.20.186,  
28 10.20.191, 10.20.196, 10.20.201, 10.20.206, 10.20.211, 10.20.216, 10.20.221, 10.20.226,  
29 10.20.231, 10.20.236, 10.20.241, 10.20.246, 10.20.251, 10.20.256, 10.20.261, 10.20.266,  
30 10.20.271, 10.20.275, 10.20.280, 10.20.290, 10.20.295, 10.20.300, 10.20.305, 10.20.310,  
31 10.20.315, 10.20.320, 10.20.325, 10.20.335, 10.20.345, 10.20.355, 10.20.360, 10.20.365,

1 10.20.370, 10.20.380, 10.20.385, 10.20.390, 10.20.395, 10.20.400, 10.20.405, 10.20.410,  
 2 10.20.415, 10.20.420, 10.20.425, 10.20.430, 10.20.435, 10.20.440, 10.20.445, 10.20.450,  
 3 10.20.452, 10.20.455, 10.20.460, 10.20.465, 10.20.470, 10.20.471, 10.20.475, 10.20.480,  
 4 10.20.485, 10.20.490, 10.20.495, 10.20.500, 10.20.505, 10.20.510, 10.20.515, 10.20.520,  
 5 10.20.525, 10.20.530, 10.20.535, 10.20.540, 10.20.545, 10.20.550, 10.20.555, 10.20.560,  
 6 10.20.565, 10.20.570, 10.20.575, 10.20.580, 10.20.585, 10.20.590, 10.20.595, 10.20.600,  
 7 10.20.605, 10.20.610, 10.20.615, 10.20.620, 10.20.625, 10.20.630, 10.20.631, 10.20.635,  
 8 10.20.640, 10.20.645, 10.20.650, 10.20.655, 10.20.660, 10.20.665, 10.20.670, 10.20.673,  
 9 10.20.675, 10.20.680, 10.20.685, 10.20.690, 10.20.695, 10.20.700, 10.20.705, 10.20.710,  
 10 10.20.715, 10.20.720, 10.20.725; AS 10.40.010, 10.40.020, 10.40.030, 10.40.040, 10.40.050,  
 11 10.40.060, 10.40.070, 10.40.080, 10.40.090, 10.40.100, 10.40.105, 10.40.110, 10.40.120,  
 12 10.40.130, 10.40.140, 10.40.145, and 10.40.150 are repealed.

13 \* **Sec. 4.** COURT RULES AMENDED BY AS 10.21. (a) AS 10.21.015(b)(1), enacted  
 14 by sec. 1 of this Act, amends Rule 19, Alaska Rules of Civil Procedure, by making all parties  
 15 to a contract covered by AS 10.21.015(b)(1) indispensable parties to certain actions under  
 16 AS 10.21.015(b)(1).

17 (b) AS 10.21.190(c), enacted by sec. 1 of this Act, amends

18 (1) Rule 79(f), Alaska Rules of Civil Procedure, by including discovery costs  
 19 generally in the costs that are to be awarded to certain successful plaintiffs;

20 (2) Rule 82, Alaska Rules of Civil Procedure, by requiring that certain  
 21 successful plaintiffs be awarded reasonable attorney fees without meeting the criteria in the  
 22 rules for varying the amount of the fees from the percentages established by the rule.

23 (c) AS 10.21.293(b), enacted by sec. 1 of this Act, amends Rule 65(b), Alaska Rules  
 24 of Civil Procedure, by establishing different criteria for extending a temporary restraining  
 25 order and by allowing extension until final adjudication.

26 (d) AS 10.21.295, enacted by sec. 1 of this Act, amends Rule 3, Alaska Rules of Civil  
 27 Procedure, by requiring that a complaint be verified.

28 (e) AS 10.21.305(d), enacted by sec. 1 of this Act, amends Rule 82, Alaska Rules of  
 29 Civil Procedure, by allowing the court to award reasonable attorney fees without meeting the  
 30 criteria in the rule for varying the amount of the fees from the percentages established by the  
 31 rule.

1 (f) AS 10.21.308(d), enacted by sec. 1 of this Act, amends Rule 82, Alaska Rules of  
2 Civil Procedure, by allowing the court to award reasonable attorney fees without meeting the  
3 criteria in the rule for varying the amount of the fees from the percentages established by the  
4 rule.

5 (g) AS 10.21.315(b), enacted by sec. 1 of this Act, amends

6 (1) Rule 79, Alaska Rules of Civil Procedure, by allowing the court to award  
7 reasonable expenses rather than the types of expenses allowed by the rule;

8 (2) Rule 82, Alaska Rules of Civil Procedure, by allowing the court to award  
9 reasonable attorney fees without meeting the criteria in the rule for varying the amount of the  
10 fees from the percentages established by the rule.

11 (h) AS 10.21.318, enacted by sec. 1 of this Act, amends

12 (1) Rule 3, Alaska Rules of Civil Procedure, by requiring that the complaint  
13 be verified;

14 (2) Rule 23.1, Alaska Rules of Civil Procedure, by applying a slightly modified  
15 form of its derivative action provisions to nonprofit corporations.

16 (i) AS 10.21.380, enacted by sec. 1 of this Act, amends Rule 19, Alaska Rules of  
17 Civil Procedure, by requiring that the corporation be made a party without the necessity of  
18 complying with the criteria in the rule.

19 (j) AS 10.21.523(b)(5), enacted by sec 1 of this Act, amends Rule 25(c), Alaska Rules  
20 of Civil Procedure, by allowing for substitution of a party without following the criteria in the  
21 rule.

22 (k) AS 10.21.540, enacted by sec. 1 of this Act, amends

23 (1) Rule 3, Alaska Rules of Civil Procedure, by establishing a different criteria  
24 for determining the venue of the action allowed under AS 10.21.540;

25 (2) Rule 4, Alaska Rules of Civil Procedure, by establishing how service of  
26 process shall be made on nonresidents and requiring service by publication without satisfying  
27 the criteria established by the rule;

28 (3) Rule 19, Alaska Rules of Civil Procedure, by making all dissenting  
29 members indispensable parties to the action allowed under AS 10.21.540;

30 (4) Rule 79, Alaska Rules of Civil Procedure, by changing the criteria for  
31 determining who is awarded costs and what costs are to be awarded under certain

1 circumstances in an action under AS 10.21.540;

2 (5) Rule 82, Alaska Rules of Civil Procedure, by prohibiting, under  
3 AS 10.21.540(c), the court from awarding attorney fees under certain circumstances in an  
4 action under AS 10.21.540.

5 (l) AS 10.21.570(c), enacted by sec. 1 of this Act, amends Rule 24, Alaska Rules of  
6 Civil Procedure, by allowing certain persons to appear in an action without meeting the  
7 criteria of the rule, and by prohibiting the appearance of persons who do not meet a 30-day  
8 deadline.

9 (m) AS 10.21.573, enacted by sec. 1 of this Act, amends

10 (1) Rule 19, Alaska Rules of Civil Procedure, by making the commissioner of  
11 commerce and economic development an indispensable party in an action for involuntary  
12 dissolution without the necessity of complying with the criteria in the rule;

13 (2) Rule 24, Alaska Rules of Civil Procedure, by allowing a creditor to  
14 intervene without the necessity of complying with the criteria of the rule and by removing the  
15 court's discretion to decide if the intervention is timely.

16 (n) AS 10.21.578, enacted by sec. 1 of this Act, amends

17 (1) Rule 602, Alaska Rules of Appellate Procedure, by changing what the  
18 corporation must file in order to begin an appeal from a decision under AS 10.21.578 by the  
19 commissioner of commerce and economic development;

20 (2) Rule 609, Alaska Rules of Appellate Procedure, by requiring that the  
21 appeal be tried de novo by the superior court;

22 (3) Rule 4, Alaska Rules of Civil Procedure, by directing that service of  
23 process is to be made as the rule requires for corporations even though the corporation is  
24 dissolved;

25 (4) Rule 8, Alaska Rules of Civil Procedure, by requiring that certain  
26 information be set out in the complaint when an assignee brings a complaint under  
27 AS 10.21.578(g);

28 (5) Rule 17, Alaska Rules of Civil Procedure, by allowing an assignee to bring  
29 a contract action under AS 10.21.578(g) without the necessity of satisfying the real-party-in-  
30 interest criteria of the rule.

31 (o) AS 10.21.618, enacted by sec. 1 of this Act, amends Rule 17, Alaska Rules of

1 Civil Procedure, by requiring the commissioner to be a party without having to satisfy the  
2 criteria of the rule and by allowing a person interested in the disposition to file the action  
3 without having to satisfy the real-party-in-interest criteria of the rule.

4 (p) AS 10.21.623, enacted by sec. 1 of this Act, amends Rule 19, Alaska Rules of  
5 Civil Procedure, by allowing a person who received an improper distribution to be joined as  
6 a party without the necessity of complying with the rule's criteria for the permissive joinder  
7 of parties.

8 (q) AS 10.21.628, enacted by sec. 1 of this Act, amends

9 (1) Rule 4, Alaska Rules of Civil Procedure, by establishing rules of service  
10 for dissolved corporations;

11 (2) Rule 24, Alaska Rules of Civil Procedure, by allowing the commissioner  
12 of commerce and economic development to intervene in an action brought under AS 10.21.628  
13 without the necessity of complying with the criteria for intervening parties in the rule.

14 (r) AS 10.21.653, enacted by sec. 1 of this Act, amends

15 (1) Rule 19, Alaska Rules of Civil Procedure, by making the commissioner of  
16 commerce and economic development an indispensable party in an action under AS 10.21.653  
17 without the necessity of complying with the criteria in the rule;

18 (2) Rule 24, Alaska Rules of Civil Procedure, by allowing a member, a  
19 creditor, or the commissioner of commerce and economic development to intervene without  
20 the necessity of complying with the criteria of the rule.

21 (s) AS 10.21.658, enacted by sec. 1 of this Act, amends

22 (1) Rule 602, Alaska Rules of Appellate Procedure, by changing what the  
23 corporation must file in order to begin an appeal from a decision under AS 10.21.658 of the  
24 commissioner of commerce and economic development;

25 (2) Rule 609, Alaska Rules of Appellate Procedure, by requiring that the  
26 appeal be tried de novo by the superior court;

27 (3) Rule 17, Alaska Rules of Civil Procedure, by allowing an assignee to bring  
28 a contract action under AS 10.21.658(g) without the necessity of satisfying the real-party-in-  
29 interest criteria of the rule.

30 (t) AS 10.21.705, enacted by sec. 1 of this Act, amends Rule 19, Alaska Rules of  
31 Civil Procedure, by allowing a person who received an improper distribution to be joined as

1 a party without the necessity of complying with the rule's criteria for the permissive joinder  
2 of parties.

3 (u) AS 10.21.710, enacted by sec. 1 of this Act, amends

4 (1) Rule 4, Alaska Rules of Civil Procedure, by establishing rules of service  
5 for a dissolved corporation;

6 (2) Rule 24, Alaska Rules of Civil Procedure, by allowing the commissioner  
7 of commerce and economic development to intervene in an action brought under AS 10.21.710  
8 without the necessity of complying with the criteria for intervening parties in the rule.

9 (v) AS 10.21.894, enacted by sec. 1 of this Act, amends

10 (1) Rule 602, Alaska Rules of Appellate Procedure, by changing what the  
11 corporation must file in order to begin an appeal from a revocation under AS 10.21.894 of the  
12 commissioner of commerce and economic development;

13 (2) Rule 609, Alaska Rules of Appellate Procedure, by requiring that the  
14 appeal be tried de novo by the superior court.

15 (w) AS 10.21.910, enacted by sec. 1 of this Act, amends

16 (1) Rule 602, Alaska Rules of Appellate Procedure, by changing what the  
17 corporation must file in order to begin an appeal from a disapproval under AS 10.21.910 of  
18 the commissioner of commerce and economic development;

19 (2) Rule 609, Alaska Rules of Appellate Procedure, by requiring that the  
20 appeal be tried de novo by the superior court.

21 (x) AS 10.21.920, enacted by sec. 1 of this Act, amends Rule 803, Alaska Rules of  
22 Evidence, by requiring the court to receive as evidence certain documents dealing with  
23 corporations.

24 \* **Sec. 5.** COURT RULES AMENDED BY AS 10.41. (a) AS 10.41.175, enacted by sec.  
25 2 of this Act, amends Rule 24, Alaska Rules of Civil Procedure, by allowing the commissioner  
26 of commerce and economic development to intervene in an action under AS 10.41.175 without  
27 the necessity of complying with the criteria for intervention established by the rule.

28 (b) AS 10.41.340(c), enacted by sec. 2 of this Act, amends Rule 24, Alaska Rules of  
29 Civil Procedure, by allowing certain persons to appear in certain actions without meeting the  
30 criteria of the rule and by prohibiting the appearance of certain persons who do not meet a  
31 30-day deadline.

1 (c) AS 10.41.357, enacted by sec. 2 of this Act, amends

2 (1) Rule 8, Alaska Rules of Civil Procedure, by requiring that certain  
3 information be set out in the complaint when an assignee brings a complaint under  
4 AS 10.41.357;

5 (2) Rule 17, Alaska Rules of Civil Procedure, by allowing an assignee to bring  
6 a contract action under AS 10.41.360(b) without the necessity of satisfying the real-party-in-  
7 interest criteria of the rule.

8 (d) AS 10.41.360(b), enacted by sec. 2 of this Act, amends Rule 4, Alaska Rules of  
9 Civil Procedure, by directing that service of process is to be made as the rule requires for  
10 corporations even though the corporation is dissolved.

11 (e) AS 10.41.447(a), enacted by sec. 2 of this Act, amends Rule 24, Alaska Rules of  
12 Civil Procedure, by allowing a person to be joined as a party in certain actions without  
13 complying with the criteria in the rule.

14 (f) AS 10.41.810, enacted by sec. 2 of this Act, amends

15 (1) Rule 602, Alaska Rules of Appellate Procedure, by changing what the  
16 corporation must file in order to begin an appeal from a disapproval under AS 10.41.810 of  
17 the commissioner of commerce and economic development;

18 (2) Rule 609, Alaska Rules of Appellate Procedure, by requiring that the  
19 appeal be tried de novo by the superior court.

20 (g) AS 10.41.820, enacted by sec. 2 of this Act, amends Rule 803, Alaska Rules of  
21 Evidence, by requiring the court to receive as evidence certain documents dealing with  
22 corporations.

23 \* **Sec. 6. EXERCISE OF RESERVE POWER.** It is the intent of the legislature in enacting  
24 AS 10.21.450(a) and AS 10.41.200 in secs. 1 and 2 of this Act to exercise to the fullest extent  
25 the reserve power of the state over corporations and to authorize any amendments of the  
26 articles permitted under AS 10.21.450(a) or AS 10.41.200 regardless of whether a provision  
27 contained in the amendment was permissible at the time of the original incorporation of the  
28 corporation.

29 \* **Sec. 7. GENERAL APPLICATION PROVISIONS.** (a) Except as otherwise expressly  
30 provided by this Act, AS 10.21, enacted by sec. 1 of this Act, applies on and after the  
31 effective date of this Act to

1 (1) a corporation organized under former AS 10.20 and existing on the  
2 effective date of this Act;

3 (2) a foreign corporation that is authorized before the effective date of this Act  
4 under former AS 10.20 to conduct affairs in the state;

5 (3) a foreign corporation that conducts affairs in the state on or after the  
6 effective date of this Act; in this paragraph, "foreign corporation" has the meaning given in  
7 AS 10.21.990;

8 (4) actions by a director, officer, or member of a corporation described in (1) -  
9 (3) of this subsection on or after the effective date of this Act.

10 (b) Except as otherwise expressly provided by this Act, a section of AS 10.21, enacted  
11 by sec. 1 of this Act, governing acts, contracts, or other transactions by a corporation or its  
12 directors, officers, or shareholders applies only to acts occurring, contracts entered into, or  
13 transactions occurring on or after the effective date of this Act, and the provisions of former  
14 AS 10.20 govern acts occurring, contracts entered into, or transactions occurring before the  
15 effective date of this Act.

16 (c) Except as otherwise expressly provided by this Act, a vote or consent by the  
17 directors or members of a corporation before the effective date of this Act under the  
18 provisions of former AS 10.20 is effective, and, if a certificate or document is required to be  
19 filed in a public office of the state relating to the action, the certificate or document may be  
20 filed on or after the effective date of this Act under the provisions of former AS 10.20.

21 (d) Except as otherwise expressly provided by this Act, AS 10.41, enacted by sec. 2  
22 of this Act, applies on and after the effective date of this Act to

23 (1) a corporation organized under former AS 10.40 and existing on the  
24 effective date of this Act;

25 (2) actions by an officer, body, or member of a corporation described in (1)  
26 of this subsection on or after the effective date of this Act.

27 (e) Except as otherwise expressly provided by this Act, a section of former AS 10.40  
28 governing acts, contracts, or other transactions by a corporation or by an officer, body, or  
29 member of a corporation applies only to acts occurring, contracts entered into, or transactions  
30 occurring before the effective date of this Act.

31 (f) Except as otherwise expressly provided by this Act, a vote or consent by an

1 officer, body, or member of a corporation before the effective date of this Act under the  
2 provisions of former AS 10.40 is effective, and, if a certificate or document is required to be  
3 filed in a public office of the state relating to the action, the certificate or document may be  
4 filed on or after the effective date of this Act, in accordance with the provisions of former  
5 AS 10.40.

6 (g) If a domestic corporation organized under former AS 10.20 and existing on the  
7 effective date of this Act is formed for the purposes identified under AS 10.41.005, enacted  
8 by sec. 2 of this Act, the corporation shall, before the fifth anniversary of the effective date  
9 of this Act, amend its articles to conform to AS 10.41.105 and 10.41.110, enacted by sec. 2  
10 of this Act. The corporation shall be governed by AS 10.41 from the date the amended  
11 articles are filed with the Department of Commerce and Economic Development. If the  
12 corporation does not make the amendments as required by this subsection, the corporation  
13 shall be considered on and after the fifth anniversary of the effective date of this Act to be  
14 a membership corporation organized under and subject to AS 10.41. In this subsection,  
15 "membership corporation" has the meaning given in AS 10.41.990.

16 (h) If a foreign corporation that exists on the effective date of this Act and that has  
17 received a certificate of authority under former AS 10.20 is formed for the purposes identified  
18 under AS 10.41.005, enacted by sec. 2 of this Act, the corporation shall, before the fifth  
19 anniversary of the effective date of this Act, amend its certificate of authority to conform to  
20 AS 10.41.550, enacted by sec. 2 of this Act. The corporation shall be governed by AS 10.41  
21 from the date the application for an amended certificate is filed with the Department of  
22 Commerce and Economic Development. If the corporation does not file the amended  
23 certificate of authority as required by this subsection, the corporation shall be considered on  
24 and after the fifth anniversary of the effective date of this Act to be a membership corporation  
25 subject to AS 10.41. In this subsection, "membership corporation" has the meaning given in  
26 AS 10.41.990.

27 (i) If a corporation organized under former AS 10.40 and existing on the effective date  
28 of this Act is not formed for the purposes identified under AS 10.41.005, enacted by sec. 2  
29 of this Act, the corporation shall, before the fifth anniversary of the effective date of this Act,  
30 amend its articles to conform to AS 10.21.105 and 10.21.110, enacted by sec. 1 of this Act.  
31 The corporation shall be governed by AS 10.21 from the date the amended articles are filed

1 with the Department of Commerce and Economic Development. If the corporation does not  
2 make the amendments as required by this subsection, the corporation shall be considered on  
3 and after the fifth anniversary of the effective date of this Act to be a public benefit  
4 corporation organized under and subject to AS 10.21. In this subsection, "public benefit  
5 corporation" has the meaning given in AS 10.21.990.

6 (j) Except as otherwise expressly provided by this Act, the provisions of AS 10.21.105  
7 and 10.21.110, enacted by sec. 1 of this Act, relating to the contents of articles of  
8 incorporation do not apply to corporations organized under former AS 10.20 and existing on  
9 the effective date of this Act unless and until an amendment of the articles is filed stating that  
10 the corporation elects to be governed by all of the provisions of AS 10.21 not otherwise  
11 applicable to it under this Act. If an amendment does not change the articles of incorporation  
12 other than conforming the statement of purposes and powers to AS 10.21.105(a)(2) or  
13 10.21.110(1)(E), enacted by sec. 1, of this Act, or deletes references to the location of the  
14 principal office, it may be adopted by approval of the board of directors of the corporation  
15 alone; otherwise, it shall be approved as provided in AS 10.21.450 and 10.21.453, enacted by  
16 sec. 1 of this Act. This subsection may not be interpreted to mean that a corporation is not  
17 bound by its articles of incorporation existing on the effective date of this Act.

18 (k) Except as otherwise expressly provided by this Act, a corporation organized under  
19 former AS 10.20 and existing on the effective date of this Act shall comply with  
20 AS 10.21.105 and 10.21.110, enacted by sec. 1 of this Act, on or before the fifth anniversary  
21 of the effective date of this Act.

22 (l) Except as otherwise expressly provided by this Act, the provisions of AS 10.41.105  
23 and 10.41.110, enacted by sec. 2 of this Act, relating to the contents of articles of  
24 incorporation, do not apply to corporations organized under former AS 10.40 and existing on  
25 the effective date of this Act unless and until an amendment of the articles is filed stating that  
26 the corporation elects to be governed by all of the provisions of AS 10.41 not otherwise  
27 applicable to it under this Act. This subsection may not be interpreted to mean that a  
28 corporation is not bound by its articles existing on the effective date of this Act.

29 (m) Except as otherwise expressly provided by this Act, a corporation organized and  
30 existing under the provisions of former AS 10.40 shall comply with AS 10.41.105 and  
31 10.41.110, enacted by sec. 2 of this Act, on or before the fifth anniversary of the effective

1 date of this Act.

2 \* **Sec. 8. APPLICABILITY TO CERTAIN CORPORATIONS WITH CLASSIFIED**  
3 **DIRECTORS.** (a) Notwithstanding AS 10.21.355(e) and 10.21.365, if a corporation is  
4 organized under 43 U.S.C. 1601 - 1629f and if the corporation's bylaws as the bylaws exist  
5 immediately before the effective date of this Act contain a provision that complies with former  
6 AS 10.20 and provides for a board of directors consisting of three or fewer classes of directors  
7 with terms of office extending not longer than the third annual meeting after the directors'  
8 election, the corporation may continue to elect directors in the classes and for the terms  
9 provided under the bylaws.

10 (b) The application of (a) of this section terminates if, on or after the effective date  
11 of this Act, the corporation modifies or eliminates the provisions of the corporation's bylaws  
12 on the classification and terms of office of the corporation's directors.

13 (c) Notwithstanding AS 10.21.355(e) and 10.21.365, if a corporation is not covered  
14 by (a) of this section, if the corporation is organized under former AS 10.20, and if the  
15 corporation's bylaws as the bylaws exist immediately before the effective date of this Act  
16 contain a provision that complies with former AS 10.20 and provides for a classified board  
17 of directors, the corporation may continue to elect directors in the classes and for the terms  
18 provided under the bylaws until the fifth anniversary of the effective date of this Act.

19 \* **Sec. 9. TENURE OF OFFICERS PRESERVED.** If a person holds an office under a law  
20 repealed by this Act, the person shall continue to hold the office according to its former tenure  
21 if the office is continued by this Act.

22 \* **Sec. 10. INDEMNIFICATION BY A CORPORATION.** AS 10.21.440, as enacted by  
23 sec. 1 of this Act, governs a proposed indemnification by a corporation on and after the  
24 effective date of this Act, whether the events on which the indemnification is based occurred  
25 before, on, or after the effective date of this Act. A statement relating to indemnification  
26 contained in the articles or bylaws of a corporation on the effective date of this Act may limit  
27 the indemnification permitted by AS 10.21.440 unless the statement expressly states that  
28 indemnification is limited.

29 \* **Sec. 11. EXISTING ACTIONS, LIABILITIES, PENALTIES, AND SPECIAL**  
30 **PROCEEDINGS.** The enactment of AS 10.21 and AS 10.41 by secs. 1 and 2 of this Act does  
31 not affect a cause of action, liability, penalty, or special proceeding existing, incurred, or

1 accrued on the effective date of this Act.

2 \* **Sec. 12.** INSTRUCTIONS TO REVISOR. In the following statutes, the revisor of  
3 statutes is directed to replace references to AS 10.20 with references to AS 10.21:

4 AS 04.11.240(a); AS 10.06.828, 10.06.845(c), 10.06.850; AS 10.30.055; AS 13.16.705(g);

5 AS 16.10.380(c), 16.10.400(a), 16.10.400(e); AS 16.40.240(a)(1); AS 29.35.130(a);

6 AS 44.33.135(a); AS 47.18.200(a); AS 47.27.050(d); and AS 47.40.091.

7 \* **Sec. 13.** This Act takes effect January 1, 2001.