

CS FOR SENATE BILL NO. 205 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 3/16/92
Referred: Judiciary

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL

A BILL

FOR AN ACT ENTITLED

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

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

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

7 CHAPTER 21. ALASKA NONPROFIT CORPORATION CODE.

8 ARTICLE 1. CORPORATE PURPOSES AND POWERS.

9 Sec. 10.21.005. PURPOSES. A domestic corporation may be organized under this
 10 chapter for any lawful purpose except for the purposes of banking and insurance. A trade union
 11 or other labor organization may be organized under this chapter, but a cooperative corporation,
 12 religious corporation, or electric or telephone cooperative may not be organized under this
 13 chapter.

14 Sec. 10.21.010. GENERAL POWERS. (a) Subject to the limitations in its articles, the

1 provisions of this chapter, and other applicable law, a domestic corporation has all the powers
2 of a natural person to carry out its business activities, including, without limitation, the power
3 to

4 (1) have perpetual succession by its corporate name;

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

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

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

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

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

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

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

20 (9) elect or appoint officers and agents of the corporation and define their duties
21 and fix their compensation;

22 (10) make and alter bylaws not inconsistent with its articles of incorporation or
23 with the laws of the state, for the administration and regulation of the affairs of the corporation;

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

27 (12) pay pensions and establish pension plans, pension trusts and other incentive
28 plans for its directors, officers, and employees;

29 (13) cease its corporate activities and surrender its corporate franchise;

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

1 the trust;

2 (15) issue memberships and levy dues, assessments, and admission fees;

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

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

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

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

15 Sec. 10.21.015. DEFENSE OF ULTRA VIRES. (a) An act of a domestic corporation
16 or a transfer of real or personal property to or by a domestic corporation, otherwise lawful, is not
17 invalid because the corporation was without capacity or power to do the act or to make or receive
18 the transfer.

19 (b) Notwithstanding (a) of this section, lack of capacity or power may be asserted

20 (1) in an action by a member against the corporation to enjoin the doing of an
21 act or the transfer of real or personal property by or to the corporation; if the unauthorized act
22 or transfer sought to be enjoined is being, or is to be, performed or made under a contract to
23 which the corporation is a party, the court may, if all of the parties to the contract are parties to
24 the action, set aside and enjoin the performance of the contract, and in so doing may allow to
25 the corporation or to the other parties to the contract compensation as may be equitable for the
26 loss or damage sustained by any of the parties from the action of the court in setting aside and
27 enjoining the performance of the contract, except that anticipated profits to be derived from the
28 contract may not be awarded by the court as a loss or damage sustained;

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

1 (3) in an action or special proceeding by the commissioner to annul or dissolve
2 the corporation or to enjoin it from the performance of unauthorized acts.

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

5 Sec. 10.21.020. LIMITATIONS UPON AUTHORITY OF CORPORATE AGENTS. (a)
6 A limitation on the powers of the members, officers, or directors, or on the manner or exercise
7 of their powers, contained in or implied by the articles, bylaws, or action of the board, or by
8 AS 10.21.550 - 10.21.713 may not be asserted as between the corporation or a member and a
9 third person, except in a proceeding

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

13 (2) to dissolve the corporation; or

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

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

19 Sec. 10.21.030. CONTRACTS OR CONVEYANCES BINDING DOMESTIC AND
20 FOREIGN CORPORATIONS. (a) A contract or conveyance made in the name of the
21 corporation that is authorized or ratified by the board, or is done within the scope of the
22 authority, actual or apparent, conferred by the board, or by delegates authorized under
23 AS 10.21.110(1)(J), or within the agency powers of the officers executing it, except as the
24 board's authority is limited by law, binds the corporation, and the corporation acquires rights
25 under the contract, whether the contract is executed or wholly or in part executory.

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

28 ARTICLE 2. NAME AND SERVICE OF PROCESS.

29 Sec. 10.21.050. CORPORATE NAME. (a) Unless a domestic corporation is expressly
30 formed exclusively for charitable purposes a corporate name shall contain the word "corporation",
31 "incorporated" or "limited", or an abbreviation of one of those words. The corporate name may

1 not contain a word or phrase that indicates or implies that the corporation is organized for a
2 purpose other than the purpose contained in its articles. The corporate name may not be the
3 same as, or undistinguishable on the records of the department from, the name of a domestic
4 corporation existing under the laws of this state or a foreign corporation authorized to conduct
5 affairs in this state, or a name that has been reserved or registered as provided in this title.

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

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

13 (d) The corporate name may not contain the following words or phrases or an
14 abbreviation or derivative of them: acceptance, annuity, assurance, bank, bond, casualty,
15 cooperative, endowment, fidelity, finance, fire fighter, guarantee, indemnity, insurance,
16 investment, loan, mortgage, savings, police, trooper, surety, title, trust, underwriter.

17 Sec. 10.21.053. CORPORATE NAME; EXCEPTIONS. (a) The provisions of
18 AS 10.21.050 and 10.21.768 do not

19 (1) prevent a corporation with which another corporation is merged, or that is
20 formed by the consolidation of one or more other corporations from having the same name as
21 one of the existing corporations if at the time the existing corporation was authorized or existing
22 under a statute of this state;

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

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

28 (B) the applicant has conducted activities as a corporation under the name
29 for not less than 10 consecutive years immediately prior to the date of its application;

30 (C) the activities to be conducted in this state are not the same as or
31 similar to the business or activities conducted by the corporation with whose name it may

1 conflict;

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

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

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

8 Sec. 10.21.055. RESERVATION OF CORPORATE NAME. The exclusive right to the
9 use of a corporate name may be reserved by a

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

11 (2) domestic corporation intending to change its name;

12 (3) foreign corporation intending to apply for a certificate of authority to conduct
13 affairs in this state;

14 (4) foreign corporation authorized to conduct affairs in this state and intending
15 to change its name;

16 (5) person intending to organize a foreign corporation and to have it apply for a
17 certificate of authority to conduct affairs in this state.

18 Sec. 10.21.058. APPLICATION TO RESERVE CORPORATE NAME. Reservation of
19 a corporate name is made by filing an application with the commissioner. If the commissioner
20 finds that the name is available for corporate use, and not a reserved or registered business name
21 as set out in AS 10.35, the commissioner shall reserve it for the exclusive use of the applicant
22 for a period of 120 days.

23 Sec. 10.21.060. TRANSFER OF RESERVED NAME. The holder of a reserved
24 corporate name may transfer the right to the exclusive use of the corporate name to another
25 person by filing with the commissioner a notice of transfer signed by the holder and specifying
26 the name and address of the transferee.

27 Sec. 10.21.063. FOREIGN CORPORATIONS: REGISTRATION OF CORPORATE
28 NAME. A corporation organized and existing under the laws of any state may register its
29 corporate name if the name is not the same as, or undistinguishable on the records of the
30 department from, the name of a domestic corporation, the name of a foreign corporation
31 authorized to conduct affairs in this state, or a corporate name reserved or registered under AS 10.35.

1 **Sec. 10.21.065. USE OF SAME OR UNDISTINGUISHABLE NAME.** Incorporation,
2 obtaining a certificate of authority by a foreign corporation, or registration of a corporate name
3 gives the exclusive right to the use of the name. The person who has incorporated, received a
4 certificate of authority, or registered a corporate name under this chapter may enjoin the use of
5 the same name or a name that is undistinguishable on the records of the department from the
6 corporate name and has a cause of action for damages against a person who uses the same name
7 or a name that is undistinguishable on the records of the department from the corporate name.

8 **Sec. 10.21.068. PROCEDURE FOR REGISTRATION OF CORPORATE NAME.**
9 Registration of a corporate name is made by filing with the commissioner

10 (1) an application for registration executed by an officer of the corporation setting
11 out the name of the corporation, the state under the laws of which it is incorporated, the date of
12 incorporation, a statement that it is conducting affairs, and a brief statement of its corporate
13 purposes; and

14 (2) a certificate from an official of the state where the corporation is organized
15 who has custody of the records pertaining to corporations stating that the corporation is in good
16 standing under the laws of that state or territory.

17 **Sec. 10.21.070. FEE FOR AND DURATION OF REGISTERED NAME.** (a) The fee
18 for registration of a corporate name shall be established by the department by regulation.

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

22 **Sec. 10.21.073. RENEWAL OF REGISTERED NAME.** A foreign corporation that has
23 registered its corporate name may renew the registration each year by (1) filing an application
24 for renewal setting out the facts required in an original application for registration; (2) filing a
25 certificate of good standing required for an original registration; and (3) paying a fee established
26 by the department by regulation. An application for renewal shall be filed between October 1
27 and December 31 in each year. The renewal extends the registration for the following calendar
28 year.

29 **Sec. 10.21.075. REGISTERED OFFICE AND REGISTERED AGENT.** A domestic
30 corporation shall continuously maintain in this state a registered agent and a registered office.
31 The registered office may be the same as the principal office of the corporation. The registered

1 agent may be either an individual resident of this state whose business office is the same as the
2 registered office, or a domestic or foreign corporation authorized to conduct affairs in this state
3 whose principal office is the same as the registered office.

4 Sec. 10.21.080. FILING LIST OF REGISTERED CORPORATIONS WITH SUPERIOR
5 COURT. The commissioner shall file a list of the name of each domestic and authorized foreign
6 corporation, and the name and address of the registered agent of each domestic and authorized
7 foreign corporation, with the superior court of each judicial district. The commissioner shall
8 provide a weekly update of the list indicating additions, deletions, and changes by mechanical
9 or electronic means that can be reduced to legible written copy. The commissioner shall make
10 the list and weekly updates available to the public for a fee established by the department by
11 regulation. The commissioner shall publish an updated compilation of the entire list at least once
12 each year.

13 Sec. 10.21.083. CHANGE OF REGISTERED OFFICE; CHANGE OR RESIGNATION
14 OF REGISTERED AGENT. (a) A corporation may change its registered office or its registered
15 agent, or both, by filing with the commissioner a verified statement setting out

16 (1) the name of the corporation;

17 (2) the address of its registered office;

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

20 (4) the name of its registered agent;

21 (5) the name of its successor registered agent, if its registered agent is to be
22 changed; and

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

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

27 (c) A registered agent may resign by filing a written notice, executed in duplicate, with
28 the commissioner. The written notice of resignation shall set out the latest address of the
29 principal office of the corporation and the names, addresses, and titles of the most recent officers
30 of the corporation known to the agent. The commissioner shall immediately mail a copy of the
31 notice to the corporation at its principal office. The resignation becomes effective 30 days after

1 the filing of the written notice, or upon the appointment of a new agent by the corporation,
2 whichever is sooner.

3 Sec. 10.21.088. SERVICE OF PROCESS ON CORPORATION. (a) The registered agent
4 of a domestic corporation is an agent upon whom process, notice, or demand required or
5 permitted by law to be served upon the corporation may be served.

6 (b) If a domestic corporation fails to appoint or maintain a registered agent in the state,
7 or its registered agent cannot, with reasonable diligence, be found at the registered office, the
8 commissioner is an agent of the corporation upon whom the process, notice or demand may be
9 served. A person may serve the commissioner under this subsection by

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

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

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

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

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

25 (c) The department shall keep a record of processes, notices, and demands served upon
26 the commissioner under this section.

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

29 ARTICLE 3. FORMATION OF CORPORATIONS.

30 Sec. 10.21.100. INCORPORATORS. Three or more natural persons at least 18 years of
31 age may act as incorporators of a domestic corporation by signing, verifying, and delivering in

1 duplicate to the commissioner articles of incorporation for the corporation.

2 Sec. 10.21.105. ARTICLES OF INCORPORATION. (a) The articles of incorporation
3 must set out

4 (1) the name of the corporation;

5 (2) the purpose or purposes for which the corporation is organized, which may
6 be stated to be, or to include, the conduct of any or all lawful affairs for which corporations may
7 be incorporated under this chapter;

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

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

11 (5) a statement either that:

12 (A) "This corporation is a nonprofit mutual benefit corporation, is not
13 expressly formed for a public or charitable purpose, and will not, or is not reasonably
14 expected to, derive in excess of 10 percent of its annual income from donations as defined
15 in AS 10.21.990 and will have voting members."; or

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

18 (6) the name and address of each alien affiliate (AS 10.21.990) or a statement that
19 there are no alien affiliates.

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

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

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

27 Sec. 10.21.110. ARTICLES OF INCORPORATION: OPTIONAL PROVISIONS. The
28 articles of incorporation may set out

29 (1) any of the following provisions, that are not effective unless expressly
30 provided in the articles:

31 (A) a provision stating special qualifications of persons who may be

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members;

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

(C) a provision requiring, for any or all corporate actions except as provided in AS 10.21.375, 10.21.553, and 10.21.633, the vote of a larger proportion or of all of the members, or of a class, or the vote or quorum for taking action of a larger proportion or of all of the directors, than is otherwise required by this chapter;

(D) a provision fixing a quorum of members other than a majority of the members entitled to vote but in no event less than 10 percent of the members entitled to vote at a meeting;

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

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

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

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

(I) a provision requiring the approval of the members (AS 10.21.990(7)) or approval of a majority of all members (AS 10.21.990(4)) for any corporate action, even though not otherwise required by this chapter;

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

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

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

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

(3) any other provision, not in conflict with law, for the regulation of internal

1 affairs and for the conduct of the affairs of the corporation, including any provision that is
2 required or permitted by this chapter to be stated in the bylaws.

3 Sec. 10.21.112. PROVISIONS CONSIDERED TO BE IN ARTICLES OF
4 INCORPORATION BY OPERATION OF LAW. (a) The articles of incorporation of every
5 nonprofit corporation that is a private foundation are considered to contain provisions prohibiting
6 the corporation from

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

9 (2) retaining excess business holdings that would give rise to liability for the tax
10 imposed by 26 U.S.C. 4943(a) (Internal Revenue Code);

11 (3) making an investment that would jeopardize the carrying out of any of its
12 exempt purposes, within the meaning of 26 U.S.C. 4944 (Internal Revenue Code), so as to give
13 rise to liability for the tax imposed by 26 U.S.C. 4944(a) (Internal Revenue Code); and

14 (4) making taxable expenditures that would give rise to liability imposed by 26
15 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, for the
18 purposes specified in its articles of incorporation, for each taxable year, amounts at least
19 sufficient to avoid liability for the tax imposed by 26 U.S.C. 4942(a) (Internal Revenue Code).

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

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

26 (e) In this section,

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

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

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

1 Code);

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

4 Sec. 10.21.115. FILING OF ARTICLES OF INCORPORATION. Duplicate originals
5 of the articles of incorporation shall be delivered to the commissioner for processing under
6 AS 10.21.905 and for issuance of a certificate of incorporation.

7 Sec. 10.21.117. DISCLOSURE OF CORPORATE PURPOSE. A person presenting
8 articles of incorporation under AS 10.21.115 shall deliver, with the articles, a separate statement
9 of the codes, from the identification codes established under AS 10.06.870, which most closely
10 describe the activities in which the corporation will initially engage.

11 Sec. 10.21.120. EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION.
12 The corporate existence begins upon the issuance of the certificate of incorporation. The
13 certificate of incorporation is conclusive evidence that all conditions precedent required to be
14 performed by the incorporators have been satisfied and that the corporation has been
15 incorporated. Issuance of the certificate does not affect the right of the state to bring a
16 proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of
17 the corporation. The doctrines of de jure compliance, de facto corporations, and corporations by
18 estoppel are abolished.

19 Sec. 10.21.125. ASSUMPTION OF PURPORTED POWERS OF NONEXISTENT
20 CORPORATION: LIABILITY. Persons who assume to act as a corporation for which no
21 certificate of incorporation has been issued under AS 10.21.120 are jointly and severally liable
22 for debts and liabilities incurred or arising as a result of that action.

23 Sec. 10.21.130. ORGANIZATIONAL MEETING. After the issuance of a certificate of
24 incorporation an organizational meeting of either the incorporators or the board of directors
25 named in the articles of incorporation shall be held, either inside or outside the state, at the call
26 of the majority of the incorporators or directors named in the articles of incorporation, for the
27 purposes of adopting bylaws, electing directors if none have been named in the articles, electing
28 officers and transacting other business as may come before the meeting. Those calling the
29 meeting shall give at least 20 days' notice of the meeting by mail to each incorporator or director
30 named. The notice must state the time and place of the meeting.

31 Sec. 10.21.135. POWER OF INCORPORATORS BEFORE ELECTION OF

1 **DIRECTORS.** If initial directors are not named in the articles, the incorporator or incorporators
2 may do whatever is necessary and proper to perfect the organization of the corporation until the
3 directors are elected, including the adoption and amendment of bylaws of the corporation and the
4 election of directors.

5 **Sec. 10.21.140. BYLAWS: ADOPTION, AMENDMENT, OR REPEAL.** Bylaws may
6 be adopted, amended, or repealed either by approval of a majority of all members
7 (AS 10.21.990(4)) or by approval of the board (AS 10.21.990(6)), except as provided in
8 AS 10.21.145. In the case of mutual benefit corporations the articles may restrict or eliminate
9 the power of the board to adopt, amend, or repeal bylaws.

10 **Sec. 10.21.145. BYLAWS: NUMBER OF DIRECTORS AND OTHER CONTENT.** (a)
11 Unless a provision is contained in the articles the bylaws shall state the number of directors of
12 the corporation or that the number of directors may not be less than a stated number or more than
13 a stated number, with the exact number of the directors to be fixed, within the limits specified,
14 by approval of the board or the members (AS 10.21.990(6) - (7)) in the manner provided in the
15 bylaws. The stated maximum number of directors may not be greater than two times the stated
16 minimum number minus one and the minimum number of directors may not be less than three.
17 If the articles provide for the number of directors, the number of directors may only be changed
18 by an amendment to the articles.

19 (b) In the case of a domestic corporation having members with voting rights, a bylaw
20 specifying or changing a fixed number of directors or the maximum or minimum number of
21 directors or changing from a fixed to a variable board or, vice versa may only be adopted by
22 approval of a majority of all members (AS 10.21.990(4)).

23 (c) Notwithstanding (b) of this section, a bylaw or amendment of the articles reducing
24 the fixed or minimum number of directors to a number less than five may not be adopted if the
25 number of votes cast against its adoption at a meeting or the number of members not consenting
26 in the case of action by written consent are more than 1/6th of the members entitled to vote.

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

30 (e) The bylaws may contain any provision, not in conflict with law or the articles, for
31 the regulation of the internal affairs and for the conduct of the affairs of the corporation,

1 including but not limited to

- 2 (1) a provision referred to in AS 10.21.110(2) and 10.21.110(3);
- 3 (2) the time, place, and manner of calling, conducting, and giving notice of
- 4 meetings of members, directors, and committees;
- 5 (3) the manner of execution, revocation, and use of proxies;
- 6 (4) the qualifications, duties, and compensation of directors; the time of their
- 7 annual election; and the requirements of a quorum for directors and committee meetings;
- 8 (5) the appointment and authority of committees of the board;
- 9 (6) the appointment, duties, compensation, and tenure of officers;
- 10 (7) the mode of determination of membership in the corporation; and
- 11 (8) the making of annual reports and financial statements to the members.

12 Sec. 10.21.150. BYLAWS TO BE KEPT AT OFFICE; INSPECTION BY MEMBERS.

13 Each corporation shall keep at its principal executive office in this state or, if its principal

14 executive office is not in this state, at its principal office in this state, the original or a copy of

15 its bylaws with amendments to date, which shall be open to inspection by the members at all

16 reasonable times during office hours. If the principal executive office of the corporation is

17 outside this state and the corporation has no principal office in this state, it shall, upon a written

18 request of a member, furnish to that member a copy of the bylaws with amendments to date.

19 ARTICLE 4. CORPORATE FINANCE.

20 Sec. 10.21.155. DUES, ASSESSMENTS, OR FEES AUTHORIZED. (a) A domestic

21 corporation may levy dues, assessments, or fees on its members as provided in its articles or

22 bylaws. A member, upon learning of the levy, may avoid liability for dues, assessments, or fees

23 by promptly resigning from membership, unless the member is, by contract or otherwise, liable

24 for the payment of the dues, assessment, or fee. A provision of the articles or bylaws authorizing

25 dues, assessments, or fees does not alone create liability of a member for the payment of the

26 dues, assessment, or fee.

27 (b) Dues, assessments, or fees levied as provided in this section shall be uniform for all

28 members except that a corporation having two or more classes of members need only levy dues,

29 assessments, or fees that are uniform as to all members of each class.

30 Sec. 10.21.160. BONDS; LIMITATIONS ON ISSUANCE. (a) A domestic corporation

31 may not issue bonds except for money or other property, tangible or intangible, or labor or

1 services actually received by or performed for the corporation or for its benefit.

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

4 Sec. 10.21.165. LIMITATION ON ACCESS TO NONDEBT CAPITAL. A domestic
5 corporation may not issue stock or capital certificates, or enter into similar agreements that
6 provide the corporation with access to capital without a fixed obligation to repay the source.

7 Sec. 10.21.170. INCOME FROM CORPORATE ACTIVITIES. (a) If the lawful
8 activities of a domestic corporation involve the charging of fees or prices for its services or
9 products the corporation has the right to receive this income and, in so doing, may make an
10 incidental profit.

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

14 Sec. 10.21.175. RESTRICTION ON ACCUMULATION OF SURPLUS CURRENT
15 ASSETS. (a) Notwithstanding another provision of this chapter or of law, a domestic
16 corporation may not accumulate from any source current assets in excess of its current liabilities
17 and a reasonable reserve for planning.

18 (b) Current assets are presumed to be in excess of the amount permitted under (a) of this
19 section if they exceed 50 percent of the larger of either the corporate expenditures in the
20 preceding year or the average corporate expenditures for the five immediately preceding years.

21 (c) Notwithstanding a provision of this chapter to the contrary, a domestic corporation
22 may exceed the limits established in this section for the accumulation of surplus current assets
23 if the corporation is specifically authorized to do so under federal law.

24 (d) A violation of this section is ultra vires corporate activity with the consequences
25 provided under AS 10.21.015(b).

26 (e) In this section,

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

30 (2) "current liabilities" means

31 (A) in the case of a public benefit corporation (AS 10.21.990) those

1 recurrent and anticipated expenses in furtherance of the purpose or purposes stated in the
2 corporate articles;

3 (B) in the case of a mutual benefit corporation (AS 10.21.990) those
4 recurrent and anticipated expenses in furtherance of the purpose or purposes stated in the
5 corporate articles or by board resolution.

6 Sec. 10.21.180. DISTRIBUTION TO MEMBERS PROHIBITED. (a) A domestic
7 corporation may not make a distribution to members (AS 10.21.990).

8 (b) If allowed by its articles or bylaws, a mutual benefit corporation may provide services
9 or goods to members for no charge or at a charge that the board determines is appropriate.

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

13 Sec. 10.21.185. DONATED ASSETS HELD IN CHARITABLE TRUST. (a) A donation
14 (AS 10.21.990) received by a domestic corporation shall be held in charitable trust.

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

17 (1) acceptance of an unsolicited donation by the corporation implies as a term of
18 the trust that the donation will be applied to the public or charitable purposes stated in the articles
19 of the corporation at the time of the donation or as amended in conformity with AS 10.21.453(b)
20 and will not be used for another purpose;

21 (2) acceptance of a solicited donation by the corporation implies as a term of the
22 trust that the donation will be applied to the purpose or purposes stated in the solicitation and
23 will not be used for another purpose.

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

26 (1) acceptance of an unsolicited donation by the corporation implies as a term of
27 the trust that the donation will be used for the purposes stated in the articles of the corporation
28 at the time of the donation or as amended in conformity with AS 10.21.453(b) and will not be
29 used for another purpose;

30 (2) acceptance of a solicited donation by the corporation implies as a term of the
31 trust that the donation will be used for the purpose stated in the solicitation and will not be used

1 for another purpose.

2 (d) A donation received by a foreign corporation from a source in this state shall be held
3 in charitable trust. In the absence of a written agreement between a donor and a foreign
4 corporation defining the terms of the charitable trust, acceptance of a donation by the corporation
5 implies as a term of the trust that the donation will be used for the purposes stated in the
6 solicitation and in the articles of the corporation at the time of solicitation and will not be used
7 for another purpose.

8 Sec. 10.21.190. ACTION TO REMEDY BREACH OF CHARITABLE TRUST. (a)
9 Notwithstanding AS 10.21.015, the following may bring an action to enjoin, correct, obtain
10 damages for, or otherwise remedy a breach of a charitable trust established under AS 10.21.185:

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

13 (2) an officer of the corporation;

14 (3) a director of the corporation;

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

17 (5) the commissioner, or a person designated by the commissioner.

18 (b) The plaintiff shall give notice to the commissioner of an action under (a) of this
19 section and the commissioner may intervene in that action.

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

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

25 Sec. 10.21.193. DISPOSITION OF ASSETS IN REGULAR COURSE OF ACTIVITIES;
26 MORTGAGE OR PLEDGE OF ASSETS. (a) The sale, lease, exchange, or other disposition
27 of all, or substantially all, of the property and assets of a domestic corporation in the usual and
28 regular course of its activities, and the mortgage or pledge of property and assets, whether or not
29 in the usual and regular course of its activities, may be made on terms and conditions and for
30 consideration as approved by a majority of the entire board (AS 10.21.990(5)) and approved by
31 the members (AS 10.21.990(7)).

1 (b) This section and the other provisions of this chapter do not authorize a sale, lease,
2 exchange, or disposition prohibited by another law, including the law of trusts, charitable trusts,
3 and contracts, or prohibited by the articles or bylaws.

4 Sec. 10.21.195. DISPOSITION OF ALL OR SUBSTANTIALLY ALL ASSETS NOT
5 IN REGULAR COURSE OF ACTIVITIES. (a) A sale, lease, exchange or other disposition of
6 all, or substantially all, of the assets of a domestic corporation other than in the regular course
7 of its activities may be made in the following manner:

8 (1) if there are members entitled to vote on the disposition, the board shall adopt
9 a resolution recommending the sale, lease, exchange or other disposition; the resolution shall state
10 the terms and conditions of the proposed transaction, including the consideration to be received
11 by the corporation, the eventual disposition to be made of the consideration, and a statement
12 indicating whether the dissolution of the corporation is or is not contemplated; the resolution shall
13 be submitted to a vote at an annual or special meeting of members entitled to vote on the
14 resolution; written notice of the meeting shall be given to each member and bond holder, whether
15 or not entitled to vote, not less than 20 days before the meeting in the manner provided in this
16 chapter for the giving of notice of meetings of members; the notice must state that the purpose,
17 or one of the purposes of the meeting, is to consider a proposed sale, lease, exchange, or other
18 disposition of the assets of the corporation, and in the case of a mutual benefit corporation, the
19 notice must include a copy of AS 10.21.530 and 10.21.533 concerning the rights of a dissenting
20 member;

21 (2) a mutual benefit corporation shall take a vote of the members at a meeting
22 properly noticed under this section on a sale, lease, exchange, or other disposition recommended
23 by the board; the transaction is approved if the recommendation of the board receives the
24 affirmative vote of at least two-thirds of all the members entitled to vote on the recommendation,
25 unless a class of members is entitled to vote as a class, in which case the transaction is approved
26 if it receives the affirmative vote of at least two-thirds of all members of that class and of the
27 total number of members entitled to vote; members may alter the terms of a proposed sale, lease,
28 exchange or other disposition and may authorize the board to modify the terms and conditions
29 by a vote sufficient to approve the transaction; a sale, lease, exchange, or other disposition, as
30 modified by the members, is approved when those terms have been adopted by a majority of the
31 board;

1 (3) a public benefit corporation or a foreign corporation shall take a vote of the
2 members at a meeting properly noticed under this section, on the recommended sale, lease,
3 exchange, or other disposition recommended by the board; the transaction is approved if the
4 recommendation of the board receives the approval of the members (AS 10.21.990(7)), unless
5 a class of members is entitled to vote as a class, in which case the transaction is approved if it
6 is approved by both the members of the class and the members of the corporation; the members
7 may alter the terms of a proposed sale, lease, exchange, or other disposition and may authorize
8 the board to modify the terms and conditions by a vote sufficient to approve the transaction; a
9 sale, lease, exchange, or other disposition, as modified by the members, is approved when those
10 terms have been adopted by a majority of the board;

11 (4) if there are no members entitled to vote on a disposition of corporate assets,
12 under this section, a sale, lease, exchange, or other disposition may be authorized by the vote of
13 at least two-thirds of the entire board (AS 10.21.990); notwithstanding this paragraph, if there
14 are 21 or more directors, the vote of a majority of the entire board is sufficient to authorize a
15 disposition of corporate assets.

16 (b) If a corporation is, or would be if formed under this chapter, a public benefit
17 corporation, a sale, lease, exchange, or other disposition shall be approved by the commissioner
18 as provided in AS 10.21.198. If the corporation is or would be if formed under this chapter, a
19 mutual benefit corporation, and it holds assets in charitable trust, it shall give written notice to
20 the commissioner not less than 30 days before a sale, lease, exchange, or other disposition under
21 this section unless the commissioner has given the corporation a written waiver of this notice
22 requirement as to the particular transaction.

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

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

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

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

29 Sec. 10.21.198. PETITION FOR APPROVAL BY COMMISSIONER. (a) A domestic
30 or foreign corporation required by law to obtain the approval of the commissioner to sell, lease,
31 exchange, or otherwise dispose of all or substantially all of its assets, shall submit a verified

1 petition to the commissioner that must set out

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

3 (2) the names of the directors and principal officers of the corporation and their
4 places of residence;

5 (3) the activities of the corporation;

6 (4) a description, of the assets to be sold, leased, exchanged, or otherwise
7 disposed of, which may be contained in a schedule attached to the petition; a statement of the
8 face value of those assets; and the amount of the corporation's debts and liabilities, including the
9 manner by which they are secured;

10 (5) the consideration to be received by the corporation and the proposed
11 disposition of that consideration, together with a statement that the dissolution of the corporation
12 is or is not contemplated;

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

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

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

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

26 (b) The commissioner may, in the exercise of discretion, order that the notice of the
27 petition be given personally or by mail to any person interested in the petition, as member,
28 officer, or creditor of the corporation. The notice shall state that written consent or objections
29 to the petition will be received by the commissioner until a specified date that may not be less
30 than 30 days from the date of the notice. An interested person, whether or not formally notified,
31 may file written comments or objections to the petition. Comments shall be considered by the

1 commissioner if they are filed within the time permitted under the notice, or if notice has not
2 been given by the commissioner, within 30 days from the presentation of the petition to the com-
3 missioner.

4 (c) If the corporation is insolvent (AS 10.21.990) or if its assets are insufficient to
5 liquidate its debts and liabilities in full, the approval of the commissioner shall not be given
6 unless all the creditors of the corporation have been served, personally or by mail, with a notice
7 of the proposed distribution, and have been given the period for comment or objection permitted
8 under (b) of this section.

9 (d) If the commissioner determines that the purposes of the corporation or the interests
10 of the members will be reasonably served, the commissioner may authorize the sale, lease,
11 exchange, or other disposition of all or substantially all of the assets of the corporation, as
12 described in the petition, for the consideration and on the terms the commissioner prescribes.
13 The commissioner's order shall direct the disposition of the consideration to be received by the
14 corporation.

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

18 ARTICLE 5. MEMBERS.

19 Sec. 10.21.200. MEMBERS; ADMISSION OF MEMBERS; CORPORATIONS
20 WITHOUT MEMBERS. (a) A domestic corporation may admit persons to membership as
21 provided in its articles or bylaws, or may provide in its articles or bylaws that it will not have
22 members (AS 10.21.990). In the absence of a provision in its articles or bylaws providing for
23 members, a domestic corporation may not have members.

24 (b) In the case of a domestic corporation having no members

25 (1) an action that would otherwise require approval by a majority of all members
26 (AS 10.21.990(4)) or approval by the members (AS 10.21.990(7)) requires only approval of the
27 board (AS 10.21.990(6)), notwithstanding a provision of the articles, bylaws, or this chapter;

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

29 (c) In this chapter, a domestic corporation having no members includes a domestic
30 corporation in which the directors are the only members.

31 Sec. 10.21.203. MEMBERSHIP: CONSIDERATION. (a) Subject to the articles or

1 bylaws, a membership may be issued by a domestic corporation for no consideration or for a
2 consideration as determined by the board.

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

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

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

10 Sec. 10.21.205. MULTIPLE AND FRACTIONAL MEMBERSHIP: HOMEOWNERS'
11 ASSOCIATIONS. (a) Except as provided in this section a person may not hold a fractional
12 membership or more than one membership.

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

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

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

21 Sec. 10.21.208. MUTUAL BENEFIT CORPORATIONS; MEMBERSHIP
22 CERTIFICATES; IDENTITY CARDS; TRANSFER AND CANCELLATION. (a) Except as
23 provided in AS 10.21.203(d), a mutual benefit corporation may issue membership certificates and
24 identity cards or similar devices to members that serve to identify members qualifying to use
25 facilities or services of the corporation.

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

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

31 (2) that restrictions on the transferability of membership, if any, are on file with

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

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

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

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

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

22 Sec. 10.21.210. ISSUANCE OF NEW MEMBERSHIP CERTIFICATE FOR LOST,
23 STOLEN, OR DESTROYED CERTIFICATE. (a) A mutual benefit corporation may issue a
24 new membership certificate in place of a certificate that is lost, stolen, or destroyed. The
25 corporation may require the owner of the lost, stolen, or destroyed certificate or the owner's legal
26 representative to give the corporation a bond or other adequate security sufficient to indemnify
27 the corporation against a claim that may be made against the corporation because of the loss,
28 theft, or destruction of a certificate or the issuance of a new certificate.

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

1 corporation to issue a new certificate.

2 Sec. 10.21.213. PERSONS ADMITTED TO MEMBERSHIP; EXCEPTION OF
3 SUBSIDIARIES. (a) Except as provided in (b) of this section, or in its articles or bylaws, a
4 corporation may admit any person to membership.

5 (b) A corporation may not admit a subsidiary (AS 10.21.990) of the corporation to
6 membership.

7 Sec. 10.21.215. TRANSFER OF MEMBERSHIPS: MUTUAL BENEFIT
8 CORPORATIONS. (a) In the case of a mutual benefit corporation, unless the articles or bylaws
9 provide otherwise and subject to AS 10.21.268

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

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

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

18 (c) If transfer rights have been provided, a restriction of those rights is not binding with
19 respect to memberships issued prior to the adoption of the restriction, unless the holders of those
20 memberships voted in favor of the restriction.

21 Sec. 10.21.218. TRANSFER OF MEMBERSHIPS: PUBLIC BENEFIT
22 CORPORATIONS. Subject to AS 10.21.265, in the case of a public benefit corporation

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

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

27 Sec. 10.21.220. EQUALITY OF MEMBERSHIPS. Except as provided by the articles
28 or bylaws, all memberships have the same rights, privileges, preferences, restrictions, and
29 conditions.

30 Sec. 10.21.225. BENEFITTING, SERVING, AND ASSISTING NONMEMBERS. A
31 domestic corporation may benefit, serve, or assist for consideration, if any, as determined by the

1 board or as provided by the articles or bylaws, a person who is not a member as that term is
2 defined for this chapter.

3 **Sec. 10.21.228. RESIGNATION OR EXPIRATION OF MEMBERSHIP.** (a) A member
4 may resign from membership at any time. The articles or bylaws may require reasonable notice
5 before a resignation is effective.

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

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

10 **Sec. 10.21.230. EXPULSION, SUSPENSION, OR TERMINATION.** (a) A member may
11 not be expelled or suspended, and a membership may not be terminated or suspended, except as
12 provided in this section. An expulsion, termination, or suspension not in accord with this section
13 is void and without effect.

14 (b) An expulsion, suspension, or termination shall be done in good faith and in a fair and
15 reasonable manner. A procedure not conforming to (c) of this section may be fair and reasonable
16 when the full circumstances of the suspension, termination, or expulsion are considered. The
17 burden of proof of the reasonableness of a procedure not conforming to (c) of this section is on
18 the corporation.

19 (c) A suspension, termination, or expulsion procedure is fair and reasonable if

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

22 (2) the procedure provides for the giving of 30 days' notice to the member before
23 the expulsion, suspension, or termination, and notice of the reasons for the expulsion, suspension,
24 or termination; and

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

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

1 (e) An action challenging an expulsion, suspension, or termination of membership,
2 including a claim alleging defective notice, must be commenced within one year after the date
3 of the expulsion, suspension, or termination. In the event the action is successful the court may
4 order the relief, including reinstatement, that it finds equitable under the circumstances. A vote
5 of the members entitled to vote or of the board may not be set aside because a person was at the
6 time of the vote wrongfully excluded by virtue of the challenged expulsion, suspension, or
7 termination, unless the court finds that the wrongful expulsion, suspension, or termination was
8 in bad faith and for the purpose, and with the effect, of wrongfully excluding the member from
9 the vote or from the meeting at which the vote took place, in order to affect the outcome of the
10 vote.

11 (f) This section governs only the procedures for expulsion, suspension, or termination of
12 a member and not the substantive grounds. An expulsion, suspension, or termination based on
13 substantive grounds that violate contractual or other rights of a member or are otherwise unlawful
14 is not made valid by compliance with this section.

15 Sec. 10.21.233. MEETINGS OF MEMBERS. (a) Meetings of members shall be held
16 at a place inside or outside this state as provided by the bylaws. If the bylaws make no
17 provision, meetings shall be held at the registered office of the corporation.

18 (b) Regular meetings of members of a public benefit corporation shall be held on a date,
19 at a time, and with the frequency provided by the bylaws, but not less often than once every third
20 year. If the bylaws make no provision, annual meetings shall be held. Directors shall be elected
21 at a regular meeting of the members unless they are chosen in some other manner authorized by
22 law. Any other proper business may be transacted at a regular meeting.

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

27 (d) If a domestic corporation with members fails to hold a regular meeting for a period
28 of 60 days after the date designated for the meeting, or, if no date has been designated, for a
29 period of 15 months after the formation of the corporation or after its last regular meeting as
30 required by (b) or (c) of this section, or if the corporation fails to hold a written ballot for a
31 period of 60 days after the date designated for the written ballot, the superior court may

1 summarily order the meeting to be held or the ballot to be conducted upon the application of a
2 member or the commissioner after notice to the corporation giving it an opportunity to respond.

3 (e) Special meetings of the members may be called by the board, the chair of the board,
4 the president, 10 percent of the members, or by other persons authorized in the articles or bylaws.

5 Sec. 10.21.235. DETERMINATION OF RECORD DATE. (a) The bylaws may provide
6 or, in the absence of a provision, the board may fix in advance, a date as the record date for the
7 purpose of determining the members entitled to notice of a meeting of members. The record date
8 may not be more than 60 or less than 10 days before the date of the meeting. If a record date
9 is not fixed, a member at the close of business on the business day preceding the day on which
10 notice is given or, if notice is waived, at the close of business on the business day preceding the
11 day on which the meeting is held, is entitled to notice of a meeting of members. A determination
12 of members entitled to notice of a meeting of members applies to an adjournment of the meeting
13 unless the board fixes a new record date for the adjourned meeting.

14 (b) The bylaws may provide or, in the absence of a provision, the board may fix in
15 advance, a date as the record date for the purpose of determining the members entitled to vote
16 at a meeting of members. The record date may not be more than 60 days before the date of the
17 meeting. If a record date is not fixed, a member on the day of the meeting who is eligible to
18 vote is entitled to vote at the meeting of members. If a record date is not fixed in the case of
19 an adjourned meeting, a member on the day of adjournment is eligible to vote at the resumption
20 of that meeting.

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

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

1 **Sec. 10.21.238. NOTICE OF MEMBERS' MEETINGS; PERMISSIBLE AGENDA. (a)**

2 Whenever members are required or permitted to take any action at a meeting, a written notice
3 of the meeting shall be delivered not less than 20 nor more than 50 days before the date of the
4 meeting, either personally or by mail, by or at the direction of the president, the secretary or the
5 officer or persons calling for the meeting, to each member entitled to vote at the meeting. If
6 mailed, the notice is considered delivered when deposited with postage prepaid in the United
7 States mail addressed to the member at the member's address as it appears on the membership
8 records of the corporation.

9 (b) The notice required by (a) of this section must state the place, date, and time of the
10 meeting and

11 (1) in the case of a special meeting, the purpose for which the meeting is called,
12 and no other business may be transacted, or

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

16 **Sec. 10.21.240. NOMINATION AND ELECTION PROCEDURES FOR THE BOARD.**

17 (a) Nomination and election procedures that are reasonable, given the nature, size, and operations
18 of the corporation, shall be available to the members for the nomination and election of those
19 directors elected by the members. The procedures shall be set out in the articles or bylaws.

20 (b) The procedures must include

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

22 (2) a reasonable opportunity for a nominee to communicate to the members the
23 nominee's qualifications and the reasons for the nominee's candidacy;

24 (3) a reasonable opportunity for nominees to solicit votes; and

25 (4) a reasonable opportunity for members to choose among the nominees.

26 **Sec. 10.21.243. NOMINATION PROCEDURES: CORPORATIONS WITH 500 OR**
27 **MORE MEMBERS.** Except for directors who are designated or selected under AS 10.21.355(d)
28 or directors elected on a chapter or regional basis under AS 10.21.275, and except as provided
29 in AS 10.21.245, a person who is qualified to be elected to the board of directors of a domestic
30 corporation with 500 or more members may be nominated

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

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

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

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

8 (3) notwithstanding (2) of this section, in domestic corporations engaged primarily
9 in the business of retail merchandising of consumer goods, having 100,000 or more members,
10 by petition delivered to an officer of the corporation, signed, within 11 months preceding the next
11 time directors will be elected, by a reasonable number of members, consistent with AS 10.21.240;

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

14 Sec. 10.21.245. ELECTION OF DIRECTORS: CORPORATIONS WITH 5,000 OR
15 MORE MEMBERS. (a) The provisions of this section apply to the election of directors by
16 members of a domestic corporation with 5,000 or more members except for an election
17 authorized by AS 10.21.273 or 10.21.275.

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

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

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

28 Sec. 10.21.248. EQUAL ACCESS TO CORPORATE PUBLICATIONS: VOTE
29 SOLICITATION IN CORPORATE PUBLICATIONS. A domestic corporation with 500 or more
30 members that publishes material soliciting votes for a nominee for election to the board in a
31 publication owned or controlled by the corporation, shall make available to each of the other

1 nominees, in the same issue of the publication, an equal amount of space, with equal prominence,
2 to be used by these nominees for purposes reasonably related to the election.

3 Sec. 10.21.250. MAILINGS OF ELECTIC N MATERIAL AT REQUEST OF
4 NOMINEES; NOMINEE INSPECTION RIGHTS. (a) Upon written request by a nominee for
5 election to the board and the payment of the reasonable costs of mailing, including postage, a
6 domestic corporation shall within 10 business days mail to the members, or to that portion of the
7 members that the nominee reasonably specifies, material reasonably related to the election that
8 is furnished by the nominee.

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

11 Sec. 10.21.253. DUTY OF CORPORATION TO PUBLISH OR MAIL
12 MATERIAL;INDEMNIFICATION BY NOMINEE; ACTIONS TO RELIEVE CORPORATION
13 FROM PUBLICATION AND MAILING OBLIGATIONS. (a) Except as provided in (c) of this
14 section, a domestic corporation may not decline to publish or mail material otherwise required
15 to be published or mailed on behalf of a nominee under AS 10.21.200 - 10.21.323 on the basis
16 of the content of the material.

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

24 (c) Notwithstanding (a) of this section a domestic corporation or its agents, officers,
25 directors, or employees may petition the court to relieve the corporation from its obligations
26 under AS 10.21.248 and 10.21.250 on the ground that the material will expose the petitioner to
27 liability.

28 Sec. 10.21.255. USE OF CORPORATE FUNDS TO SUPPORT NOMINEES
29 PROHIBITED. Except as provided in AS 10.21.240 - 10.21.250, the corporation may not spend
30 corporate money to support nominees for the board.

31 Sec. 10.21.258. VOTING LIST. (a) At least 20 days before each meeting of members,

1 the officer or agent having charge of the membership records of a domestic corporation shall
2 make a list of the members entitled to vote at the meeting or an adjournment of the meeting
3 arranged in alphabetical order with the address of each member. The list shall be kept on file
4 at the registered office of the corporation and is subject to inspection by a member or the
5 member's agent or attorney at any time during usual business hours for a period of 20 days
6 before the meeting. The list shall also be produced and kept open at the time and place of the
7 meeting and shall be subject to the inspection of a member during the meeting. The membership
8 records are prima facie evidence as to the members entitled to examine the list or membership
9 records or to vote at a meeting of members.

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

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

18 Sec. 10.21.263. QUORUM OF MEMBERS. (a) Unless otherwise provided in the
19 articles of incorporation (AS 10.21.110(1)(D)), a majority of the members entitled to vote,
20 represented in person or by proxy, constitutes a quorum at a meeting of members, but in no event
21 may a quorum consist of less than 10 percent of the members entitled to vote at the meeting.
22 If a quorum is present, the affirmative vote of the majority of the members represented at the
23 meeting and entitled to vote on the subject matter is the act of the members, unless the vote of
24 a greater number or voting by classes is required by this chapter, or the articles of incorporation
25 (AS 10.21.110(1)(C)).

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

30 (c) Members present at a meeting at which a quorum was present may continue to
31 transact business until adjournment, notwithstanding the withdrawal of enough members to leave

1 less than a quorum; any action other than adjournment, must be approved by at least a majority
2 of the number of members required to constitute a quorum.

3 Sec. 10.21.265. PROXIES: PUBLIC BENEFIT CORPORATIONS. (a) Each person
4 entitled to vote a membership in a public benefit corporation may authorize another person to act
5 by proxy (AS 10.21.990) with respect to that membership. The right to vote by proxy may be
6 limited or withdrawn by the articles or bylaws, as provided in (e) of this section. A proxy
7 purporting to be executed in accordance with the provisions of this chapter is presumed valid.

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

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

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

21 (e) Notwithstanding (a) of this section, an amendment of the articles or bylaws repealing,
22 restricting, creating, or expanding proxy rights in a public benefit corporation may not be adopted
23 without approval by a majority of all the members (AS 10.21.990(4)).

24 (f) Notwithstanding any provision to the contrary, a proxy covering matters requiring a
25 vote of the members under AS 10.21.265(e), 10.21.375, 10.21.385, 10.21.453, 10.21.513,
26 10.21.533, or 10.21.553 is not valid as to a matter unless the proxy sets out the general nature
27 of the matter to be voted on or, in the event of a vote under AS 10.21.355, unless the proxy lists
28 those nominated at the time the notice of the vote is given to members.

29 Sec 10.21.268. PROXIES: MUTUAL BENEFIT CORPORATIONS. (a) Each person
30 entitled to vote a membership in a mutual benefit corporation may authorize another person or
31 persons to act by proxy (AS 10.21.990) with respect to that membership. The right to vote by

1 proxy may be limited or withdrawn by the articles or bylaws, as provided in (f) of this section.
2 A proxy purporting to be executed in accordance with the provisions of this chapter is presumed
3 valid.

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

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

16 (d) Unless otherwise provided in the articles or bylaws, the proxy of a member that states
17 that it is irrevocable is irrevocable for the period specified in the proxy when it is held by the
18 following persons or a nominee of

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

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

24 (3) a person who has contracted to perform services as an employee of the
25 corporation, if the proxy is required by the contract of employment and if the proxy states that
26 it was given in consideration of the contract of employment, the name of the employee, and the
27 period of employment.

28 (e) Notwithstanding a provision making a proxy in a mutual benefit corporation
29 irrevocable, a proxy may be revoked by a transferee of a membership without knowledge of the
30 existence of the provision unless the existence of the proxy and its irrevocability appears on the
31 certificate representing the membership.

1 (f) Notwithstanding (a) of this section,

2 (1) an amendment of the articles or bylaws repealing, restricting, creating, or
3 expanding proxy rights in a mutual benefit corporation may not be adopted without approval by
4 a majority of all members; and

5 (2) an amendment of the articles or bylaws restricting or limiting the use of
6 proxies in a mutual benefit corporation may not affect the validity of a previously issued
7 irrevocable proxy during the term of its irrevocability, if the proxy was in compliance with the
8 applicable provisions, if any, of the article or bylaws at the time of its issuance, and is otherwise
9 valid under this section.

10 (g) Notwithstanding any provision to the contrary, a revocable proxy covering matters
11 requiring a vote of the members under AS 10.21.268(f)(1), 10.21.355(a), 10.21.375, 10.21.385,
12 10.21.453, 10.21.513, 10.21.533, or 10.21.633, is not valid as to these matters unless it sets out
13 the general nature of the matter to be voted on.

14 Sec. 10.21.270. ONE VOTE ENTITLEMENT. Except as provided in the articles or
15 bylaws or AS 10.21.280, each member is entitled to one vote (AS 10.21.990) on each matter
16 submitted to a vote of the members. Single memberships in which two or more persons have
17 an indivisible interest shall be voted as provided in AS 10.21.278.

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

25 Sec. 10.21.275. VOTING BY MEMBERS OR DELEGATES ON CHAPTER OR
26 REGIONAL BASIS AUTHORIZED. A domestic corporation may provide in its articles or
27 bylaws for voting by its members or delegates on the basis of chapter or other organizational
28 units, or by region or other geographic grouping.

29 Sec. 10.21.278. VOTING WHERE MEMBERSHIP CAN BE VOTED BY TWO OR
30 MORE PERSONS. If membership stands of record in the names of two or more persons,
31 whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and

1 wife as community property, tenants by the entirety, or otherwise, or if two or more persons
2 including proxy holders have the same fiduciary relationship respecting the same membership,
3 unless the secretary of the corporation is given written notice to the contrary and is furnished
4 with a copy of the instrument or order appointing them or creating the relationship, their acts
5 with respect to voting have the following effect:

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

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

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

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

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

23 (d) Elections for directors need not be by ballot unless a member demands election by
24 ballot at the meeting before the voting begins or unless the bylaws require election by ballot.

25 Sec. 10.21.283. ACTIONS TAKEN WITHOUT MEETING: WRITTEN CONSENT;
26 REVOCATION OF CONSENT. (a) Unless prohibited by the articles of incorporation or the
27 bylaws and except as expressly provided in this chapter, if under this chapter members are
28 required or permitted to take action by vote, the action may be taken without a meeting by
29 written consents, identical in content, setting out the action taken, signed by all members entitled
30 to vote on the action.

31 (b) A member giving a written consent, or the member's proxy holder, or a transferee

1 of the membership or a personal representative of the member or their respective proxy holders,
2 may only revoke the consent by a writing received by the corporation before the time that written
3 consents of the number required to authorize the proposed action have been filed with the
4 secretary of the corporation. The revocation is effective on receipt by the secretary of the
5 corporation.

6 Sec. 10.21.285. VOTING AGREEMENTS AND TRUSTS UNENFORCEABLE. A
7 voting agreement or voting trust agreement entered into by a member of a domestic corporation
8 is not enforceable.

9 Sec. 10.21.288. MUTUAL BENEFIT CORPORATIONS: MEMBERSHIP LISTS:
10 INSPECTION RIGHTS. (a) Subject to AS 10.21.293 and 10.21.303, and unless a mutual
11 benefit corporation provides a reasonable alternative under (c) of this section, a member or a
12 member's agent or attorney may

13 (1) inspect and copy the record of all the names, addresses, and voting rights of
14 the members, at reasonable times on written demand on the corporation received at least five
15 business days before the date of inspection stating the purpose for which the inspection rights are
16 requested;

17 (2) obtain from the secretary of the corporation, on written demand and tender
18 of a reasonable charge, a list of the names, addresses, and voting rights of the members entitled
19 to vote for the election of directors, as of the most recent record date for which it has been
20 compiled or as of a date specified by the member after the date of demand; the demand must
21 state the purpose for which the list is requested; the membership list shall be made available on
22 or before 10 business days after the demand is received or after the date specified in the demand
23 as the date on which the list is to be compiled, whichever is later.

24 (b) The rights under (a) of this section may be exercised by a member, for a purpose
25 reasonably related to the interest of the person as a member. If the corporation reasonably
26 believes that information obtained under (a) of this section will be used for another purpose, or
27 if it provides a reasonable alternative under (c) of this section, the corporation may deny the
28 member access to the list. In a later action brought by the member under AS 10.21.305, the
29 court shall enforce the rights set out in (a) of this section unless the corporation proves that the
30 member will allow use of the information for purposes unrelated to the interest of the person as
31 a member or that an alternative method offered by the corporation reasonably achieves a proper

1 purpose set out in the demand.

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

11 Sec. 10.21.290. PUBLIC BENEFIT CORPORATIONS: MEMBERSHIP LISTS; INSPEC-
12 TION RIGHTS. (a) Subject to AS 10.21.293 and 10.21.303 and unless a public benefit
13 corporation provides a reasonable alternative under (c) of this section, a member, or a member's
14 agent or attorney may

15 (1) inspect and copy the record of all the names, addresses, and voting rights of
16 the members, at reasonable times on written demand on the corporation received at least five
17 business days before the date of inspection stating the purpose for which the inspection rights are
18 requested;

19 (2) obtain from the secretary of the corporation, on written demand and tender
20 of a reasonable charge, a list of the names, addresses, and voting rights of the members entitled
21 to vote for the election of directors, as of the most recent record date for which it has been
22 compiled or as of a date specified by the member after the date of demand; the demand must
23 state the purpose for which the list is requested; the membership list shall be made available on
24 or before 10 business days after the demand is received or after the date specified in the demand
25 as the date on which the list is to be compiled, whichever is later.

26 (b) The rights set out under (a) of this section may be exercised by a member, for a
27 purpose reasonably related to the interest of the person as a member. If the corporation
28 reasonably believes that information obtained under (a) of this section will be used for another
29 purpose, or if it provides a reasonable alternative under (c) of this section, the corporation may
30 seek an order of the superior court allowing the corporation to refuse to grant the member access
31 to the list. In an action brought by the corporation for an order denying access to the

1 membership list, the court shall enforce the rights set out in (a) of this section unless the
2 corporation proves that the member will allow use of the information for purposes unrelated to
3 the interest of the person as a member or that an alternative method offered by the corporation
4 reasonably achieves a proper purpose set out in the demand.

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

13 Sec. 10.21.293. LIMITATIONS AND RESTRICTIONS ON INSPECTION RIGHTS.

14 (a) On petition of a corporation or a member, the superior court may limit or restrict the rights
15 set out in AS 10.21.288 and 10.21.290 if and only if the limitation or restriction is necessary to
16 protect the rights of a member under the Constitution of the United States or the Constitution of
17 the State of Alaska. An order issued under this section may provide for alternative mechanisms
18 by which a person seeking to exercise rights under AS 10.21.288 or 10.21.290 may communicate
19 with members for a purpose reasonably related to the interest of the person as a member.

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

25 Sec. 10.21.295. FRUSTRATION OF INSPECTION RIGHTS; POSTPONEMENT OF
26 MEMBERS' MEETING, REMEDIES. If the proper purpose of a person making a demand
27 under AS 10.21.288 or 10.21.290 is frustrated by (1) delay by the corporation in complying
28 beyond the time limits specified in AS 10.21.288 and 10.21.290, (2) delay caused by the filing
29 of a petition under AS 10.21.293 or 10.21.303, or (3) delay caused by an alternative proposed
30 under AS 10.21.288(c) or 10.21.290(c), the person making the demand may obtain from the
31 superior court an order postponing a meeting of the members previously noticed for a period

1 equal to the period of the delay. A member may obtain this order in a proceeding brought by
2 filing a verified complaint and after a hearing, notice of which shall be given to the persons and
3 in the manner the court directs. This right of postponement is in addition to other legal or
4 equitable remedies to which the member is entitled.

5 Sec. 10.21.298. BOOKS AND RECORDS. (a) A domestic corporation shall keep

6 (1) adequate and correct books and records of account;

7 (2) minutes of the proceedings of its members, board, and committees of the
8 board; and

9 (3) a record of the names and addresses of its members and the class of
10 membership held by each.

11 (b) Minutes shall be kept in written form. The books and records of account and the
12 record of members shall be kept in written form or in another form capable of being converted
13 into written form within a reasonable time.

14 Sec. 10.21.300. INSPECTION OF BOOKS, RECORDS, AND MINUTES OF
15 PROCEEDINGS. The books and records of account, minutes of proceedings of the members and
16 the board and committees of the board, and the record of members shall be open to inspection
17 at a reasonable time on written demand on the corporation by a member for a purpose reasonably
18 related to the interests of the person as a member.

19 Sec. 10.21.303. LIABILITY FOR DENIAL OF ACCESS TO BOOKS AND RECORDS.

20 (a) An officer or agent who, or a domestic corporation that wilfully refuses to allow a member,
21 or a member's agent or attorney, to examine and make copies from the books and records of
22 account, minutes, or records of members of a corporation, for a proper purpose, is liable to a
23 member suffering damage because of this refusal for \$5,000 and, in addition, all actual damages
24 caused to the member because of the failure of the corporation to permit inspection and copying.

25 (b) It is a defense to an action for penalties under this section that the person bringing the
26 action has, within two years before the action, improperly sold or offered for sale a list of the
27 members of a corporation or assisted in obtaining a list of members for the purpose of sale, or
28 has improperly used information obtained from an earlier examination of the books and records
29 of account, minutes, or record of members of a corporation, or was not acting in good faith or
30 for a proper purpose in making the demand.

31 (c) Nothing contained in this chapter impairs the power of a court of competent

1 jurisdiction to compel the production of books and records of account, minutes, and record of
2 members of a corporation.

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

7 Sec. 10.21.305. COURT ENFORCEMENT OF INSPECTION RIGHTS. (a) If the
8 corporation refuses a lawful demand for inspection of accounting books, records, or minutes of
9 proceedings of the corporation under this chapter, the superior court may enforce the demand or,
10 for good cause shown, appoint one or more competent inspectors or independent accountants to
11 audit the financial statements of the corporation kept in this state and to investigate a subsidiary
12 corporation keeping records of the corporation in this state.

13 (b) Officers and agents of the corporation shall produce under penalty for contempt of
14 court the books and documents in their custody or power for the inspectors or accountants
15 appointed under (a) of this section.

16 (c) The expense of an investigation or audit under (a) of this section shall be paid by the
17 applicant unless the court orders the expense to be paid or shared by the corporation.

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

22 (e) In this section, "independent accountant" means a certified public accountant or a
23 public accountant who is independent of the corporation as determined in accordance with
24 generally accepted auditing standards and who is engaged to audit financial statements of the
25 corporation or perform other accounting services.

26 Sec. 10.21.308. MEMBERSHIP LIST AS CORPORATE ASSET; USES PROHIBITED.

27 (a) A membership list is a corporate asset. A membership list may not be used by a person for
28 a purpose unrelated to the interest of the person as a member without the consent of the board.
29 Without the consent of the board a membership list may not be

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

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

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

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

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

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

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

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

17 Sec. 10.21.310. ANNUAL REPORT TO MEMBERS. (a) On or before July 1 of each
18 year, a domestic corporation and a foreign corporation authorized to conduct affairs in the state
19 shall prepare an annual report that includes

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

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

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

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

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

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

29 (7) the name and address of each alien affiliate (AS 10.21.990), the percentage
30 of control held by each alien affiliate, and a specific description of the nature of the relationship
31 between the corporation and its alien affiliates, or a statement that there is no alien affiliate; in

1 this paragraph, "percentage of control" means the percentage of the members of the entire board
2 of directors (AS 10.21.990(18)) that a person has the power to elect or designate;

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

5 (9) the gross receipts of the corporation during the reporting period from all
6 sources;

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

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

10 (B) donations;

11 (C) grants from governmental entities;

12 (D) sales of goods or services; and

13 (E) all other sources;

14 (11) in the case of a mutual benefit corporation, the amount, expressed in dollars
15 and as a percentage of the total income, of the total income used or held for the following
16 purposes:

17 (A) recurrent administrative costs;

18 (B) nonrecurrent administrative costs;

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

22 (D) all other expenses of the corporation;

23 (12) in the case of a public benefit corporation, the amount, expressed in dollars
24 and as a percentage of total income, of the total income used or held for the following purposes:

25 (A) recurrent administrative costs;

26 (B) nonrecurrent administrative costs;

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

28 (D) all other expenses of the corporation;

29 (13) information required by AS 10.21.293.

30 (b) Not later than 30 days after the report has been prepared, a corporation that has
31 voting members shall send each member a notice that the annual report is available and will be

1 provided promptly upon written request. Unless the articles provide otherwise
2 (AS 10.21.110(1)(K)), the notice to members must include a self-addressed, postage prepaid form
3 that the member may sign and return effecting a written request to receive a copy of the annual
4 report. Unless the articles provide otherwise (AS 10.21.110(1)(L)), the annual report shall be
5 sent without charge to members making written request. The secretary, or other official
6 designated in the articles or bylaws, shall send the requested report within 20 days of the
7 postmarked written request.

8 (c) This section does not apply to corporations that do not have

9 (1) more than 100 members at any time during the reporting period; or

10 (2) gross receipts or revenue in excess of \$10,000 during the reporting period.

11 (d) A public benefit corporation that in writing solicits contributions from 500 or more
12 persons during the affected reporting period need not comply with (b) of this section if the
13 corporation

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

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

19 (3) publishes its annual report (AS 10.21.856) not later than 30 days after
20 preparing the report.

21 Sec. 10.21.311. PUBLICATION OF NOTICE OF ANNUAL REPORT; DUTY TO
22 FURNISH COPIES OF THE ANNUAL REPORT. (a) Not later than 30 days after it has
23 prepared the annual report required by AS 10.21.310, a public benefit corporation, and a
24 corporation that, during the affected reporting period, received from donations (AS 10.21.990)
25 more than 10 percent of its gross income, shall publish in a newspaper of general circulation
26 notice that the report is on file with the corporation and that the corporation will furnish a copy
27 of the report to

28 (1) any member under AS 10.21.310; and

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

1 (b) In addition to observing (a) of this section, a public benefit corporation and any
2 corporation that, during its most recent accounting period, received more than 10 percent of its
3 gross income from donations, shall furnish to each solicitee at the time of solicitation written
4 notice that a copy of its most recent annual report is available and will be furnished free of
5 charge upon written request.

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

8 Sec. 10.21.313. ANNUAL STATEMENT TO MEMBERS OF INSIDER
9 TRANSACTIONS. (a) Notwithstanding a provision of the articles of incorporation or bylaws
10 to the contrary, a corporation shall, within 120 days of the close of its fiscal year, furnish
11 annually to its members (AS 10.21.990) a statement of transactions or indemnifications of the
12 kind described in (d) or (e) of this section, if any transactions or indemnifications took place.

13 (b) Except as provided in (c) of this section, a covered transaction under this section is
14 a transaction in which the corporation, its parent, or its subsidiary (AS 10.21.990) was a party
15 and in which either of the following had a direct or indirect material financial interest:

16 (1) a director, officer, or employee of the corporation, or its parent or subsidiary;

17 or

18 (2) a holder of a controlling interest (AS 10.21.990) in the corporation, its parent,
19 or its subsidiary.

20 (c) The statement required under (a) of this section must describe briefly

21 (1) a covered transaction, excluding compensation of officers and directors, during
22 the previous fiscal year involving more than \$15,000, or that was one of the number of covered
23 transactions in which the same interested person had a direct or indirect material financial
24 interest, if these transactions in the aggregate involved more than \$15,000;

25 (2) the name of the interested person involved in the transaction, a statement of
26 the relationship of the person to the corporation, the nature of the relationship of the person to
27 the corporation, the nature of the interest of the person in the transaction and, where practicable,
28 the amount of that interest; in the case of a transaction with a partnership of which the interested
29 person is a partner, only the interest of the partnership need be stated; in this paragraph,
30 "interested person" means a person described in (b)(1) or (b)(2) of this section; or

31 (3) the amount and circumstances of indemnifications or advances aggregating

1 more than \$10,000 that were authorized, obligated, or paid during the fiscal year to an officer
2 or director of the corporation under AS 10.21.435; information concerning an indemnification
3 approved by the members under AS 10.21.435(e)(3) need not be included in this statement.

4 (d) For the purpose of this section, a mere common directorship is not material financial
5 interest.

6 Sec. 10.21.315. COURT ENFORCEMENT OF INFORMATION AND FINANCIAL
7 STATEMENT REQUIREMENTS. (a) The superior court shall enforce the duty of making and
8 mailing or delivering the information and financial statements required by AS 10.21.200 -
9 10.21.320. The superior court, for good cause shown, may extend the time for the making and
10 mailing or delivering of that information and those financial statements.

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

15 Sec. 10.21.318. MEMBERS' DERIVATIVE ACTION BROUGHT IN THE RIGHT OF
16 THE CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR. (a) An action may be
17 brought in the right of a domestic or foreign corporation to procure a judgment in its favor by
18 a member of the corporation.

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

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

27 (2) no other similar action has been or is likely to be instituted;

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

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

1 (5) the requested relief will not result in unjust enrichment of the corporation or
2 a member of the corporation.

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

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

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

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

29 (g) A member action otherwise in conformity with this section may not be dismissed
30 because the alleged injury or wrong to the corporation has been ratified by the members of the
31 corporation. A court may consider the fact of ratification by members of a mutual benefit

1 corporation in framing an order for relief to which it considers the corporation entitled.

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

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

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

26 (k) Notwithstanding (j) of this section, the court rules regarding the award of attorney
27 fees and costs, rather than (j) of this section, apply to a judgment rendered only for the benefit
28 of injured members and limited to a recovery of the loss or damage sustained by them.

29 Sec. 10.21.320. LIABILITIES OF MEMBERS. (a) A member of a corporation is not
30 personally liable for the debts, liabilities, or obligations of the corporation.

31 (b) A member is liable to the corporation only to the extent of the unpaid portion of the

1 initiation fees, membership dues, or assessments that the corporation has lawfully imposed upon
2 the member, or for other indebtedness owed by the member to the corporation.

3 (c) An action may not be brought by a creditor of the corporation under (b) of this
4 section until

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

7 (2) the corporation has been adjudged bankrupt;

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

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

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

13 ARTICLE 6. DIRECTORS AND OFFICERS.

14 Sec. 10.21.350. BOARD OF DIRECTORS: FUNCTIONS; DUTIES; RIGHT OF
15 INSPECTION; FAILURE TO DISSENT. (a) All corporate powers shall be exercised by or
16 under the authority of, and the affairs of a domestic corporation shall be managed under the
17 direction of, a board of directors. A director need not be a resident of this state or a member of
18 the corporation unless required by the articles or bylaws. The articles or bylaws may prescribe
19 other qualifications for directors. The board may fix the compensation of directors unless other-
20 wise provided in the articles.

21 (b) A director shall perform the duties as a director, including duties as a member of a
22 committee of the board on which the director may serve, in good faith, in a manner the director
23 reasonably believes to be in the best interests of the corporation, and with the care, including
24 reasonable inquiry, as an ordinarily prudent person in a like position would use under similar
25 circumstances. Except as provided in (c) of this section, a director is entitled to rely on
26 information, opinions, reports or statements, including financial statements and other financial
27 data, in each case prepared or presented by

28 (1) one or more officers or employees of the corporation whom the director
29 reasonably believes to be reliable and competent in the matters presented;

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

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

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

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

12 (e) A director of a domestic corporation who is present at a meeting of its board at which
13 action on a corporate matter is taken is presumed to have assented to the action unless the dissent
14 of the director is entered in the minutes of the meeting or unless the director files a written
15 dissent to the action with the secretary of the meeting before adjournment or forwards a written
16 dissent by certified mail to the secretary of the corporation within 48 hours after adjournment.
17 The right to dissent does not apply to a director who voted in favor of the action.

18 Sec. 10.21.355. NUMBER AND ELECTION OF DIRECTORS; DESIGNATION. (a)
19 The number of directors constituting the entire board may not be less than three. Subject to the
20 limitation of this section, the number of directors may be fixed by the articles, the bylaws, or by
21 the action of the board or members under the specific provisions of an article or bylaw adopted
22 by approval of a majority of all the members (AS 10.21.990(4)). If the number of directors is
23 not otherwise fixed the number of directors is three.

24 (b) Except as otherwise provided in AS 10.21.145 and this section, the number of
25 directors may be increased or decreased by amendment of the articles, the bylaws, or by action
26 of the board or the members under the specific provisions of an article or a bylaw adopted by
27 approval of a majority of all the members (AS 10.21.990(4)). A change in the number of
28 directors is subject to the following limitations:

29 (1) if the board is authorized by the articles or the bylaws to change the number
30 of directors, whether by amending the bylaws or by taking action under specific provision of an
31 article or bylaw adopted by approval of a majority of all the members, the amendment or action

1 shall require the approval of a majority of the entire board (AS 10.21.990(5)); and

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

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

6 (d) Notwithstanding (b) and (c) of this section, all or a portion of the directors authorized
7 in the articles or bylaws of a domestic corporation without members, and up to one-third of the
8 directors authorized in the articles or bylaws of a domestic corporation with members, may hold
9 office by virtue of designation as provided by the articles or bylaws rather than by election. A
10 director who holds office by virtue of designation or selection under this section continues in
11 office for the term prescribed by the articles or bylaws, or, if no term is prescribed, until the
12 article or bylaw is amended or repealed, except as provided in AS 10.21.375(c) and (d). A bylaw
13 provision authorized by this subsection shall be adopted or repealed by a majority of all the
14 members (AS 10.21.990(4)) subject, if provided in the bylaws, to the consent of the person
15 entitled to designate or select the director.

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

21 (f) At the first regular meeting of members of a public benefit corporation and at each
22 regular meeting thereafter the members with voting rights, if any, shall elect directors. A
23 director, including a director elected to fill a vacancy, shall hold office until a successor has been
24 elected and qualified.

25 Sec. 10.21.360. **ATTACKING VALIDITY OF ELECTION.** An action challenging the
26 validity of an election, appointment, or removal of a director shall be commenced within nine
27 months after the election, appointment, or removal. If an action challenging the validity is not
28 commenced, in the absence of fraud, an election, appointment, or removal of a director is
29 conclusively presumed valid after nine months if the only defect in the election, appointment, or
30 removal is the failure to give notice as provided in this chapter or in the articles or bylaws of the
31 corporation.

1 **Sec. 10.21.365. CLASSIFICATION OF DIRECTORS.** (a) If a corporation is required
2 by AS 10.21.233(c) or another provision of this chapter or by its articles or bylaws to have
3 annual meetings of the members the articles may provide that the directors be divided into either
4 two or three classes, each class to be as nearly equal in number as possible, with the term of
5 office of directors of the first class to expire at the first annual meeting of members after their
6 election, that of the second class to expire at the second annual meeting after their election and
7 that of the third class, if any, to expire at the third annual meeting after their election. At each
8 annual meeting after the classification, the number of directors equal to the number of the class
9 whose term expires at the time of the meeting shall be elected to hold office until the second
10 succeeding meeting if there are two classes, or until the third succeeding meeting if there are
11 three classes. A classification is not effective before the first annual meeting of members.

12 (b) If cumulative voting rights have been established by the articles, an amendment of
13 the articles that would establish or require classification of the board under (a) of this section
14 may not be adopted when the votes cast against the amendment would be sufficient to elect a
15 director if voted cumulatively at an election of the entire board (AS 10.21.990(18)).

16 **Sec. 10.21.370. DECLARATION OF VACANCY BY BOARD.** The board may declare
17 vacant the office of a director who has been declared of unsound mind by court order or whose
18 civil rights have been suspended.

19 **Sec. 10.21.375. REMOVAL OF DIRECTORS WITHOUT CAUSE.** (a) A director may
20 be removed without reason if the removal is approved by a majority of all of the members
21 (AS 10.21.990(4)), subject to the following:

22 (1) if cumulative voting rights have been established by the articles, a director
23 may not be removed unless the entire board (AS 10.21.990(18)) is removed if the votes cast
24 against removal, or not consenting in writing to the removal, would be sufficient to elect a
25 director if voted cumulatively at an election at which the same total number of votes were cast,
26 or, if the action is taken by written consent, if all members entitled to vote on the removal voted
27 and the entire number of directors authorized at the time of the director's most recent election
28 were then being elected; and

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

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

3 (c) If a director removed under this section or under AS 10.21.370 or 10.21.380 was
4 chosen by designation as provided by AS 10.21.355(d), then

5 (1) if a different person may be designated as provided by the governing article
6 or bylaw provision, a new designation shall be made; or

7 (2) if the governing article or bylaw provision does not contain a provision under
8 which a different person may be designated, the governing article or bylaw provision is
9 considered repealed.

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

12 Sec. 10.21.380. REMOVAL OF DIRECTOR BY SUPERIOR COURT. The superior
13 court may, at the suit of members (AS 10.21.990) totalling at least 10 percent of all the members
14 of a class, remove from office a director for fraudulent or dishonest acts or gross abuse of
15 authority or discretion with reference to a domestic corporation and may bar from reelection or
16 redesignation a director removed in this manner for a period prescribed by the court. The
17 corporation shall be made a party to this suit.

18 Sec. 10.21.385. VACANCIES AND RESIGNATION: SPECIAL MEETING OF
19 MEMBERS. (a) Unless otherwise provided in the articles or bylaws and except for a vacancy
20 created by the removal of a director, a vacancy (AS 10.21.990) on the board may be filled by
21 a majority of the directors then in office, whether or not less than a quorum, or by a sole
22 remaining director. Unless the articles or a bylaw adopted with approval of a majority of all the
23 members provide that the board may fill a vacancy occurring on the board by reason of removal
24 of a director, the vacancy may be filled only by approval of a majority of all of the members.

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

27 (c) If, after the filling of a vacancy by the directors, the directors then in office who have
28 been elected by the members constitute less than a majority of the directors, members totalling
29 10 percent or more of the members with voting rights may call a special meeting of members
30 to elect the entire board (AS 10.21.990(18)) subject to the rights of a person to select or
31 designate a director. The term of office of a director terminates upon the election and

1 qualification of a successor.

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

6 Sec 10.21.390. EXECUTIVE AND OTHER BOARD COMMITTEES. (a) If authorized
7 by the articles or the bylaws, the board, by resolution approved by a majority of the entire board,
8 may designate from among its members an executive committee and other committees of the
9 board. Each committee, to the extent provided in the resolution or the articles or bylaws of the
10 corporation, has the authority of the board, except that a committee may not

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

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

15 (3) amend the bylaws;

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

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

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

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

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

28 Sec. 10.21.395. MEETINGS: CALL, PLACE, NOTICE, AND WAIVER. (a) A regular
29 or special meeting of the board or a committee of the board may be called by the board chair,
30 the president, a vice-president, the secretary, or two directors and may be held at any place inside
31 or outside the state.

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

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

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

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

18 Sec. 10.21.405. INFORMAL ACTION BY DIRECTORS. (a) Unless prohibited by the
19 articles or bylaws, the members of the board of a domestic corporation, or a committee
20 designated by the board can validly conduct a meeting by communicating simultaneously with
21 each other by means of conference telephones or similar communications equipment.

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

27 Sec. 10.21.410. MUTUAL BENEFIT CORPORATIONS: DIRECTOR CONFLICTS OF
28 INTEREST. (a) A contract or other transaction between a domestic mutual benefit corporation
29 and a director of the corporation, or between a domestic mutual benefit corporation and a
30 corporation, firm, or association in which a director of the mutual benefit corporation has a
31 material financial interest, is neither void nor voidable because the director or the other

1 corporation, firm, or association are parties or because the director is present at the meeting of
2 the board that authorizes, approves, or ratifies the contract or transaction, if

3 (1) the material facts of the transaction and the director's interest are fully
4 disclosed or known to the members and the contract or transaction is approved by a majority of
5 all the members (AS 10.21.990(4)) in good faith, with the interested director not being entitled
6 to vote; or

7 (2) the material facts of the transaction and the director's interest are fully
8 disclosed or known to the board, and the board authorizes, approves, or ratifies the contract or
9 transaction in good faith by a sufficient vote without counting the vote of the interested director,
10 and the person asserting the validity of the contract or transaction sustains the burden of proving
11 that the contract or transaction was just and reasonable as to the corporation at the time it was
12 authorized, approved, or ratified.

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

18 (c) A contract or other transaction between a domestic mutual benefit corporation and
19 a corporation or association of which a director of the mutual benefit corporation is a director
20 is neither void nor voidable because the director is present at the meeting of the board that
21 authorizes, approves, or ratifies the contract or transaction, if the material facts of the transaction
22 and the director's other directorship are fully disclosed or known to the board and the board
23 authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient
24 without counting the vote of the common director or the contract or transaction is approved by
25 a majority of all the members (AS 10.21.990(4)) in good faith. This subsection does not apply
26 to contract or transactions covered by (a) of this section.

27 (d) Interested or common directors may be counted in determining the presence of a
28 quorum at a meeting of the board that authorizes, approves, or ratifies a contract or transaction.

29 (e) Nothing contained in this section affects the prohibitions or restraints imposed by
30 AS 45.50.

31 Sec. 10.21.415. PUBLIC BENEFIT CORPORATIONS: SELF-DEALING; LIABILITY

1 OF DIRECTOR FOR GOOD FAITH ACTS. (a) The commissioner or, if the commissioner is
2 joined as a party, any of the following may bring an action in the superior court for the remedies
3 specified in (b) of this section:

4 (1) the corporation, or a member (AS 10.21.990) asserting the right in the name
5 of the corporation under AS 10.21.318;

6 (2) a director of the corporation;

7 (3) an officer of the corporation;

8 (4) a person granted relator status by the commissioner.

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

14 (1) account for profits made from the transaction, and pay them to the
15 corporation;

16 (2) pay the corporation the value of the use of corporate property used in the
17 transaction; and

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

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

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

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

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

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

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

6 (D) the corporation could not in fact have obtained a more advantageous
7 arrangement with reasonable effort, or, before authorizing or approving the transaction,
8 the board considered and in good faith determined after a reasonable investigation that
9 the corporation could not have obtained a more advantageous arrangement with reasonable
10 effort; or

11 (3) the person asserting the validity of the transaction sustains the burden of
12 proving that

13 (A) a committee or person authorized by the board approved the
14 transaction in a manner consistent with (d)(2) of this section;

15 (B) it was not practicable to obtain approval of the board
16 (AS 10.21.990(6)) before entering into the transaction; and

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

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

25 (e) In an action for breach of an obligation of the corporation owed to an interested
26 director, if the obligation arises from a self-dealing transaction that has not been approved as
27 provided in (c) of this section, the court may, by way of offset only, make an order authorized
28 under (b) of this section, notwithstanding the expiration of the applicable period specified in (d)
29 of this section.

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

1 (g) The provisions of this section do not apply to the following:

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

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

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

8 (B) results in a benefit to a director or the family of a director because
9 they are in the class of persons intended to be benefitted by the public or charitable
10 program; or

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

14 (h) In (b) - (f) of this section, "self-dealing transaction" means a transaction to which a
15 public benefit corporation is a party and in which a director of the corporation has a material
16 financial interest.

17 (i) In this section, "interested director" means a director who has a material financial
18 interest in a transaction.

19 Sec. 10.21.420. LIABILITY OF DIRECTOR. (a) In addition to other liabilities, a
20 director is liable in the following circumstances unless the director complies with the standards
21 provided in AS 10.21.350(b) for the performance of the duties of a director:

22 (1) a director who votes for or assents to a distribution to the corporation's
23 members, other than during the liquidation of the corporation, is liable to the corporation, jointly
24 and severally with the other directors voting for or assenting to the distribution, for the amount
25 of the distribution that is paid or the value of the assets that are distributed;

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

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

7 (b) A director against whom a claim is asserted under this section for the distribution of
8 assets of the corporation is entitled to contribution in proportion to the amounts received by them
9 from a member who accepted or received those assets, knowing the distribution to have been
10 made in violation of this chapter. A director against whom a claim is asserted under this section
11 for the extension of a loan is entitled to contribution from the person receiving the loan.

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

15 Sec. 10.21.425. ACTION AGAINST DIRECTOR OR OFFICER FOR MISCONDUCT.

16 (a) An action may be brought against a director or officer of a domestic corporation to procure
17 a judgment for the following relief:

18 (1) to compel the defendant to account for official conduct in the following cases:

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

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

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

26 (3) to enjoin a proposed unlawful conveyance, assignment, or transfer of corporate
27 assets, where there are reasonable grounds for belief that the transfer will be made.

28 (b) An action may be brought for the relief provided in this section and in
29 AS 10.21.420(a) by the commissioner, the corporation, or, in the right of the corporation, by any
30 of the following:

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

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

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

3 Sec. 10.21.430. OFFICERS: TENURE; RESIGNATION; AGENCY; DUTY OF CARE.

4 (a) A domestic corporation shall have a chair of the board or president, or both, a secretary, a
5 treasurer and other officers with titles and duties as stated in the bylaws or determined by the
6 board and as may be necessary to enable the corporation to sign instruments. The president, or
7 if there is no president, the chair of the board, is the general manager and chief executive officer
8 of the corporation. Two or more offices may be held by the same person, except that neither the
9 secretary nor the treasurer may serve concurrently as the president or chair of the board.

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

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

18 (d) Subject to the provisions of AS 10.21.020(c), a note, mortgage, evidence of
19 indebtedness, contract, conveyance, or other instrument in writing and an assignment or
20 endorsement of these instruments, executed or entered into between the corporation and another
21 person, if signed by two individuals, one of whom is the chair of the board, president or a
22 vice-president and the other of whom is the assistant secretary, the treasurer, or an assistant
23 treasurer of the corporation, is not invalidated as to the corporation by any lack of authority of
24 the signing officers in the absence of actual knowledge on the part of the other person that the
25 signing officers had no authority to execute the instrument.

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

31 (f) An officer is not acting in good faith if the officer has knowledge concerning the

1 matter in question that makes reliance otherwise permitted by (e) of this section unwarranted.

2 Sec. 10.21.435. LOANS TO OR GUARANTEES FOR A DIRECTOR OR OFFICER
3 PROHIBITED; ADVANCES. (a) A domestic corporation, its parent or its subsidiary may not
4 loan money or property to, or guarantee the obligation of, a director or officer.

5 (b) Notwithstanding (a) of this section, a domestic corporation may advance money to
6 a director or officer of the corporation, its parent or its subsidiary for expenses reasonably
7 anticipated to be incurred in the performance of the duties of the officer or director, if in the
8 absence of an advance, the director or officer would be entitled to be reimbursed for the expenses
9 by the corporation, its parent, or a subsidiary.

10 Sec. 10.21.440. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES,
11 AND AGENTS; INSURANCE. (a) A domestic corporation may indemnify a person who was,
12 is, or is threatened to be made a party to a completed, pending, or threatened action or
13 proceeding, whether civil, criminal, administrative, or investigative, other than an action by or
14 in the right of the corporation, by reason of the fact that the person is or was a director, officer,
15 employee, or agent of the corporation. Indemnification may include reimbursement of expenses,
16 including attorney fees, judgments, fines, and amounts paid in settlement actually and reasonably
17 incurred in connection with the action or proceeding if the person acted in good faith and in a
18 manner the person reasonably believed to be in or not opposed to the best interests of the
19 corporation, and, with respect to a criminal action or proceeding, had no reasonable cause to
20 believe the conduct was unlawful. Except as provided in (b) of this section, the termination of
21 an action or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo
22 contendere or its equivalent, does not create a presumption that the person did not act in good
23 faith and in a manner that the person reasonably believed to be in or not opposed to the best
24 interests of the corporation, and, with respect to a criminal action or proceeding, had no reason-
25 able cause to believe that the conduct was unlawful.

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

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

30 (2) the conduct of the person was adjudicated to have been grossly negligent by
31 a court of competent jurisdiction.

1 (c) A domestic corporation may indemnify a person who was, or is threatened to be made
2 a party to a completed, pending, or threatened action by or in the right of the corporation to
3 procure a judgment in its favor by reason of the fact that the person is or was a director, officer,
4 employee, or agent of the corporation. Indemnification may include reimbursement for expenses
5 and attorney fees actually and reasonably incurred in connection with the defense or settlement
6 of the action if the person acted in good faith and in a manner the person reasonably believed
7 to be in or not opposed to the best interests of the corporation. Indemnification may not be made
8 in respect of any claim, issue or matter as to which the person has been adjudged to be liable for
9 negligence or misconduct in the performance of duties to the corporation except to the extent that
10 the court in which the action was brought determines upon application that, despite the
11 adjudication of liability, in view of all the circumstances of the case the person is fairly and
12 reasonably entitled to indemnity for expenses which the court considers proper.

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

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

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

25 (2) independent legal counsel in a written opinion if

26 (A) a quorum of directors under (1) of this subsection is not obtainable;

27 or

28 (B) a quorum of directors under (1) of this subsection is obtainable but
29 a majority of disinterested directors so directs; or

30 (3) approval of a majority of all the members (AS 10.21.990(4)).

31 (f) Expenses incurred in defending a civil or criminal action or proceeding may be paid

1 by the corporation in advance of the final disposition of the action or proceeding as authorized
2 in the manner provided in (e) of this section on receipt of an undertaking by or on behalf of the
3 director, officer, employee, or agent to repay the amount unless it is ultimately determined that
4 the person is entitled to be indemnified by the corporation as authorized in this section.

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

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

16 ARTICLE 7. AMENDMENTS AND CHANGES.

17 Sec. 10.21.450. AUTHORIZATION: PERMITTED AND PROHIBITED
18 AMENDMENTS. (a) By complying with the provisions of this chapter a domestic corporation
19 may amend its articles of incorporation from time to time and in any and as many respects as
20 may be desired, if its articles of incorporation, as amended, contain only provisions that would
21 be lawful to insert in original articles of incorporation filed at the time of the filing of the
22 amendment.

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

25 (1) change its corporate name;

26 (2) extend a limitation on its period of duration;

27 (3) change, enlarge, or diminish a limitation on its corporate purpose if the change
28 is consistent with the status of the corporation as a public benefit or mutual benefit corporation.

29 (c) A domestic corporation may not amend its articles of incorporation to alter a
30 statement that may appear in the original articles of the names and addresses of the first directors,
31 or the name and address of the initial agent, except to correct an error in the statement or to

1 delete either after the corporation has filed a notice under AS 10.21.083 or 10.21.876.

2 Sec. 10.21.453. PROCEDURE TO AMEND ARTICLES OF INCORPORATION. (a)

3 A domestic corporation shall amend its articles of incorporation in the following manner:

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

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

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

13 (B) an amendment shall be adopted if approved by the board
14 (AS 10.21.990(6)) and a majority of all members (AS 10.21.990(4)); approval may be
15 initiated by the members either before or after consideration by the board; if the board
16 adopts a resolution setting out a proposed amendment, the board shall direct that the
17 amendment be submitted to a vote at a meeting of the members that may be either the
18 annual or a special meeting; if approval of a majority of all the members is obtained
19 before action by the board, the board shall consider and either approve or reject the
20 amendment at the next regular or special meeting.

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

26 (c) Provided that there has been conformity with the procedures set out in (a) of this
27 section and, if necessary, a written finding by the commissioner under (b) of this section, a
28 proposed amendment may be contained in restated articles that contain a statement that

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

31 (2) the restated articles together with the designated amendment supersede the

1 original articles and all amendments to the original articles.

2 Sec. 10.21.455. CLASS VOTING ON AMENDMENTS. (a) The members of a class
3 may vote as a class on a proposed amendment, whether or not the members are entitled to vote
4 on the amendment by the provisions of the articles of incorporation, if the amendment

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

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

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

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

14 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 section, the
17 amendment is not approved unless it receives a majority vote of the members of that class and
18 of all the members entitled to vote on the amendment.

19 Sec. 10.21.458. GREATER VOTING REQUIREMENTS. If the articles of incorporation
20 require the vote of a larger proportion or all of the members of a class or of a larger proportion
21 or all 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 greater vote
23 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-president, and by
26 its secretary or an assistant secretary, and verified by one of the officers signing the articles, and
27 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 members, or by
31 the board if no members are entitled to vote;

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

4 (5) the number of members who voted for and against the amendment and, if the
5 members of a class are entitled to vote as a class, the number of members of each class who
6 voted for and against the amendment, or if no members are entitled to vote, a statement to that
7 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 to
10 AS 10.21.905 and issuance of a certificate of amendment.

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

15 (b) An amendment may not affect an existing cause of action in favor or against the
16 corporation, or a pending suit to which the corporation is a party, or the existing rights of a
17 person other than a member (AS 10.21.990). If the corporate name is changed by amendment,
18 a suit brought by or against the corporation under its former names does not abate.

19 Sec. 10.21.468. RESTATED ARTICLES OF INCORPORATION. A domestic
20 corporation may, by resolution adopted by the board, restate its articles of incorporation as
21 amended up to that time. Upon adoption of the resolution, restated articles shall be executed in
22 duplicate by the corporation by its board chair, president or a vice-president and by its secretary
23 or an assistant secretary and verified by one of the officers signing the articles, and shall set out
24 all of the operative provisions of the articles as amended up to that time together with a statement
25 that the restated articles correctly set out, without change, the corresponding provisions of the
26 articles as amended up to that time and that the restated articles supersede the original articles
27 and all amendments to them.

28 Sec. 10.21.470. FILING OF RESTATED ARTICLES OF INCORPORATION. Duplicate
29 originals of the restated articles shall be delivered to the commissioner for processing according
30 to AS 10.21.905 and issuance of a restated certificate of incorporation.

31 Sec. 10.21.473. EFFECT OF ISSUANCE OF RESTATED CERTIFICATE OF

1 **INCORPORATION.** Upon the issuance of a restated certificate of incorporation, the restated
2 articles become effective and supersede the original articles and all amendments.

3 **Sec. 10.21.475. PUBLIC BENEFIT CORPORATIONS: PROCEDURE FOR**
4 **ALTERATION OF CORPORATE STATUS.** (a) A public benefit corporation (AS 10.21.990)
5 may amend its articles of incorporation to change its status to that of a mutual benefit corporation
6 (AS 10.21.990).

7 (b) If a public benefit corporation has assets, an amendment to change its status to a
8 mutual benefit corporation shall be approved in advance in writing by the commissioner. If a
9 public benefit corporation does not have assets, the commissioner shall be given a copy of the
10 amendment at least 20 days before the amendment is filed.

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

14 **Sec. 10.21.478. MUTUAL BENEFIT CORPORATIONS: PROCEDURE FOR**
15 **ALTERATION OF CORPORATE STATUS.** (a) A mutual benefit corporation (AS 10.21.990)
16 may amend its articles of incorporation to change its status to a public benefit corporation
17 (AS 10.21.990).

18 (b) If the corporation has members entitled to vote, an amendment to change its status
19 to a public benefit corporation shall

20 (1) be approved by the members, and shall be approved in writing by the
21 commissioner; or

22 (2) be approved by 100 percent of the voting power.

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

26 **Sec. 10.21.480. AMENDMENT OF ARTICLES OF INCORPORATION IN**
27 **REORGANIZATION PROCEEDINGS.** (a) If a plan of reorganization of a domestic corporation
28 has been confirmed by decree or order of a court of competent jurisdiction in proceedings for the
29 reorganization of 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 necessary in
31 the manner provided in (c) of this section in order to carry out the plan and put it into effect.

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

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

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

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

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

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

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

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

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

24 Sec. 10.21.483. FILING OF AMENDMENT OF ARTICLES IN REORGANIZATION
25 PROCEEDINGS. Duplicate originals of the articles of amendment in reorganization proceedings
26 shall be delivered to the commissioner for processing under AS 10.21.905 and issuance of a
27 certificate of amendment.

28 Sec. 10.21.485. EFFECT OF ISSUANCE OF CERTIFICATE OF AMENDMENT IN
29 REORGANIZATION PROCEEDINGS. An amendment becomes effective upon the issuance of
30 the certificate of amendment in reorganization proceedings, and the articles are amended without
31 action by the directors or members of the corporation with the same effect as if the amendments

1 had been adopted by unanimous action of the directors and members of the corporation.

2 ARTICLE 8. ORGANIC CHANGE.

3 Sec. 10.21.500. PUBLIC BENEFIT CORPORATION: RESTRICTION ON MERGER
4 OR CONSOLIDATION; CONSENT OF COMMISSIONER. (a) A public benefit corporation
5 may only merge or consolidate with a domestic corporation (AS 10.21.990) or a foreign
6 corporation (AS 10.21.990).

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

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

13 (d) Without the prior written consent of the commissioner, if a merger or consolidation
14 occurs as provided under (a) of this section, each member (AS 10.21.990) of a constituent
15 corporation may only receive or keep a membership in the surviving (AS 10.21.990) or new
16 corporation.

17 Sec. 10.21.503. MUTUAL BENEFIT CORPORATION: MERGER OR
18 CONSOLIDATION. A mutual benefit corporation may merge or consolidate with a foreign
19 corporation (AS 10.21.990), or domestic corporation (AS 10.21.990). A merger or consolidation
20 of a mutual benefit corporation with a public benefit corporation shall have the prior written
21 consent of the commissioner.

22 Sec. 10.21.505. PROCEDURE FOR MERGER. A written plan of merger approved by
23 the board (AS 10.21.990(6)) of each corporation shall be proposed setting out

24 (1) the names and places of incorporation of the corporations proposing to merge
25 and the name of the surviving corporation (AS 10.21.990) into which they propose to merge;

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

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

29 (4) a statement of changes in the articles of incorporation or bylaws of the
30 surviving corporation caused by the merger and whether or not the surviving corporation will be
31 a public benefit corporation or a foreign corporation that would be a public benefit corporation

1 if formed under this chapter; and

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

3 Sec. 10.21.508. PROCEDURE FOR CONSOLIDATION. A written plan of consolidation
4 approved by the board (AS 10.21.990(6)) of each corporation shall be proposed setting out

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

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

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

11 (4) the statements of the new corporation required to be set out in the articles of
12 incorporation (AS 10.21.105) for corporations organized under this chapter; and

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

14 Sec. 10.21.510. NOTICE TO AND APPROVAL BY MEMBERS. (a) On approval by
15 the board (AS 10.21.990(6)) of each corporation of a plan of merger or consolidation, each board
16 shall, by resolution, direct that the plan be submitted at either an annual or special meeting for
17 approval by the members (AS 10.21.990(7)) of each corporation as provided in AS 10.21.513.
18 Written notice shall be given to each member, whether or not the member's voting rights are
19 extinguished under the provisions of the articles of incorporation or bylaws of the corporation,
20 at least 20 days before the meeting, in the manner provided in AS 10.21.238 for the giving of
21 notice of meetings of members. Whether the meeting is an annual or special meeting, the notice
22 shall state that the purpose or one of the purposes of the meeting is to consider the proposed plan
23 of merger or consolidation. A copy or summary of the plan of merger or consolidation as well
24 as a copy of AS 10.21.530 and 10.21.533 concerning the rights of dissenting members of mutual
25 benefit corporations shall be included with the notice.

26 (b) The provisions of this section do not apply to a corporation having no members.

27 Sec 10.21.513. MANNER OF APPROVAL BY MEMBERS. (a) At each meeting for
28 which notice is given under AS 10.21.510, a vote of the members shall be taken on the proposed
29 plan of merger or consolidation. Each member of each corporation may vote on the proposed
30 plan whether or not the member has voting rights under the articles of incorporation of the
31 corporation. The plan is approved if it receives the affirmative vote of a least two-thirds of the

1 members of each corporation. If a class of members of a corporation is entitled to vote on the
2 plan as a class, the plan is approved if it receives the affirmative vote of at least two-thirds of
3 the members of each class of members entitled to vote on the plan as a class and the affirmative
4 vote of at least two thirds of the total memberships entitled to vote on the plan. A class of
5 members of a corporation is entitled to vote as a class if a plan contains a provision that, if
6 contained in a proposed amendment to the articles of incorporation, would entitle the class of
7 members to vote as a class.

8 (b) The provisions of this section do not apply to a corporation having no members.

9 **Sec. 10.21.515. ABANDONMENT OF PLAN OF MERGER OR CONSOLIDATION.**

10 After approval by the members of each corporation under AS 10.21.513, and before the filing
11 of the articles of merger or consolidation, the merger or consolidation may be abandoned under
12 provisions set out in the plan.

13 **Sec. 10.21.518. ARTICLES OF MERGER OR CONSOLIDATION.** After approval of
14 the plan of merger or consolidation by the members under AS 10.21.513 or, if there are no
15 members, by the board under AS 10.21.200(b)(1), articles of merger or articles of consolidation
16 shall be executed in duplicate by each corporation by its board chair, president or a vice
17 president, and by its secretary or an assistant secretary, and verified by one of the officers of each
18 corporation signing the articles, and shall set out

19 (1) the plan of merger or consolidation;

20 (2) the number of memberships of each corporation outstanding, and, if the
21 members of a class were entitled to vote as a class, the designation and number of the
22 outstanding memberships of the class; and

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

26 **Sec. 10.21.520. FILING OF ARTICLES OF MERGER OR CONSOLIDATION.**

27 Duplicate originals of the articles of merger or consolidation shall be delivered to the
28 commissioner for processing according to AS 10.21.905 and the issuance of a certificate of
29 merger or consolidation.

30 **Sec. 10.21.523. EFFECT OF MERGER OR CONSOLIDATION.** (a) A merger or con-

31 solidation is effective upon the issuance of a certificate of merger or consolidation by the

1 commissioner, or on a later date, not more than 30 days after the filing of the certificate with the
2 commissioner, as provided in the plan.

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

4 (1) the corporations that are parties to the plan of merger or consolidation are a
5 single corporation that, in the case of a merger, is that corporation designated in the plan of
6 merger as the surviving corporation (AS 10.21.990), and, in the case of a consolidation, is the
7 new corporation provided for in the plan of consolidation;

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

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

13 (4) the surviving or new corporation possesses all the public and private rights,
14 privileges, immunities, and franchises of each of the merging or consolidating corporations; all
15 property real, personal, and mixed, and all debts due on whatever account, and all other choses
16 in action, and every other interest of, belonging to, or due to each of the merged or consolidated
17 corporations, is transferred to and vested in the corporation without further act; and the title to
18 real estate, or an interest in real estate, vested in any of the corporations may not revert and is
19 not in any way impaired by reason of a merger or consolidation; however, property received by
20 a corporation by a conditional grant or similar device remains subject to the same conditions as
21 if the merger or consolidation had not occurred;

22 (5) a surviving or new corporation is responsible and liable for all the liabilities
23 and obligations of each of the merged or consolidated corporations; a claim existing or action or
24 proceeding pending by or against the merged or consolidated corporations may be prosecuted as
25 if the merger or consolidation had not taken place, or the surviving or new corporation may be
26 substituted in its place; and the rights of creditors or any liens on any of the property of the
27 merged or consolidated corporation are not impaired by the merger or consolidation;

28 (6) in the case of a merger, the articles of incorporation of the surviving
29 corporation are considered to be amended to the extent that changes in its articles of
30 incorporation are stated in the plan of merger; and, in the case of a consolidation, the statements
31 set out (AS 10.21.105 and 10.21.110) in the articles of consolidation that are required or

1 permitted to be set out in the articles of incorporation of corporations organized under this
2 chapter are considered to be the original articles of incorporation of the new corporation.

3 (c) When a merger or consolidation has become effective, the memberships of the
4 corporations party to the plan that are to be converted under the terms of the plan cease to exist,
5 and the members are entitled only to the membership or obligations into which the membership
6 has been converted in accordance with the plan, subject to the rights of dissenting members under
7 AS 10.21.533.

8 **Sec. 10.21.525. MERGER OR CONSOLIDATION WITH A FOREIGN**
9 **CORPORATION.** (a) Subject to the provisions of AS 10.21.500 and 10.21.503, one or more
10 foreign corporations may be merged or consolidated if the merger or consolidation is authorized
11 by the law under which they are formed. In the case of a merger the surviving corporation shall
12 be one of the constituent corporations and the surviving corporation continues to exist under the
13 laws of the state or place of its incorporation. In the case of a consolidation, the new corporation
14 may be either a domestic corporation formed under this chapter or a foreign corporation formed
15 under the laws of another state.

16 (b) If the surviving or new corporation is a public benefit corporation, the merger or
17 consolidation proceedings of that corporation and a disappearing corporation shall conform to the
18 provisions of this chapter governing the merger of corporations. If the surviving or new
19 corporation is a foreign corporation, the merger or consolidation proceeding may be in
20 accordance with the laws of the state or place of incorporation of the surviving or new
21 corporation subject to the approval of the boards and members under AS 10.21.505, 10.21.508,
22 and 10.21.513.

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

29 (d) If the surviving or new corporation is a mutual benefit corporation, the merger or
30 consolidation proceedings of that corporation and a domestic disappearing corporation shall
31 conform to the provisions of this chapter and other applicable laws of this state. If the surviving

1 or new corporation is a foreign corporation, the merger or consolidation proceeding may be in
2 accordance with the laws of the state or place of incorporation of the surviving or new and
3 10.21.513.

4 (e) If the surviving or new corporation is a foreign corporation, the merger or
5 consolidation becomes effective under the law of the jurisdiction in which it is organized, but is
6 effective as to a disappearing corporation as of the time of effectiveness in the foreign
7 jurisdiction after the filing in this state as required by this subsection. A surviving or new
8 corporation shall file as to the domestic disappearing corporation a copy of the merger or consol-
9 idation agreement, certificate, or other document filed by the surviving or new corporation in the
10 state or place of its incorporation for the purpose of effecting the merger or consolidation,
11 certified by the public officer having official custody of the original or, in lieu of a certified
12 copy, an executed copy of the merger or consolidation agreement, certificate, or other document.
13 A foreign disappearing corporation that is qualified for the transaction of intrastate business
14 automatically surrenders its right to transact intrastate business by filing a merger or consolidation
15 agreement under this subsection.

16 Sec. 10.21.530. MUTUAL BENEFIT CORPORATION: RIGHT OF MEMBERS TO
17 DISSENT. (a) A member of a mutual benefit corporation may dissent from the following
18 corporate actions:

- 19 (1) a plan of merger or consolidation to which the corporation is a party; or
20 (2) a sale or exchange of all or substantially all of the property and assets of the
21 corporation not made in the usual and regular course of its business, including a sale in
22 dissolution, but not including a sale under an order of a court having jurisdiction.

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

26 Sec. 10.21.533. RIGHTS OF DISSENTING MEMBERS; WITHDRAWAL OF
27 DEMAND. (a) A member electing to exercise a right of dissent shall file with the corporation,
28 before or at the meeting of members at which the proposed corporate action is submitted to a
29 vote, a written objection to the proposed corporate action. If the proposed corporate action is
30 approved by the vote required under AS 10.21.513 and the member did not vote in favor of the
31 action, the member may, within 10 days after the date on which the vote was taken, make a

1 written demand on the corporation or, in the case of a merger or consolidation, on the surviving
2 or new domestic or foreign corporation, for payment of the fair value of the membership. If the
3 proposed corporate action is effected, the corporation shall pay to the dissenting member, upon
4 tender of a resignation from membership, the fair value of the membership on the day before the
5 date on which the vote was taken approving the proposed corporate action, excluding any
6 appreciation or depreciation in anticipation of the corporate action. A member failing to make
7 timely demand under this section is bound by the terms of the proposed corporate action. A
8 dissenting member making demand under this section is entitled only to payment as provided in
9 this section and is not entitled to vote or to exercise any other rights of a member.

10 (b) A demand may not be withdrawn without the consent of the corporation. If a
11 demand is withdrawn with consent, the proposed corporate action is abandoned or rescinded, or
12 the members revoke the authority for the action or if, in the case of a merger, on the date of the
13 filing of the articles of merger the surviving corporation has 100 percent control of the other
14 domestic and foreign corporations that are parties to the merger, or if no demand or petition for
15 the determination of fair value by a court has been made or filed within the time provided in
16 AS 10.21.540, or if a court of competent jurisdiction determines that a member is not entitled
17 to the relief provided by AS 10.21.540, then the right of the member to be paid the fair value
18 of the membership ceases and status as a member is restored, without prejudice to a corporate
19 proceeding that may have been taken during the interim. In this subsection, "100 percent control"
20 of a corporation means the power to elect or designate all of the members of the board of
21 directors of that corporation.

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

1 **Sec. 10.21.538. PAYMENT TO DISSENTING MEMBER AFTER AGREEMENT ON**
2 **VALUE OF MEMBERSHIPS.** If within 30 days after a corporation effects an organic change
3 (AS 10.21.990) to which a member dissents under AS 10.21.530, the fair value of the
4 memberships is agreed on between the dissenting member and the corporation, payment for the
5 memberships shall be made to the dissenting member within 90 days after the action was
6 effected, upon surrender of the certificate representing the memberships. On payment of the
7 agreed value the dissenting member ceases to have an interest in the memberships.

8 **Sec. 10.21.540. ACTION TO DETERMINE VALUE UPON FAILURE TO AGREE.**

9 (a) If within 30 days after a corporation effects an organic change (AS 10.21.990) to which a
10 member dissents under AS 10.21.530, the member and the corporation do not agree on the value
11 of the memberships, the corporation, within 30 days after receipt of a written demand from a
12 dissenting member given within 60 days after the corporate action was effected, shall within 60
13 days of the corporate action file a petition in a court of competent jurisdiction in the judicial
14 district where the registered office of the corporation is located, requesting that the fair value of
15 the membership be found and determined. If, in the case of a merger or consolidation, the
16 surviving or new corporation is a foreign corporation without a registered office in this state, the
17 petition shall be filed in the judicial district where the registered office of the domestic
18 corporation was last located. If the corporation fails to institute a proceeding as provided in this
19 section, a dissenting member may institute a proceeding in the name of the corporation. All
20 dissenting members, wherever residing, shall be made parties to the proceeding as an action
21 against their memberships quasi in rem. A copy of the petition shall be served by registered mail
22 on each dissenting member who is a nonresident. Service on nonresidents shall also be made by
23 publication as provided by law. The jurisdiction of the court is plenary and exclusive. All
24 members who are parties to the proceeding are entitled to judgment against the corporation for
25 the amount of the fair value of their memberships. The court may appoint one or more persons
26 as appraisers to receive evidence and recommend a decision on the question of fair value of the
27 memberships. The appraisers have the power and authority specified in the order of their
28 appointment or as amended. The judgment is payable only on and concurrently with the tender
29 to the corporation of a written resignation from membership by the dissenting member. On
30 payment of the judgment, the dissenting member ceases to have an interest in the membership.

31 (b) The judgment may include an allowance for interest at a rate the court finds to be

1 fair and equitable, from the date on which the vote was taken on the proposed corporate action
2 to the date of payment.

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

9 (d) Notwithstanding (c) of this section, if the fair value of the memberships as determined
10 by the court materially exceeds the amount that the corporation offered to pay, or if no offer was
11 made, the court in its discretion may award to a member who is party to the proceeding
12 reasonable compensation for an expert or experts employed by the member in the proceeding.

13 **Sec. 10.21.543. TENDER OF DISSENTERS' RESIGNATION FROM MEMBERSHIP.**

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

20 **ARTICLE 9. DISSOLUTION OF PUBLIC BENEFIT CORPORATIONS.**

21 **Sec. 10.21.550. APPLICATION OF AS 10.21.550 - 10.21.628.** The provisions of
22 AS 10.21.550 - 10.21.628 apply only to a public benefit corporation.

23 **Sec. 10.21.553. PUBLIC BENEFIT CORPORATIONS: VOLUNTARY DISSOLUTION.**

24 (a) A corporation may voluntarily elect to wind up and dissolve

25 (1) by the approval of a majority of all members (AS 10.21.990(4)); or

26 (2) by approval of the board and approval of the members (AS 10.21.990(7)).

27 (b) A corporation may elect by approval of the board (AS 10.21.990(6)) to wind up and
28 dissolve if the corporation

29 (1) has been adjudicated bankrupt;

30 (2) has disposed of all of its assets and has not conducted activity for a period
31 of five years immediately preceding the adoption of the resolution electing to dissolve the

1 corporation; or

2 (3) has no members (AS 10.21.990).

3 Sec. 10.21.555. FILING OF CERTIFICATE OF ELECTION TO WIND UP AND
4 DISSOLVE. (a) A corporation that has elected to wind up and dissolve shall file a certificate
5 evidencing the election with the commissioner.

6 (b) The certificate shall be signed and verified by at least a majority of the directors then
7 in office or by one or more members authorized to do so by approval of a majority of all
8 members (AS 10.21.990(4)) and must contain

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

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

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

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

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

21 Sec. 10.21.558. REVOCATION OF ELECTION TO WIND UP AND DISSOLVE
22 CORPORATION; FILING OF REVOCATION CERTIFICATE; CONTENTS. (a) A voluntary
23 election to wind up and dissolve under AS 10.21.533 may be revoked before distribution of assets

24 (1) if the election was made under AS 10.21.553(a)(1), by approval of a majority
25 of all members (AS 10.21.990(4));

26 (2) if the election was made under AS 10.21.553(a)(2), by approval of the board
27 (AS 10.21.990(6)) and the members (AS 10.21.990(7)); or

28 (3) if the election was made under AS 10.21.553(b), by approval of the board
29 (AS 10.21.990(6)).

30 (b) After a revocation a certificate evidencing the revocation shall be signed, verified,
31 and filed in the manner prescribed in AS 10.21.555.

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

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

3 (2) that no assets have been distributed as a result of the election;

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

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

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

10 Sec. 10.21.560. COMMENCEMENT AND CONDUCT OF VOLUNTARY
11 DISSOLUTION; POWERS AND DUTIES OF BOARD; CESSATION OF CORPORATE
12 ACTIVITIES; NOTICE. (a) Voluntary proceedings for winding up the corporation commence
13 with the approval required under AS 10.21.553.

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

17 (c) If a voluntary proceeding for winding up has commenced, the corporation shall cease
18 to conduct its activities except to the extent necessary for beneficial winding up, to carry out the
19 corporation's purposes, and to preserve the corporation's goodwill or going concern value
20 pending a sale or other disposition of its assets, or both, in whole or in part. The board shall
21 give written notice by mail of the commencement of the proceeding for voluntary winding up
22 to all members (AS 10.21.990) of the corporation. It is unnecessary to give notice to members
23 who voted in favor of winding up and dissolving of the corporation. Written notice shall also
24 be given by mail to all known creditors and claimants whose addresses appear on the records of
25 the corporation, and to the commissioner.

26 Sec. 10.21.563. JURISDICTION AND POWER OF COURT OVER VOLUNTARY
27 WINDING UP; PROTECTION OF CREDITORS AND ASSETS. If a corporation is in the
28 process of voluntary winding up, the superior court, upon the petition of the corporation, the
29 commissioner, or three or more creditors of the corporation, and upon notice to the members
30 (AS 10.21.990) and creditors as the court may order, may take jurisdiction over the voluntary
31 winding up proceeding if it appears necessary for the protection of a party in interest or if it

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

5 Sec. 10.21.565. CERTIFICATE OF DISSOLUTION; CONTENTS. (a) If a corporation
6 has been completely wound up without court proceedings, a majority of the directors then in
7 office shall sign and verify a certificate of dissolution stating

8 (1) that the corporation has been completely wound up;

9 (2) that its known debts and liabilities have been paid or adequately provided for,
10 as far as the corporation's assets permitted, or that it has incurred no known debts or liabilities;
11 if there are known debts or liabilities as to which adequate provision for payment has been made,
12 the name and address of the corporation, person, or governmental agency that has assumed or
13 guaranteed the payment, or the name and address of the depository with which deposit has been
14 made and other information as necessary to enable the creditor or other person to whom payment
15 is to be made to appear and claim payment of the debt or liability;

16 (3) that its known assets have been distributed to the persons entitled to the assets
17 or that the corporation acquired no known assets;

18 (4) that the corporation is dissolved.

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

22 Sec. 10.21.568. TERMINATION OF CORPORATION ON EXPIRATION OF TERM
23 OF EXISTENCE. Except as otherwise provided by law, if the term of existence for which a
24 corporation was organized expires without renewal or extension, the board shall terminate its
25 activities and wind up its affairs. After the affairs of the corporation have been wound up under
26 this section, a majority of the directors then in office shall execute and file a certificate of
27 dissolution conforming to the requirements in AS 10.21.565.

28 Sec. 10.21.570. PETITION FOR COURT ORDER DECLARING CORPORATION
29 DULY WOUND UP AND DISSOLVED. (a) Instead of filing a certificate of dissolution, the
30 board may petition the superior court for an order declaring the corporation duly wound up and
31 dissolved. The petition shall be filed in the name of the corporation.

1 (b) Upon the filing of a petition under (a) of this section, the court shall order all
2 interested persons, including the commissioner, to show cause why an order should not be made
3 declaring the corporation duly wound up and dissolved. Notice of the order shall be served on
4 all creditors, claimants, and members (AS 10.21.990) in the same manner as the notice given
5 under AS 10.21.600(b). Notice shall also be served upon the commissioner.

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

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

14 Sec 10.21.573. INVOLUNTARY DISSOLUTION; COMMISSIONER
15 AS INDISPENSABLE PARTY. (a) A complaint for involuntary dissolution of a corporation
16 on any of the grounds specified in (b) of this section may be filed in the superior court by the
17 following persons:

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

19 (2) a person holding or authorized in writing by persons holding not less than
20 33-1/3 percent of the voting power exclusive of memberships held by persons who have
21 personally participated in a transaction listed in (b)(5) of this section;

22 (3) a member if the ground for dissolution is that the period for which the
23 corporation was formed has terminated without extension;

24 (4) a person authorized to do so in the articles;

25 (5) the commissioner.

26 (b) The grounds for involuntary dissolution are

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

28 (2) the corporation has an even number of directors who are equally divided and
29 cannot agree as to the management of its affairs, so that corporate activities can no longer be
30 conducted to the corporation's advantage or so that there is danger that corporate property will
31 be impaired or lost or its activities impaired and the members are so divided into factions that

1 they cannot elect a board consisting of an uneven number;

2 (3) there is internal dissension and factions of members in the corporation are so
3 deadlocked that corporate activities can no longer be conducted to the advantage of the
4 corporation;

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

10 (5) if members, other persons with a controlling interest (AS 10.21.990) in the
11 corporation, officers, directors, or employees have

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

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

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

17 (7) the period for which the corporation was formed has terminated without
18 extension.

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

20 (d) In an action brought under (a) of this section the commissioner is an indispensable
21 party.

22 Sec. 10.21.575. AUTHORITY OF THE COMMISSIONER TO PROCURE
23 INVOLUNTARY DISSOLUTION; GROUNDS; NOTICE FOR CORRECTIVE ACTIONS;
24 APPOINTMENT OF RECEIVER. (a) The commissioner may bring an action against a
25 corporation or purported corporation in the name of the people of this state, on the commis-
26 sioner's own information or on complaint of a private party, to procure a judgment dissolving
27 the corporation and annulling, vacating, or forfeiting its corporate existence if

28 (1) the corporation has seriously violated a statute regulating domestic
29 corporations or charitable organizations;

30 (2) the corporation has fraudulently abused or usurped corporate privileges or
31 powers; or

1 (3) the corporation has violated a provision of law by an act or default that under
2 the law is a ground for forfeiture of corporate existence.

3 (b) If the ground for involuntary dissolution is an act that the corporation has done or
4 omitted to do that can be corrected by amendment of its articles or by other corporate action, suit
5 may not be maintained unless

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

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

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

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

17 Sec. 10.21.578. INVOLUNTARY DISSOLUTION BY THE COMMISSIONER;
18 GROUNDS; PROCEDURE; REINSTATEMENT. (a) A corporation may be dissolved involun-
19 tarily by the commissioner if

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

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

24 (3) the corporation has failed for 30 days after change of its registered office or
25 registered agent to file in the office of the commissioner a statement of the change;

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

28 (5) a vacancy (AS 10.21.990) in the board of the corporation is not filled within
29 six months or the next annual meeting, whichever occurs first; or

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

1 (b) A corporation may not be dissolved under this section unless the commissioner has
2 given the corporation at least 60 days' notice of its delinquency, omission, or noncompliance by
3 certified mail addressed to its registered office or in care of its registered agent, board chair,
4 president, or secretary at the last known address as shown by the records of the commissioner,
5 and the corporation has failed, within 30 days after receipt of the notice, to contest the alleged
6 delinquency, omission, or noncompliance at a hearing before the commissioner or, having failed
7 to request a hearing, has failed to correct the alleged delinquency, omission, or noncompliance.

8 (c) If, following a hearing, the commissioner determines a delinquency, omission, or
9 noncompliance exists that is grounds for involuntary dissolution under this section, the
10 corporation may appeal to the superior court by filing with the clerk a petition setting out a copy
11 of the notice given by the commissioner under (b) of this section, together with a copy of a
12 timely demand for a hearing by the corporation, and a copy of a statement by the commissioner
13 of an intention to dissolve the corporation under (d) of this section. The matter shall be tried de
14 novo by the superior court, and the court shall either sustain the commissioner or direct the
15 commissioner to take action the court considers proper.

16 (d) If a corporation has given cause for involuntary dissolution or has failed to correct
17 the delinquency, omission, or noncompliance as provided in this section, and there has been no
18 order of the superior court, the commissioner shall dissolve the corporation by issuing a
19 certificate of involuntary dissolution containing a statement that the corporation has been
20 dissolved, the date, and the reason for which it was dissolved. The original certificate of
21 dissolution shall be placed in the department files and a copy of it mailed to the corporation at
22 its registered office or in care of its registered agent, president, or secretary at the last known
23 address, as shown by the records of the commissioner. Upon the issuance of the certificate of
24 involuntary dissolution, the existence of the corporation ceases, except as otherwise provided in
25 this section, and its name becomes available to and may be adopted by another corporation after
26 at least six months following the dissolution.

27 (e) A corporation dissolved under this section may be reinstated within two years from
28 the date of the certificate of involuntary dissolution if it is established to the satisfaction of the
29 commissioner that in fact there was no cause for the dissolution, or if the delinquency, omission,
30 or noncompliance resulting in dissolution has been corrected and the corporation pays double the
31 amount delinquent along with the amount the corporation would have paid had it not been

1 dissolved during the two-year period. Reinstatement may not be authorized if the corporation's
2 name is the same as, or undistinguishable on the records of the department from, a corporate,
3 reserved, or registered name currently on file with the commissioner, unless the corporation being
4 reinstated amends its articles to change its name to conform with the provisions of this chapter.

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

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

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

15 Sec. 10.21.580. DEADLOCK AS GROUND FOR INVOLUNTARY DISSOLUTION;
16 APPOINTMENT OF PROVISIONAL DIRECTOR. (a) If the ground for the complaint for
17 involuntary dissolution of the corporation is a deadlock in the board as set out in
18 AS 10.21.573(b)(2), the court may appoint a provisional director.

19 (b) A party, an attorney of a party, or a person interested in the action or related
20 according to the common law by consanguinity or affinity within the third degree to a judge of
21 the court appointing the provisional director, may not be appointed provisional director in the
22 action without the written consent of the parties, including the party to be appointed, filed with
23 the clerk. If a provisional director is appointed upon an ex parte application, the court, before
24 making the order, shall require from the applicant an undertaking, with sufficient sureties, in an
25 amount to be fixed by the court, to the effect that the applicant will pay to the defendant all
26 damages sustained by reason of the appointment of the provisional director, in case the applicant
27 has procured the appointment wrongfully, maliciously, or without sufficient cause. The court
28 may, in its discretion, at any time after the appointment, require an additional undertaking.

29 (c) Before entering upon the duties of a director, the provisional director shall be sworn
30 to perform those duties faithfully, and with two or more sureties, approved by the court, execute
31 an undertaking to the state, in a sum the court or judge directs, to the effect that the provisional

1 director will faithfully discharge the duties of provisional director and obey the orders of the
2 court in the action.

3 Sec. 10.21.583. APPOINTMENT OF RECEIVER; APPLICATION, HEARING AND
4 NOTICE, SECURITY, QUALIFICATIONS, POWERS, COMPENSATION. (a) If, at the time
5 of filing of a complaint for involuntary dissolution or at a later time, the court has reasonable
6 grounds to believe that unless a receiver of the corporation is appointed the interests of the
7 corporation or the public or charitable purpose of the corporation will suffer pending the hearing
8 and determination of the complaint, on application of the plaintiff, and after a hearing on notice
9 to the corporation as the court directs and on the giving of security under (b) and (c) of this
10 section, the court may appoint a receiver to take over and manage the affairs of the corporation
11 and to preserve its property pending the hearing and determination of the complaint for
12 dissolution.

13 (b) A party, an attorney of a party, or a person interested in the action or related
14 according to the common law by consanguinity or affinity within the third degree to a judge of
15 the court appointing the receiver, may not be appointed receiver in the action without the written
16 consent of the parties, including the party to be appointed, filed with the clerk. If a receiver is
17 appointed upon an ex parte application, the court, before making the order, shall require from the
18 applicant an undertaking, with sufficient sureties, in an amount to be fixed by the court, to the
19 effect that the applicant will pay to the defendant all damages sustained by reason of the
20 appointment of the receiver, in case the applicant has procured the appointment wrongfully,
21 maliciously, or without sufficient cause. The court may, in its discretion, at any time after the
22 appointment, require an additional undertaking.

23 (c) Before entering upon the duties of a receiver, the receiver shall be sworn to perform
24 those duties faithfully, and with two or more sureties, approved by the court or judge, execute
25 an undertaking to the state, in a sum the court or judge directs, to the effect that the receiver will
26 faithfully discharge the duties of receiver and obey the orders of the court in the action.

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

29 Sec. 10.21.585. DECREE WINDING UP AND DISSOLVING CORPORATION;
30 FURTHER JUDICIAL RELIEF. After hearing the court may decree a winding up and dissolu-
31 tion of the corporation if cause for winding up and dissolution is shown, or with or without

1 winding up and dissolution, may make orders and decrees and issue injunctions in the case as
2 justice and equity may require.

3 Sec. 10.21.588. COMMENCEMENT OF INVOLUNTARY PROCEEDINGS; BOARD
4 TO CONDUCT AFFAIRS OF CORPORATION; CESSATION OF CORPORATE ACTIVITIES.

5 (a) Involuntary proceedings for winding up a public benefit corporation commence when an
6 order for winding up is entered under AS 10.21.585.

7 (b) If an involuntary proceeding for winding up has commenced, the board shall conduct
8 the winding up of the affairs of the corporation, subject to the supervision of the court, unless
9 other persons are appointed by the court to conduct the winding up. The directors or other
10 persons may, subject to restrictions imposed by the court, exercise their powers through the
11 executive officers of the corporation without order of court.

12 (c) If an involuntary proceeding for winding up has commenced, the corporation shall
13 cease to conduct its activities except to the extent necessary for the beneficial winding up of the
14 corporation and to preserve the corporation's goodwill or going concern value, pending a sale or
15 other disposition of its assets in whole or in part. The directors shall mail written notice of the
16 commencement of the proceeding for involuntary winding up to all members (AS 10.21.990) and
17 all known creditors and claimants whose addresses appear on the records of the corporation,
18 unless the order for winding up has been stayed by appeal or the proceeding or the execution of
19 the order has been enjoined.

20 Sec. 10.21.590. JURISDICTION OF COURT IN INVOLUNTARY DISSOLUTION. If
21 an involuntary proceeding for winding up has been commenced, the jurisdiction of the court
22 includes:

23 (1) the determination of the validity of all claims and demands against the
24 corporation, whether due or not yet due, contingent, unliquidated or sounding only in damages,
25 and the barring from participation of creditors and claimants failing to make and present claims
26 and proof as required by an order;

27 (2) the determination or compromise of all claims of every nature against the
28 corporation or any of its property, and the determination of the amount of money or assets
29 required to be retained to pay or provide for the payment of claims;

30 (3) the presentation and filing of intermediate and final accounts of the directors
31 or other persons appointed to conduct the winding up and hearing, the allowance, disallowance,

1 or settlement of the accounts and the discharge of the directors or other persons from their duties
2 and liabilities;

3 (4) the appointment of a master to hear and determine any or all matters, with
4 power or authority the court considers proper;

5 (5) the filling of vacancies on the board that the directors or members are unable
6 to fill;

7 (6) the removal of a director if it appears that the director has been guilty of
8 dishonesty, misconduct, neglect, or breach of trust in conducting the winding up or if the director
9 is unable to act; the court may order an election to fill a vacancy caused by the removal of a
10 director under this subsection, and may enjoin, for the time it considers proper, the reelection of
11 the removed director; or the court, instead of ordering an election, may appoint a director to fill
12 the vacancy caused by removal under this paragraph; a director appointed by the court under this
13 paragraph shall serve until the next regular meeting of members or until a successor is elected
14 or appointed;

15 (7) the staying of the prosecution of a suit, proceeding, or action against the
16 corporation and requiring the parties to present and prove their claims in the manner required of
17 other creditors;

18 (8) the determination of whether adequate provision has been made for payment
19 or satisfaction of all debts and liabilities not actually paid;

20 (9) the making of orders for the withdrawal or termination of proceedings to wind
21 up and dissolve, subject to conditions for the protection of creditors;

22 (10) the making of an order, on the allowance or settlement of the final accounts
23 of the directors or other persons, that the corporation has been duly wound up and is dissolved;

24 (11) the making of orders for the bringing in of new parties the court considers
25 proper for the determination of all questions and matters; and

26 (12) the disposition of assets held in charitable trust.

27 Sec. 10.21.593. POWERS AND DUTIES OF DIRECTORS AND OFFICERS IN
28 DISSOLUTION PROCEEDING. The powers and duties of the directors, other persons appointed
29 by the court under AS 10.21.588, and officers after commencement of a dissolution proceeding
30 include, but are not limited to, the following acts in the name and on behalf of the corporation:

31 (1) to elect officers and employ agents and attorneys to liquidate or wind up the

1 corporation's affairs;

2 (2) to continue to conduct the affairs of the corporation to the extent necessary
3 for disposal or winding up;

4 (3) to carry out contracts and collect, pay, compromise, and settle debts and
5 claims for or against the corporation;

6 (4) to defend suits brought against the corporation;

7 (5) to sue, in the name of the corporation, for all sums due or owing to the
8 corporation or to recover property of the corporation;

9 (6) to collect amounts remaining unpaid on memberships;

10 (7) to recover unlawful distributions;

11 (8) to sell at public or private sale, exchange, convey, or otherwise dispose of all
12 or a part of the assets of the corporation for reasonable amounts as determined by the board and
13 to execute bills of sale and deeds of conveyance in the name of the corporation;

14 (9) in general, to make contracts and do all things in the name of the corporation
15 that are proper or convenient for the purposes of winding up, settling, and liquidating the affairs
16 of the corporation.

17 Sec. 10.21.595. VACANCIES ON BOARD DURING WINDING UP. A vacancy
18 (AS 10.21.990) on the board may be filled during a winding-up proceeding in the manner
19 provided in AS 10.21.385.

20 Sec. 10.21.598. PROCEEDING TO DETERMINE IDENTITY OF DIRECTORS OR TO
21 APPOINT DIRECTORS. If the identity of a director or the right to hold office is in doubt, or
22 if a director is dead or unable to act, a director fails or refuses to act or the whereabouts of a
23 director cannot be ascertained, an interested person, including the commissioner, may petition the
24 superior court to determine the identity of the director or, if there are no directors, to appoint
25 directors to wind up the affairs of the corporation, after hearing upon notice to the persons the
26 court directs.

27 Sec. 10.21.600. RIGHTS OF CREDITORS AND CLAIMANTS; NOTICE;
28 ALLOWANCE OF CLAIMS. (a) In a court-directed winding up of a corporation creditors and
29 claimants may be barred from participation in a distribution of the general assets if they fail to
30 make and present claims and proofs within the time the court directs. The time in which to
31 present claims may not be less than four or more than six months after the first publication of

1 notice to creditors unless it appears by affidavit that there are no claims, in which case the time
2 limit may be three months. If it is shown that a claimant did not receive notice because of
3 absence from the state or other cause, the court may allow a claim to be filed or presented at any
4 time before distribution is completed.

5 (b) Notice to creditors in a court-directed winding up shall be published not less than
6 once a week for three consecutive weeks in a newspaper of general circulation in the state or in
7 a newspaper that is designated by the court. The notice shall direct creditors and claimants to
8 make and present claims and proofs to the person, at the place and within the time specified in
9 the notice. A copy of the notice shall be mailed to the last known address of each person shown
10 as a creditor or claimant on the books of the corporation.

11 (c) A holder of a secured claim may prove for the whole debt in order to secure payment
12 of a deficiency. If a secured creditor fails to present a claim the claim is barred only as to a
13 right to claim against the general assets for a deficiency in the amount realized on the security.

14 (d) Before a distribution is made in a court-directed winding up the amount of an
15 unmatured, contingent, or disputed claim against the corporation that has been presented and has
16 not been disallowed, or the part of a claim to which the holder would be entitled if the claim
17 were due, established, or absolute, shall be paid into court and remain there to be paid over to
18 the party if the party becomes entitled to payment or, if the party fails to establish a claim, to
19 be paid over or distributed with the other assets of the corporation to those entitled to the assets.
20 Other provisions for the full payment of unmatured, contingent, or disputed claims, if and when
21 established, may be made by the court. A creditor who has a claim that has been allowed but
22 is not yet due is entitled to the present value of the claim upon distribution.

23 (e) A suit against the corporation on a claim that has been rejected shall be commenced
24 within 30 days after written notice of rejection is given to the claimant.

25 Sec. 10.21.603. ORDER DECLARING CORPORATION DULY WOUND UP AND
26 DISSOLVED; CESSATION OF CORPORATE EXISTENCE. (a) After the final settlement of
27 the accounts of the directors or other persons appointed under AS 10.21.588 and the
28 determination that the corporation's affairs are in condition for it to be dissolved, the court shall
29 make an order declaring the corporation duly wound up and dissolved.

30 (b) An order issued under (a) of this section shall state

31 (1) that the corporation has been duly wound up and that its known debts and

1 liabilities have been paid or adequately provided for, or that the debts and liabilities have been
2 paid as far as the corporation's assets permit;

3 (2) if there are known debts or liabilities as to which adequate provision for
4 payment has been made, the order shall state what provision has been made, the name and
5 address of the corporation, person, or governmental agency that has assumed or guaranteed the
6 payment, or the name and address of the depository with which deposit has been made or other
7 information that is necessary to enable the creditor or other person to whom payment is to be
8 made to appear and claim payment of the debt or liability;

9 (3) that the known assets of the corporation have been distributed to the persons
10 entitled to the assets or that the corporation acquired no assets;

11 (4) that the accounts of directors or other persons have been settled and that they
12 are discharged from their duties and liabilities to creditors and members;

13 (5) that the corporation is dissolved.

14 (c) The court may make additional orders and grant further relief it considers proper on
15 the evidence submitted.

16 (d) After making the order declaring the corporation dissolved, corporate existence ceases
17 except for the purposes of further winding up if needed. The directors or other persons appointed
18 under AS 10.21.588 are discharged from their duties and liabilities except with respect to
19 completion of the winding up.

20 Sec. 10.21.605. FILING OF CERTIFIED ORDER, DECREE OR JUDGMENT OF
21 DISSOLUTION. If a corporation is dissolved or its existence forfeited by order, decree, or
22 judgment of a court, a copy of the order, decree, or judgment, certified by the clerk of court,
23 shall be filed with the commissioner.

24 Sec. 10.21.608. DISTRIBUTION OF REMAINING CORPORATE ASSETS. (a) After
25 determining that all of the known debts and liabilities of a corporation in the process of winding
26 up have been paid or adequately provided for, the board shall distribute all the remaining
27 corporate assets in the manner provided in AS 10.21.613 - 10.21.618.

28 (b) If the winding up is by court proceeding or subject to court supervision, the
29 distribution may not be made until after the expiration of any period for the presentation of
30 claims that has been prescribed by order of the court.

31 (c) Assets that are not subject to attachment, execution, or sale for the corporation's debts

1 and liabilities may be distributed under AS 10.21.613 - 10.21.618 even though all debts and
2 liabilities have not been paid or adequately provided for.

3 **Sec. 10.21.610. PAYMENT OF DEBTS AND LIABILITIES.** (a) The payment of a debt
4 or liability, whether the whereabouts of the creditor is known or unknown, has been adequately
5 provided for if

6 (1) payment of the debt or liability has been assumed or guaranteed in good faith
7 by one or more financially responsible persons or by the United States government or an agency
8 of the United States, and the provision, including the financial responsibility of the persons, was
9 determined in good faith and with reasonable care by the board to be adequate at the time of
10 distribution of the assets by the board under this chapter;

11 (2) the amount of the debt or liability has been deposited with the commissioner
12 of revenue.

13 (b) This section does not prescribe the exclusive means of making adequate provision
14 for debts and liabilities.

15 **Sec 10.21.613. RETURN, TRANSFER, OR CONVEYANCE OF ASSETS.** After
16 complying with the provisions of AS 10.21.608, if the corporation holds assets subject to a valid
17 condition requiring return, transfer, or conveyance, and the condition has occurred or will occur
18 by reason of the dissolution, the assets shall be returned, transferred, or conveyed in accordance
19 with the condition.

20 **Sec. 10.21.615. DISPOSITION OF ASSETS HELD FOR PUBLIC OR CHARITABLE**
21 **PURPOSES.** (a) Assets held in charitable trust under AS 10.21.185, or received and held by
22 the corporation for a public or charitable purpose or that are legally required to be used for a
23 particular purpose shall, unless disposed of under AS 10.21.613, be distributed to one or more
24 domestic or foreign corporations or other organizations engaged in activities substantially similar
25 to those of the dissolved corporation.

26 (b) A disposition contained in a will or other instrument, in trust or otherwise, made
27 before or after the dissolution, to or for the benefit of a dissolved corporation inures to or for the
28 benefit of the corporation or organization acquiring the assets of the dissolved corporation as
29 provided in this section, and, so far as is necessary for that purpose, the corporation or
30 organization acquiring the assets of the dissolved corporation is considered a successor to the
31 dissolved corporation. Property received under this subsection shall be devoted by the acquiring

1 corporation or organization to the purposes expressed by the testator or grantor.

2 Sec. 10.21.618. DISPOSAL OF CORPORATE ASSETS; DISPOSITION BY COURT
3 ORDER. (a) Subject to the provisions of AS 10.21.608 and except as provided in AS 10.21.613
4 and 10.21.615, all of a corporation's assets shall be disposed of on dissolution in conformity with
5 its articles or bylaws subject to complying with the provisions of a trust under which assets are
6 held.

7 (b) The disposition required in (a) of this section shall be made by decree of the superior
8 court in proceedings to which the commissioner is a party. The decree shall be made on the
9 petition of the commissioner or, on 30 days' notice to the commissioner, by a person interested
10 in the dissolution.

11 (c) Notwithstanding the provisions of (a) of this section a distribution of corporate assets
12 may not be made to the members (AS 10.21.990), directors, officers, or employees of the
13 corporation, or to its parent or its subsidiary (AS 10.21.990) as such.

14 Sec. 10.21.620. DISTRIBUTIONS AUTHORIZED IN MONEY, PROPERTY, OR
15 SECURITIES; INSTALLMENTS. Subject to the provisions of a trust under which assets to be
16 distributed are held, distribution of assets may be made either in money, property, or securities
17 and either in periodic installments or as a whole, if this can be done fairly and ratably and in
18 conformity with the provisions of the articles and bylaws. Distribution of assets shall be made
19 as soon as reasonably consistent with the beneficial liquidation of the corporation.

20 Sec. 10.21.623. RECOVERY OF IMPROPER DISTRIBUTIONS. (a) If a distribution
21 of assets has been made in the process of winding up a corporation without a court order and
22 without prior payment or adequate provision for payment of the debts and liabilities of the
23 corporation, the amount improperly distributed to a person may be recovered by the corporation.
24 A person who received an improper distribution may be joined as a defendant in the same action
25 or be brought in on the motion of another defendant.

26 (b) Suit may be brought in the name of the corporation to enforce the liability under (a)
27 of this section against a person receiving a distribution by the commissioner or by a creditor of
28 the corporation, whether or not the creditor has reduced the claim to judgment.

29 (c) In this section, "process of winding up" includes a proceeding under AS 10.21.553 -
30 10.21.628 and any other distribution of assets to a person made in contemplation of termination
31 or abandonment of the corporate business.

1 **Sec. 10.21.625. EXISTENCE OF CORPORATION AFTER DISSOLUTION.** (a) A
2 corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of
3 winding up its affairs, defending actions by or against it, enabling it to collect and discharge
4 obligations, dispose of and convey its property, and collect and divide its assets, but not for the
5 purpose of continuing its activities except to the extent necessary for winding up.

6 (b) An action or proceeding to which a corporation is a party does not abate by the
7 dissolution of the corporation or by reason of proceedings for winding up and dissolution. A
8 corporation that is dissolved voluntarily or involuntarily may not commence a court action, except
9 for a court action under AS 10.21.623.

10 (c) Assets inadvertently or otherwise omitted from the winding up continue in the
11 dissolved corporation for the benefit of the persons entitled to the assets on dissolution of the
12 corporation and on realization shall be distributed to the persons entitled.

13 (d) The directors of the corporation on the date of its dissolution, or as determined under
14 AS 10.21.605, shall exercise and have the powers necessary to act under this section.

15 **Sec. 10.21.628. SUITS AGAINST PERSONS TO WHOM ASSETS WERE**
16 **DISTRIBUTED UPON DISSOLUTION; QUIET TITLE ACTION.** (a) If a corporation has been
17 dissolved, a person to whom assets were distributed on dissolution may be sued in the corporate
18 name upon a cause of action against the corporation that arose before dissolution. Notice of the
19 action shall be given to the commissioner. The commissioner may intervene in a suit brought
20 under this section.

21 (b) Summons or other process against a dissolved corporation may be served by
22 delivering a copy to an officer, director, or person having charge of the corporation's assets or,
23 if no such person can be found, to an agent on whom process might be served at the time of
24 dissolution. If it is shown by affidavit to the satisfaction of the court that none of these persons
25 can be found with due diligence then the court may order that summons or other process be
26 served on the dissolved corporation by personally delivering a copy, together with a copy of the
27 order, to the commissioner. Service in this manner is complete 10 days after the delivery of
28 process to the commissioner.

29 (c) A dissolved corporation survives and continues to exist indefinitely for the purpose
30 of being sued in a quiet title action. A judgment rendered in a quiet title action binds every
31 person having an interest in the corporation, to the extent of their interest. Service of summons

1 or other process may be made as provided in (b) of this section.

2 (d) After receipt of the process under (b) of this section and the fee for filing, the
3 commissioner shall give notice to the corporation at the last known address of the corporation
4 or at the last known address of the last registered agent of the corporation. If those addresses
5 are not known the commissioner is not required to take any action.

6 (e) This section is procedural in nature and is not intended to determine liability.

7 **ARTICLE 10. DISSOLUTION OF MUTUAL BENEFIT CORPORATIONS.**

8 **Sec. 10.21.630. APPLICATION OF AS 10.21.630 - 10.21.710.** The provisions of
9 AS 10.21.630 - 10.21.710 apply only to a mutual benefit corporation.

10 **Sec. 10.21.633. MUTUAL BENEFIT CORPORATIONS: VOLUNTARY**
11 **DISSOLUTION.** (a) A corporation may voluntarily elect to wind up and dissolve by the
12 affirmative vote of members representing at least two-thirds of its voting power.

13 (b) A corporation may elect by approval of the board to wind up and dissolve if the
14 corporation has

15 (1) been adjudicated bankrupt; or

16 (2) disposed of all of its assets and has not conducted activity for a period of five
17 years immediately preceding the adoption of the resolution electing to dissolve the corporation.

18 **Sec. 10.21.635. FILING OF CERTIFICATE OF ELECTION TO WIND UP AND**
19 **DISSOLVE; CONTENTS.** (a) A corporation that has elected to wind up and dissolve shall file
20 a certificate evidencing the election with the commissioner.

21 (b) The certificate shall be signed and verified by at least a majority of the directors then
22 in office or by one or more members (AS 10.21.990) authorized to do so by the affirmative vote
23 of members representing at least two-thirds of its voting power and contain

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

25 (2) a statement of the number of votes for the election if the election was made
26 by vote of the members alone and that the election was made by the affirmative vote of members
27 representing at least two-thirds of its voting power;

28 (3) if the certificate is executed by a member, a statement that the person
29 executing the certificate was authorized to execute the certificate by the affirmative vote of
30 members representing at least two-thirds of its voting power;

31 (4) if the election was made by the board under AS 10.21.633(b), a statement of

1 the circumstances showing the corporation to be in one of the categories described in
2 AS 10.21.633(b).

3 Sec. 10.21.638. REVOCATION OF ELECTION TO WIND UP AND DISSOLVE
4 CORPORATION; FILING OF REVOCATION CERTIFICATE; CONTENTS. (a) A voluntary
5 election to wind up and dissolve under AS 10.21.633 may be revoked before distribution of assets

6 (1) if the election was made under AS 10.21.633(a), by the affirmative vote of
7 members representing at least two-thirds of its voting power; or

8 (2) if the election was by the board under AS 10.21.633(b), by approval of the
9 board (AS 10.21.990(6)).

10 (b) After a revocation a certificate evidencing the revocation shall be signed, verified,
11 and filed in the same manner prescribed under AS 10.21.635.

12 (c) The certificate required by (b) of this section must contain

13 (1) a statement that the corporation has revoked its election to wind up and
14 dissolve;

15 (2) a statement that no assets have been distributed as a result of the election;

16 (3) a statement of the number of votes for the revocation and that the revocation
17 was made by the affirmative vote of members representing at least two thirds of its voting power,
18 if the revocation was made by the vote of the members alone;

19 (4) a statement of whether or not the revocation was made by the board alone and
20 reciting the circumstances permitting the board to make the revocation.

21 Sec. 10.21.640. COMMENCEMENT AND CONDUCT OF VOLUNTARY
22 DISSOLUTION; POWERS AND DUTIES OF BOARD; CESSATION OF CORPORATE
23 ACTIVITIES; NOTICE. (a) Voluntary proceedings for winding up the corporation commence
24 with the approval required under AS 10.21.633.

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

28 (c) If a voluntary proceeding for winding up has commenced, the corporation shall cease
29 to conduct its activities except to the extent necessary for beneficial winding up, to carry out the
30 corporation's purposes, and to preserve the corporation's good will or going-concern value
31 pending a sale or other disposition of assets, or both, in whole or in part. The board shall give

1 written notice by mail of the commencement of the proceeding for voluntary winding up to all
2 members (AS 10.21.990) of the corporation. It is unnecessary to give notice to members who
3 voted in favor of the winding up and dissolving of the corporation. Written notice shall also be
4 given by mail to all known creditors and claimants whose addresses appear on the records of the
5 corporation, and to the commissioner.

6 Sec. 10.21.643. JURISDICTION AND POWER OF COURT OVER VOLUNTARY
7 WINDING UP; PROTECTION OF CREDITORS AND ASSETS. If a corporation is in the
8 process of voluntary winding up, the superior court, upon the petition of the corporation, the
9 members representing 10 percent of the voting power of the corporation, the commissioner or
10 three or more creditors, and upon notice to the members (AS 10.21.990) and creditors as the
11 court may order, may take jurisdiction over the voluntary winding-up proceeding if it appears
12 necessary for the protection of a party in interest, or in the case of a corporation holding assets
13 in charitable trust, for the protection of these assets. The court, if it assumes jurisdiction, may
14 make orders as to any and all matters concerning the winding up of the affairs of the corporation
15 and the protection of its members, creditors, and, in the case of a corporation holding assets in
16 charitable trust, assets. The provisions of AS 10.21.653 - 10.21.678 apply to court proceedings
17 under this section.

18 Sec. 10.21.645. CERTIFICATE OF DISSOLUTION; CONTENTS. (a) If a corporation
19 has been completely wound up without court proceedings, a majority of the directors then in
20 office shall sign and verify a certificate of dissolution stating that

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

22 (2) its known debts and liabilities have been paid, or adequately provided for, or
23 paid or adequately provided for as far as the corporation's assets permitted, or that it has incurred
24 no known debts or liabilities; if there are known debts or liabilities as to which adequate
25 provision has been made, the certificate must state what provision for payment has been made,
26 the name and address of the corporation, person, or governmental agency that has assumed or
27 guaranteed the payment, or the name and address of the depository with which deposit has been
28 made and other information that is necessary to enable the creditor or other person to whom
29 payment is to be made to appear and claim payment of the debt or liability;

30 (3) its known assets have been distributed to the person entitled to the assets or
31 that the corporation acquired no known assets, as the case may be; and

1 (4) the corporation is dissolved.

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

5 Sec. 10.21.648. TERMINATION OF CORPORATION ON EXPIRATION OF TERM
6 OF EXISTENCE. Except as otherwise provided by law, if the term of existence for which a
7 corporation was organized expires without renewal or extension, the board shall terminate its
8 activities and wind up its affairs. After the affairs of the corporation have been wound up under
9 this section, a majority of the directors then in office shall execute and file a certificate
10 conforming to the requirements in AS 10.21.648.

11 Sec. 10.21.650. PETITION FOR COURT ORDER DECLARING CORPORATION
12 DULY WOUND UP AND DISSOLVED. (a) Instead of filing a certificate of dissolution, the
13 board may petition the superior court for an order declaring the corporation duly wound up and
14 dissolved. 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 all
16 interested persons, including the commissioner, to show cause why an order should not be made
17 declaring the corporation duly wound up and dissolved. The order shall be served by notice to
18 all creditors, claimants, and members (AS 10.21.990) in the same manner as the notice given
19 under AS 10.21.673(b). Notice shall also be served on the commissioner.

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

24 (d) Thirty days after the filing of a petition under (a) of this section, the court may issue
25 an order declaring the corporation duly wound up and dissolved. This order has the effect
26 prescribed in AS 10.21.683 and shall be filed as in the same manner provided in AS 10.21.685.

27 Sec. 10.21.653. INVOLUNTARY DISSOLUTION; COMMISSIONER
28 AS INDISPENSABLE PARTY. (a) A complaint for involuntary dissolution of a corporation
29 on any of the grounds specified in (b) of this section may be filed in the superior court by

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

31 (2) a person holding or authorized in writing by persons holding not less than 33-

1 1/3 percent of the voting power exclusive of memberships held by persons who have personally
2 participated in a transaction listed in (b)(4) of this section;

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

5 (4) a person authorized to do so in the articles; or

6 (5) the commissioner.

7 (b) The grounds for involuntary dissolution are

8 (1) the corporation has an even number of directors who are equally divided and
9 cannot agree as to the management of its affairs, so that the corporate activities can no longer
10 be conducted to the corporation's advantage or so that there is danger that corporate property will
11 be impaired or lost or its activities impaired and the members are so divided into factions that
12 they cannot elect a board consisting of an uneven number;

13 (2) there is internal dissension and factions of members in the corporation are so
14 deadlocked that corporate activities can no longer be conducted to the advantage of the
15 corporation;

16 (3) if during any four-year period, or, if all voting power has been exercised at
17 two consecutive meetings or in two written ballots for the election of directors during the period
18 of those meetings or ballots, whichever period is shorter, the members have failed to elect
19 successors to directors whose terms have expired or would have expired on the election of their
20 successors;

21 (4) if members or other persons with a controlling interest (AS 10.21.990) in the
22 corporation, the officers, or directors have

23 (A) been guilty of or have knowingly allowed persistent and pervasive
24 fraud, mismanagement, abuse of authority, or persistent unfairness toward a member; or

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

26 (5) in the case of a corporation with 35 or fewer members (AS 10.21.990),
27 liquidation is reasonably necessary for the protection of the rights or interests of a complaining
28 member or members; or

29 (6) the period for which the corporation was formed has terminated without
30 extension.

31 (c) A member, creditor, or the commissioner may intervene before trial of an action

1 under this section.

2 (d) In an action brought under (a) of this section the commissioner is an indispensable
3 party.

4 Sec. 10.21.655. AUTHORITY OF THE COMMISSIONER TO PROCURE
5 INVOLUNTARY DISSOLUTION; GROUNDS; NOTICE FOR CORRECTIVE ACTIONS;
6 APPOINTMENT OF RECEIVER. (a) The commissioner may bring an action against a
7 corporation or purported corporation in the name of the people of this state, upon the
8 commissioner's own information or upon complaint of a private party, to procure a judgment
9 dissolving the corporation and terminating its corporate existence if the corporation has

10 (1) seriously violated a statute regulating corporations;

11 (2) has fraudulently abused or usurped corporate privileges or powers; or

12 (3) has violated a provision of law by an act or default that under the law is a
13 ground for forfeiture of corporate existence.

14 (b) If the ground for involuntary dissolution is a matter or act that the corporation has
15 done or omitted to do that can be corrected by amendment of its articles or by other corporate
16 action, suit may not be maintained unless

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

19 (2) the corporation fails to institute proceedings to correct the act or omission
20 within the 30-day period or after the institution of proceedings to make the required correction
21 the corporation fails to make the amendment or take the corrective corporate action.

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

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

28 Sec. 10.21.658. INVOLUNTARY DISSOLUTION BY THE COMMISSIONER;
29 GROUNDS; PROCEDURE; REINSTATEMENT. (a) A corporation may be dissolved
30 involuntarily by the commissioner if

31 (1) the corporation is delinquent six months in filing its biennial report or in

1 under this section.

2 (d) In an action brought under (a) of this section the commissioner is an indispensable
3 party.

4 Sec. 10.21.655. AUTHORITY OF THE COMMISSIONER TO PROCURE
5 INVOLUNTARY DISSOLUTION; GROUNDS; NOTICE FOR CORRECTIVE ACTIONS;
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16 action, suit may not be maintained unless

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18 given the corporation written notice of the act or omission; and

19 (2) the corporation fails to institute proceedings to correct the act or omission
20 within the 30-day period or after the institution of proceedings to make the required correction
21 the corporation fails to make the amendment or take the corrective corporate action.

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

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

28 Sec. 10.21.658. INVOLUNTARY DISSOLUTION BY THE COMMISSIONER;
29 GROUNDS; PROCEDURE; REINSTATEMENT. (a) A corporation may be dissolved
30 involuntarily by the commissioner if

31 (1) the corporation is delinquent six months in filing its biennial report or in

1 paying a license filing fee or penalty;

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

4 (3) the corporation has failed for 30 days after change of its registered office or
5 registered agent to file in the office of the commissioner a statement of the change;

6 (4) the corporation has failed for two years to complete dissolution under a
7 certificate of election to dissolve filed under AS 10.21.635;

8 (5) a vacancy (AS 10.21.990) in the board of the corporation is not filled within
9 six months or the next annual meeting, whichever occurs first;

10 (6) a misrepresentation of material fact has been made in the application, report,
11 affidavit or other document submitted under this chapter; or

12 (7) the corporation is 90 days delinquent in filing notice of change of an officer
13 or director as required by this chapter.

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

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

29 (d) If a corporation has given cause for involuntary dissolution and has failed to correct
30 the delinquency, omission, or noncompliance as provided in this section, and there has been no
31 order of the superior court, the commissioner shall dissolve the corporation by issuing a

1 certificate of involuntary dissolution containing a statement that the corporation has been
2 dissolved, the date, and the reason for which it was dissolved. The original certificate of dissolu-
3 tion shall be placed in the department files and a copy of it mailed to the corporation at its
4 registered office or in care of its registered agent, president, or secretary at the last known
5 address, as shown by the records of the commissioner. Upon the issuance of the certificate of
6 involuntary dissolution, the existence of the corporation ceases, except as otherwise provided in
7 this section, and its name shall be available to and may be adopted by another corporation after
8 at least six months following the dissolution.

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

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

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

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

28 Sec. 10.21.660. DEADLOCK AS GROUND FOR INVOLUNTARY DISSOLUTION:
29 APPOINTMENT OF PROVISIONAL DIRECTOR. (a) If the ground for the complaint for
30 involuntary dissolution of the corporation is a deadlock in the board as set out in
31 AS 10.21.653(b)(1), the court may appoint a provisional director.

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

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

16 Sec. 10.21.663. APPOINTMENT OF A RECEIVER; APPLICATION, HEARING AND
17 NOTICE, SECURITY, QUALIFICATIONS, POWERS, COMPENSATION. (a) If at the time
18 of filing of a complaint for involuntary dissolution or at a later time, the court has reasonable
19 grounds to believe that unless a receiver of the corporation is appointed the interests of the
20 corporation or its members will suffer pending the hearing and determination of the complaint,
21 upon application of the plaintiff, and after a hearing upon notice to the corporation as the court
22 directs and upon the giving of security under (b) and (c) of this section, the court may appoint
23 a receiver to take over and manage the affairs of the corporation and to preserve its property
24 pending the hearing and determination of the complaint for dissolution.

25 (b) A party, an attorney of a party, or any person interested in an action or related
26 according to the common law by consanguinity or affinity within the third degree of kindred to
27 a judge of the court appointing the receiver, may not be appointed receiver in the action without
28 the written consent of the parties, including the party to be appointed, filed with the clerk. If a
29 receiver is appointed upon an ex parte application, the court, before making the order, shall
30 require from the applicant an undertaking, with sufficient sureties, in an amount to be fixed by
31 the court, to the effect that the applicant will pay to the defendant all damages sustained by

1 reason of the appointment of the receiver, in case the applicant has procured the appointment
2 wrongfully, maliciously, or without sufficient cause. The court may, in its discretion, at any time
3 after the appointment, require an additional undertaking.

4 (c) Before entering upon the duties of a receiver, the receiver shall be sworn to perform
5 those duties faithfully, and with two or more sureties, approved by the court or judge, execute
6 an undertaking to the state, in an amount the court or judge directs, to the effect that the receiver
7 will faithfully discharge the duties of receiver and obey the orders of the court in the action.

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

10 Sec. 10.21.665. DECREE WINDING UP AND DISSOLVING CORPORATION:
11 FURTHER JUDICIAL RELIEF. After hearing, the court may decree a winding up and dissolu-
12 tion of the corporation if cause for dissolution and winding up is shown, or with or without
13 winding up and dissolution, may make orders and decrees and issue injunctions in the case as
14 justice and equity may require.

15 Sec. 10.21.668. COMMENCEMENT OF INVOLUNTARY PROCEEDINGS; BOARD
16 TO CONDUCT AFFAIRS OF CORPORATION; CESSATION OF CORPORATE ACTIVITIES.

17 (a) Involuntary proceedings for winding up a mutual benefit corporation commence when an
18 order for winding up is entered under AS 10.21.665.

19 (b) If an involuntary proceeding for winding up has commenced, the board shall conduct
20 the winding up of the affairs of the corporation, subject to the supervision of the court, unless
21 other persons are appointed by the court to conduct the winding up. The directors or other
22 persons may, subject to restrictions imposed by the court, exercise their powers through the
23 executive officers of the corporation without order of court.

24 (c) If an involuntary proceeding for winding up has commenced, the corporation shall
25 cease to conduct its activities except to the extent necessary for the beneficial winding up of the
26 corporation and to preserve the corporation's goodwill or going concern value, pending a sale or
27 other disposition of its assets in whole or in part. The directors shall mail written notice of the
28 commencement of the proceeding for involuntary winding up to all members (AS 10.21.990) and
29 all known creditors and claimants whose addresses appear on the records of the corporation,
30 unless the order for winding up has been stayed by appeal or the proceeding or the execution of
31 the order has been enjoined.

1 **Sec. 10.21.670. JURISDICTION OF COURT IN INVOLUNTARY DISSOLUTION.** If
2 an involuntary proceeding for winding up has been commenced, the jurisdiction of the court
3 includes

4 (1) the determination of the validity of all claims and demands against the
5 corporation, whether due or not yet due, contingent, unliquidated or sounding only in damages,
6 and the barring from participation of creditors and claimants failing to make and present claims
7 and proof as required by an order;

8 (2) the determination or compromise of all claims of every nature against the
9 corporation or its property, and the determination of the amount of money or assets required to
10 be retained to pay or provide for the payment of claims;

11 (3) the determination of the rights of members and classes of members in and to
12 the assets of the corporation;

13 (4) the presentation and filing of intermediate and final accounts of the directors
14 or other persons appointed to conduct the winding up and hearing, the allowance, disallowance
15 or settlement of the accounts, and the discharge of the directors or other persons from their duties
16 and liabilities;

17 (5) the appointment of a master to hear and determine all matters, with the power
18 or authority the court considers proper;

19 (6) the filling of vacancies on the board that the directors or members are unable
20 to fill;

21 (7) the removal of a director if it appears that the director has been guilty of
22 dishonesty, misconduct, neglect, or breach of trust in conducting the winding up or if the director
23 is unable to act; the court may order an election to fill the vacancy caused by the removal of a
24 director under this section, and may enjoin, for the time it considers proper, the reelection of the
25 removed director; or the court instead of ordering an election, may appoint a director to fill the
26 vacancy caused by removal under this paragraph; a director appointed by the court under this
27 paragraph shall serve until the next regular meeting of members or until a successor is elected
28 or appointed;

29 (8) the staying of the prosecution of a suit, proceeding, or action against the
30 corporation and requiring the parties to present and prove their claims in the manner required of
31 other creditors;

1 (9) the determination of whether adequate provision has been made for payment
2 or satisfaction of all debts and liabilities not actually paid;

3 (10) the making of orders for the withdrawal or termination of proceedings to
4 wind up and dissolve, subject to conditions for the protection of creditors;

5 (11) the making of an order, upon the allowance or settlement of the final
6 accounts of the directors or other persons, that the corporation has been duly wound up and is
7 dissolved;

8 (12) the making of orders for the bringing in of new parties the court considers
9 proper for the determination of all questions and matters; and

10 (13) the disposition of assets held in charitable trust.

11 Sec. 10.21.673. POWERS AND DUTIES OF DIRECTORS AND OFFICERS IN
12 DISSOLUTION PROCEEDING. The powers and duties of the directors, other persons appointed
13 by the court under AS 10.21.668, and officers after commencement of a dissolution proceeding
14 include, but are not limited to, the following acts in the name and on behalf of the corporation:

15 (1) to elect officers and employ agents and attorneys to liquidate or wind up the
16 corporation's affairs;

17 (2) to continue to conduct the affairs of the corporation to the extent necessary for
18 disposal or winding up;

19 (3) to carry out contracts and collect, pay, compromise, and settle debts and
20 claims for or against the corporation;

21 (4) to defend suits brought against the corporation;

22 (5) to sue, in the name of the corporation, for all sums due or owing to the
23 corporation or to recover the corporation's property;

24 (6) to collect amounts remaining unpaid on memberships;

25 (7) to recover unlawful distributions;

26 (8) to sell at public or private sale, exchange, convey, or otherwise dispose of all
27 or a part of the assets of the corporation for reasonable amounts as determined by the board and
28 to execute bills of sale and deeds of conveyance in the name of the corporation;

29 (9) in general, to make contracts and do all things in the name of the corporation
30 that are proper or convenient for the purposes of winding up, settling, and liquidating the affairs
31 of the corporation.

1 **Sec. 10.21.675. VACANCIES ON BOARD DURING WINDING UP.** A vacancy
2 (AS 10.21.990) on the board may be filled during a winding-up proceeding in the manner
3 provided in AS 10.21.385.

4 **Sec. 10.21.678. PROCEEDING TO DETERMINE IDENTITY OF DIRECTORS OR TO**
5 **APPOINT DIRECTORS.** If the identity of a director or the right to hold office is in doubt, if
6 a director is dead or unable to act, if a director fails or refuses to act, or if the whereabouts of
7 a director cannot be ascertained, an interested person, including the commissioner, may petition
8 the superior court to determine the identity of the director or, if there are no directors, to appoint
9 directors to wind up the affairs of the corporation, after hearing upon notice to the persons the
10 court directs.

11 **Sec. 10.21.680. RIGHTS OF CREDITORS AND CLAIMANTS; NOTICE;**
12 **ALLOWANCE OF CLAIMS.** (a) In a court-directed winding up of a corporation, creditors and
13 claimants may be barred from participation in a distribution of the general assets if they fail to
14 make and present claims and proofs within the time the court directs. The time in which to
15 present claims may not be less than four or more than six months after the first publication of
16 notice to creditors unless it appears by affidavit that there are no claims, in which case the time
17 limit may be three months. If it is shown that a claimant did not receive notice because of
18 absence from the state or other cause, the court may allow a claim to be filed or presented at any
19 time before distribution is completed.

20 (b) Notice to creditors in a court-directed winding up shall be published not less than
21 once a week for three consecutive weeks in a newspaper of general circulation in the state or in
22 a newspaper designated by the court. The notice must direct creditors and claimants to make and
23 present claims and proofs to the person, at the place and within the time specified in the notice.
24 A copy of the notice shall be mailed to the last known address of each person shown as a
25 creditor or claimant on the books of the corporation.

26 (c) A holder of a secured claim may prove for the whole debt in order to secure payment
27 of a deficiency. If a secured creditor fails to present a claim, the claim shall be barred only as
28 to a right to claim against the general assets for a deficiency in the amount realized on the
29 security.

30 (d) Before a distribution is made in a court-directed winding up the amount of an
31 unmatured, contingent, or disputed claim against the corporation that has been presented and has

1 not been disallowed, or the part of a claim to which the holder would be entitled if the claim
2 were due, established, or absolute, shall be paid into court and remain there to be paid over to
3 the party if the party becomes entitled to payment or, if the party fails to establish a claim, to
4 be paid over or distributed with the other assets of the corporation to those entitled to the assets.
5 Other provisions for the full payment of unmatured, contingent, or disputed claims, if and when
6 established, may be made by the court. A creditor who has a claim that has been allowed but
7 is not yet due is entitled to the present value of the claim upon distribution.

8 (e) A suit against the corporation on a claim that has been rejected shall be commenced
9 within 30 days after written notice of rejection is given to the claimant.

10 Sec. 10.21.683. ORDER DECLARING CORPORATION DULY WOUND UP AND
11 DISSOLVED; CESSATION OF CORPORATE EXISTENCE. (a) After the final settlement of
12 the accounts of the directors or other person appointed under AS 10.21.668 and the determination
13 that the corporation's affairs are in condition for it to be dissolved, the court shall make an order
14 declaring the corporation duly wound up and dissolved.

15 (b) An order issued under (a) of this section shall state

16 (1) that the corporation has been duly wound up and that its known debts and
17 liabilities have been paid or adequately provided for, or that the debts and liabilities have been
18 paid as far as the corporation's assets permit;

19 (2) if there are known debts or liabilities for which adequate provision for
20 payment has been made, the order shall state what provision has been made, the name and
21 address of the corporation, person, or governmental agency that has assumed or guaranteed the
22 payment, or the name and address of the depository with which deposit has been made or other
23 information as is necessary to enable the creditor or other person to whom payment is to be made
24 to appear and claim payment of the debt or liability;

25 (3) that the known assets of the corporation have been distributed to the persons
26 entitled to the assets or that the corporation acquired no assets;

27 (4) that the accounts of directors or other persons have been settled and that they
28 are discharged from their duties and liabilities to creditors and members;

29 (5) that the corporation is dissolved.

30 (c) The court may make additional orders and grant further relief as it considers proper
31 on the evidence submitted.

1 (d) After making the order declaring the corporation dissolved, corporate existence ceases
2 except for the purposes of further winding up if needed. The directors or other persons appointed
3 under AS 10.21.668 are discharged from their duties and liabilities except with regard to
4 completion of the winding up.

5 Sec. 10.21.685. FILING OF CERTIFIED ORDER, DECREE OR JUDGMENT OF
6 DISSOLUTION. If a corporation is dissolved or its existence forfeited by order, decree, or
7 judgment of a court, a copy of the order, decree, or judgment, certified by the clerk of court,
8 shall be filed with the commissioner.

9 Sec. 10.21.688. DISTRIBUTION OF REMAINING CORPORATE ASSETS. (a) After
10 determining that all of the known debts and liabilities of a corporation in the process of winding
11 up have been paid or adequately provided for, the board shall distribute all the remaining
12 corporate assets in the manner provided in AS 10.21.693 - 10.21.697.

13 (b) If the winding up is by court proceeding or subject to court supervision, the
14 distribution may not be made until after the expiration of any period for the presentation of
15 claims prescribed by order of the court.

16 (c) Any assets that are not subject to attachment, execution or sale for the corporation's
17 debts and liabilities may be distributed under AS 10.21.693 - 10.21.697 even though all debts and
18 liabilities have not been paid or adequately provided for.

19 Sec. 10.21.690. PAYMENT OF DEBTS AND LIABILITIES. (a) The payment of a debt
20 or liability, whether the whereabouts of the creditor is known or unknown, has been adequately
21 provided for if

22 (1) payment of the debt or liability has been assumed or guaranteed in good faith
23 by one or more financially responsible persons or by the United States government or an agency
24 of the United States government, and the provision, including the financial responsibility of the
25 person, was determined in good faith and with reasonable care by the board to be adequate at the
26 time of distribution of the assets by the board under this chapter; and

27 (2) the amount of the debt or liability has been deposited with the commissioner
28 of revenue.

29 (b) This section does not prescribe the exclusive means of taking adequate provision for
30 debts and liabilities.

31 Sec. 10.21.693. RETURN, TRANSFER, OR CONVEYANCE OF ASSETS. After

1 complying with the provisions of AS 10.21.688, if the corporation holds assets subject to a valid
2 condition requiring return, transfer, or conveyance, and the condition has occurred or will occur
3 by reason of the dissolution, the assets shall be returned, transferred, or conveyed in accordance
4 with the condition.

5 Sec. 10.21.695. DISPOSAL OF CORPORATE ASSETS; DISPOSITION BY COURT
6 ORDER. (a) Subject to the provisions of AS 10.21.688, except as provided in AS 10.21.693,
7 all of a corporation's assets shall be disposed of on dissolution in conformity with its articles or
8 bylaws and complying with the provisions of a trust under which assets are held.

9 (b) Except as provided in (c) of this section, the disposition required in (a) of this section
10 shall be made by decree of the superior court in proceedings to which the commissioner is a
11 party. The decree shall be made on the petition of the commissioner or, on 30 days notice to the
12 commissioner by a person interested in the dissolution.

13 (c) The disposition required in (a) of this section may be made without the decree of the
14 superior court, subject to the rights of persons concerned in the dissolution, if the commissioner
15 makes a written waiver of objections to the disposition.

16 (d) Notwithstanding the provisions of (a) of this section, assets held in charitable trust
17 under AS 10.21.185 shall be disposed of under AS 10.21.615(a) as if the mutual benefit
18 corporation were a public benefit corporation.

19 Sec. 10.21.698. DISTRIBUTIONS. After complying with the provisions of
20 AS 10.21.688, and except as otherwise provided in AS 10.21.693 and 10.21.695, assets held by
21 a corporation shall be disposed of on dissolution as follows:

22 (1) if the articles or bylaws provide the manner of disposition, the assets shall be
23 disposed of in that manner; or

24 (2) if the articles or bylaws do not provide the manner of disposition, the assets
25 shall be distributed among the members (AS 10.21.990) in accordance with their rights in the
26 corporation.

27 Sec. 10.21.700. DISTRIBUTIONS AUTHORIZED IN MONEY, PROPERTY, OR
28 SECURITIES; INSTALLMENTS. Subject to the provisions of a trust under which assets to be
29 distributed are held, distribution of assets may be made either in money, property, or securities
30 and either in periodic installments or as a whole, if this can be done fairly and ratably and in
31 conformity with the provisions of the articles and bylaws and shall be made as soon as

1 reasonably consistent with the beneficial liquidation of the corporation's assets.

2 **Sec. 10.21.703. ADOPTION OF PLAN NOT IN ACCORDANCE WITH LIQUIDATION**
3 **RIGHTS.** (a) If a corporation in the process of winding up has more than one class of
4 memberships outstanding, a plan of distribution of the memberships, obligations, or securities of
5 another corporation, domestic or foreign, or assets other than money that is not in accordance
6 with the liquidation rights of a class under the articles or bylaws may be adopted if approved by
7 the board (AS 10.21.990(6)) and a majority of all members (AS 10.21.990(4)) of each class.

8 (b) A plan adopted under (a) of this section may provide that the distribution is in
9 complete or partial satisfaction of the rights of members on distribution and liquidation of the
10 assets.

11 (c) A plan of distribution approved under (a) of this section is binding upon all members.
12 The board shall mail notice of the adoption of the plan within 20 days after its adoption to all
13 members having a liquidation preference under the articles or bylaws.

14 **Sec. 10.21.705. RECOVERY OF IMPROPER DISTRIBUTIONS.** (a) If a distribution
15 of assets has been made in the process of winding up a corporation without a court order and
16 without prior payment or adequate provision for payment of the debts and liabilities of the
17 corporation, the amount improperly distributed to a person may be recovered by the corporation.
18 A person who received an improper distribution may be joined as a defendant in the same action
19 or be brought in on the motion of another defendant.

20 (b) Suit may be brought in the name of the corporation to enforce the liability under (a)
21 of this section against a person receiving a distribution by the commissioner or by a creditor of
22 that corporation, whether or not the creditor has reduced the claim to judgment.

23 (c) A member (AS 10.21.990) who satisfies a liability under this section has a right to
24 ratable contribution from other members similarly liable. A member who has been compelled to
25 return to the corporation more than the member's share of the amount needed to pay the debts
26 and liabilities of the corporation may require the corporation to recover from other members
27 similarly liable a proportion of the amounts received by them on the improper distribution, to
28 give contribution to those held liable under this section, and to make the distribution of the assets
29 fair and ratable, according to the rights and preferences of the memberships, after payment or
30 adequate provision for payment of all the debts and liabilities of the corporation.

31 (d) In this section, "process of winding up" includes a proceeding under AS 10.21.633 -

1 10.21.710 and any other distribution of assets to a person made in contemplation of termination
2 or abandonment of the corporate business.

3 Sec. 10.21.708. EXISTENCE OF CORPORATION AFTER DISSOLUTION. (a) A
4 corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of
5 winding up its affairs, defending actions by or against it and enabling it to collect and discharge
6 obligations, dispose of and convey its property and collect and divide its assets, but not for the
7 purpose of continuing its activities except to the extent necessary for the winding up.

8 (b) An action or proceeding to which a corporation is a party does not abate by the
9 dissolution of the corporation or by reason of proceedings for winding up and dissolution. A
10 corporation that is dissolved voluntarily or involuntarily may not commence a court action, except
11 under AS 10.21.705.

12 (c) Assets inadvertently or otherwise omitted from the winding up continue in the
13 dissolved corporation for the benefit of the persons entitled to the assets on dissolution of the
14 corporation and on realization shall be distributed to the person entitled.

15 (d) The directors of the corporation on the date of its dissolution, or as determined under
16 AS 10.21.685, shall exercise and have the powers necessary to act under this section.

17 Sec. 10.21.710. SUITS AGAINST PERSONS TO WHOM ASSETS WERE
18 DISTRIBUTED UPON DISSOLUTION; QUIET TITLE ACTION. (a) If a corporation has been
19 dissolved, a person to whom assets were distributed on dissolution may be sued in the corporate
20 name on a cause of action against the corporation that arose before dissolution. Notice of the
21 action shall be given to the commissioner. The commissioner may intervene in a suit brought
22 under this section.

23 (b) Summons or other process against a dissolved corporation may be served by
24 delivering a copy to an officer, director, or person having charge of the corporation's assets or,
25 if the person cannot be found, to an agent upon whom process might be served at the time of
26 dissolution. If it is shown by affidavit to the satisfaction of the court that none of these persons
27 can be found with due diligence then the court may make an order that summons or other process
28 be served upon the dissolved corporation by personally delivering a copy, together with a copy
29 of the order, to the commissioner; service in this manner is complete on the 10th day after the
30 delivery of process to the commissioner.

31 (c) A dissolved corporation survives and continues to exist indefinitely for the purpose

1 of being sued in a quiet title action. A judgment rendered in a quiet title action binds every
2 person having an interest in the corporation, to the extent of their interest. Service of summons
3 or other process may be made as provided in (b) of this section.

4 (d) After receipt of the process under (b) of this section and the fee for filing, the
5 commissioner shall give notice to the corporation at the last known address of the corporation
6 or at the last known address of the last registered agent of the corporation. If those addresses
7 are not known, the commissioner is not required to take any action.

8 (e) This section is procedural in nature and is not intended to determine liability.

9 Sec. 10.21.713. SPECIAL PROVISIONS; DISSOLUTION OF OWNERS
10 ASSOCIATIONS. (a) Notwithstanding a provision in AS 10.21.550 - 10.21.713, if there is a
11 lot, parcel, area, apartment, or unit for which an owners association is obligated to provide
12 management, maintenance, preservation, or control, a corporation formed for those purposes or
13 a person acting on its behalf may not without the approval of 100 percent of the members

14 (1) transfer all or substantially all of the association's assets; or

15 (2) file a certificate of dissolution.

16 (b) A court may not enter an order declaring the owners association duly wound up and
17 dissolved unless there is a judicial determination that the corporate purposes are no longer
18 attainable.

19 (c) In (a) of this section, "approval of 100 percent of the members" means unanimous
20 approval by the affirmative vote of every member of the corporation whether or not the voting
21 rights of some or all of the members have been extinguished by the articles.

22 ARTICLE 11. FOREIGN CORPORATIONS.

23 Sec. 10.21.750. APPLICABILITY TO FOREIGN CORPORATIONS. To the extent
24 provided in this chapter, this chapter is applicable to a foreign corporation (AS 10.21.990) that
25 is authorized to conduct or does conduct affairs in this state.

26 Sec 10.21.753. ADMISSION OF FOREIGN CORPORATION. (a) A foreign
27 corporation may not conduct affairs in this state until it has been issued a certificate of authority
28 from the commissioner. A foreign corporation may not be issued a certificate of authority to
29 conduct affairs in this state that a corporation organized under this chapter is not permitted to
30 conduct.

31 (b) A religious corporation may not be issued a certificate of authority to conduct affairs

1 in this state under this chapter.

2 (c) A foreign corporation may not be denied a certificate of authority because the laws
3 of the state or country under which it is organized governing its organization and internal affairs
4 differ from the laws of this state.

5 Sec. 10.21.758. LIABILITY TO STATE FOR CONDUCTING AFFAIRS WITHOUT
6 CERTIFICATE OF AUTHORITY. A foreign corporation that conducts affairs in this state
7 without a certificate of authority is liable to this state for the years or portions of years during
8 which it conducted affairs in this state without a certificate of authority, in an amount equal to
9 all fees and corporation taxes that would have been imposed by this chapter on the corporation
10 if it had applied for and received a certificate of authority to conduct affairs in this state as
11 required by this chapter and filed all reports required by this chapter, plus all penalties imposed
12 by this chapter for failure to pay the fees, plus a penalty of up to \$10,000 a year or portion of
13 a year for each year it conducted affairs in this state without a certificate of authority. The
14 attorney general shall bring proceedings to recover amounts due the state under this section.

15 Sec. 10.21.760. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY
16 AS A BAR TO RIGHT TO SUE. A foreign corporation conducting affairs in this state without
17 a certificate of authority may not maintain an action, suit, or proceeding in a court of this state
18 until it obtains a certificate of authority. A successor or assignee of a foreign corporation
19 conducting affairs without a certificate of authority may not maintain an action, suit, or
20 proceeding in a court of this state on a right, claim, or demand arising out of the conduct of
21 affairs by the corporation in this state until a certificate of authority is obtained by the
22 corporation or by a corporation that has acquired all or substantially all of its assets.

23 Sec. 10.21.763. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY
24 NOT AFFECTING CONTRACTS AND RIGHT TO DEFEND ACTION. The failure of a
25 foreign corporation to obtain a certificate of authority to conduct affairs in this state does not
26 impair the validity of a contract or act of the corporation, and does not prevent the corporation
27 from defending an action, suit, or proceeding in a court of this state.

28 Sec. 10.21.765. ACTIVITIES NOT CONSTITUTING CONDUCTING AFFAIRS IN
29 THIS STATE. The activities of a foreign corporation that are not considered to be conducting
30 affairs in this state, for the purposes of this chapter, include

31 (1) maintaining, defending, or settling an action, suit, or an administrative or

1 arbitration proceeding, or the settlement of claims or disputes;

2 (2) holding meetings of directors or members of the corporation, or carrying on
3 other activities concerning the internal affairs of the corporation;

4 (3) maintaining bank accounts;

5 (4) securing or collecting debts, or enforcing rights in property securing debts;

6 (5) granting funds;

7 (6) distributing information to members;

8 (7) conducting an isolated transaction, completed within 30 days, not in the course
9 of a number of repeated transactions of like nature.

10 Sec. 10.21.768. CORPORATE NAME OF FOREIGN CORPORATION. (a) Except as
11 provided in AS 10.21.053, a certificate of authority may not be issued to a foreign corporation
12 unless the corporate name of the corporation

13 (1) contains the word "corporation," "company," "incorporated," or "limited," or
14 an abbreviation of one of these words, or for use in this state, adds at the end of its name one
15 of these words or an abbreviation of one of them;

16 (2) does not contain a word or phrase that indicates or implies that it is organized
17 for a purpose other than the purpose contained its articles or that it is authorized or empowered
18 to conduct the business of banking or insurance;

19 (3) does not contain the word "city," "borough," or "village," or otherwise imply
20 that the corporation is a municipality, but the name of a city, borough, or village may be used
21 in the corporate name;

22 (4) is not the same name as, or undistinguishable on the records of the department
23 from, the name of a domestic corporation existing under the laws of this state or a foreign
24 corporation authorized to conduct affairs in this state, or a name the exclusive right to which is
25 reserved in the manner provided in this title, or the name of a corporation that has in effect a
26 registration of its name as provided in this chapter.

27 (b) The provisions of (a)(1) of this section do not apply to a foreign corporation formed
28 and operated exclusively for a charitable purpose.

29 Sec. 10.21.770. ASSUMED CORPORATE NAME: COMMISSIONER TO CROSS
30 INDEX. (a) Except as provided in AS 10.21.053(b)(3), if a foreign corporation applying for a
31 certificate of authority has a name that is impermissible under AS 10.21.768, it shall select an

1 assumed name, acceptable under the provisions of AS 10.21.768, under which it elects to conduct
2 affairs in this state.

3 (b) The commissioner shall maintain records that cross reference the actual and assumed
4 names of all foreign corporations authorized to conduct affairs in this state.

5 Sec. 10.21.773. CHANGE OF NAME BY FOREIGN CORPORATION. If a foreign
6 corporation authorized to conduct affairs in this state changes its name to one under which a
7 certificate of authority would not be granted to it under this chapter, the certificate of authority
8 of the corporation is suspended and it may not conduct affairs in this state until it has changed
9 its name to a name available to it under the laws of this state.

10 Sec. 10.21.775. APPLICATION FOR CERTIFICATE OF AUTHORITY. To receive a
11 certificate of authority to conduct affairs in this state a foreign corporation shall apply in
12 duplicate to the commissioner.

13 Sec. 10.21.778. CONTENTS OF APPLICATION. An application for a certificate of
14 authority must set out

15 (1) the name of the corporation and the assumed name, if any, or, if the name of
16 the corporation is required by this chapter to, but does not, contain the word "corporation,"
17 "company," "incorporated" or "limited," or an abbreviation of one of these words, the name of
18 the corporation with the word or abbreviation that it elects to use in this state;

19 (2) the date of incorporation and the period of duration of the incorporation;

20 (3) the address of the principal office of the corporation in the state or country
21 under whose laws it is incorporated;

22 (4) the address of the proposed registered office of the corporation in this state,
23 and the name of its proposed registered agent in this state at that address;

24 (5) the purpose the corporation proposes to pursue in the conduct of affairs in this
25 state;

26 (6) the names and addresses of the directors and officers of the corporation;

27 (7) a statement of the number of memberships that the corporation may issue,
28 itemized by classes;

29 (8) a statement of the number of members itemized by classes;

30 (9) an estimate expressed in dollars of

31 (A) the value of all property to be owned by the corporation during the

1 following year, wherever located;

2 (B) the value of the property of the corporation to be located in this state
3 during the following year;

4 (C) the gross amount of all income that will be earned by the corporation
5 during the following year; and

6 (D) the gross amount of income that will be generated by the corporation
7 at or from offices in this state during the following year;

8 (10) additional information necessary or appropriate to enable the commissioner
9 to determine whether the corporation is entitled to a certificate of authority and to determine and
10 assess the fees prescribed in this chapter that are payable;

11 (11) the name and address of a person holding at least five percent of the
12 members of the corporation, and the percentage of control held by that person; in this paragraph,
13 "percentage of control" means the percentage of the members of the entire board of directors
14 (AS 10.21.990(18)) that a person has the power to elect or designate.

15 **Sec. 10.21.780. FILING OF APPLICATION FOR CERTIFICATE OF AUTHORITY.**

16 The application of the corporation for a certificate of authority shall be submitted on forms
17 prescribed and furnished by the commissioner. Duplicate originals of the application executed
18 by the board chair, president, or vice-president, and by the secretary or assistant secretary, and
19 verified by one of the officers signing the application, together with a verified copy of the articles
20 and all amendments to the articles, shall be delivered to the commissioner for processing under
21 AS 10.21.905 and issuance of a certificate of authority.

22 **Sec. 10.21.783. EFFECT OF CERTIFICATE OF AUTHORITY.** On the issuance of a
23 certificate of authority by the commissioner, the corporation may conduct affairs in this state for
24 the purpose set out in its application, subject, however, to the right of this state to suspend or
25 revoke the authority as provided in this chapter.

26 **Sec. 10.21.785. AMENDED CERTIFICATE OF AUTHORITY.** (a) A foreign corpora-
27 tion authorized to conduct affairs in this state shall obtain an amended certificate of authority if
28 it changes its corporate name, or desires to pursue in this state other or additional purposes than
29 those set out in its earlier application for a certificate of authority.

30 (b) The requirements as to form and content of an application for an amended certificate
31 of authority, the manner of its execution, the filing of duplicate originals of the application with

1 the commissioner, and the issuance of an amended certificate of authority are the same as in the
2 case of an original application for a certificate of 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 withdrawal
5 is issued as provided in this chapter, the same, but no greater, rights and privileges as a domestic
6 corporation organized for the purposes set out in the application under which the certificate of
7 authority is issued and, except as otherwise provided in this chapter, is subject to the duties,
8 restrictions, penalties and liabilities imposed on a domestic corporation of like character.

9 Sec. 10.21.790. REVOCATION OF CERTIFICATE OF AUTHORITY. A certificate of
10 authority of a foreign corporation to conduct affairs in this state may be revoked by the
11 commissioner if

12 (1) the corporation has failed to file and, if required, publish any document or pay
13 a fee required under this chapter as provided in AS 10.21.578;

14 (2) the corporation fails to appoint and maintain a registered agent in this state;

15 (3) the corporation fails, after change of its registered office or registered agent,
16 to file with the commissioner a statement of the change as required by this chapter;

17 (4) the corporation fails to file with the department an amendment to its articles
18 of incorporation or articles of merger within the time prescribed by this chapter; or

19 (5) a misrepresentation of a material matter has been made in an application,
20 report, affidavit, or other document submitted under this chapter.

21 Sec 10.21.793. LIMITATIONS ON REVOCATION OF CERTIFICATE OF
22 AUTHORITY. The commissioner may not revoke a certificate of authority of a foreign corpora-
23 tion unless

24 (1) the corporation has been given at least 60 days' notice by certified mail
25 addressed to its registered office in this state; and

26 (2) the corporation fails before revocation to file the biennial report, pay the fees
27 or penalties that are due, file the required statement of change of registered agent or registered
28 office, file the articles of amendment or articles of merger, or correct the misrepresentation.

29 Sec. 10.21.795. ISSUANCE OF CERTIFICATE OF REVOCATION. Upon revoking a
30 certificate of authority, the commissioner shall

31 (1) issue a certificate of revocation in duplicate;

1 (2) file one of the certificates in the office of the commissioner;

2 (3) mail to the corporation at its registered office in this state (AS 10.21.800) a
3 notice of the revocation accompanied by one of the certificates.

4 Sec. 10.21.798. EFFECT OF CERTIFICATE OF REVOCATION. Upon the issuance
5 of a certificate of revocation, the authority of a corporation to conduct affairs in this state ceases.

6 Sec. 10.21.800. REGISTERED OFFICE AND REGISTERED AGENT OF A FOREIGN
7 CORPORATION. A foreign corporation authorized to conduct affairs in this state shall have and
8 continuously maintain in this state

9 (1) a registered office that may be, but need not be, the same as its principal
10 office in this state; and

11 (2) a registered agent, who may be either an individual resident in this state whose
12 office is identical to the registered office, or a domestic corporation or a foreign corporation
13 authorized to conduct affairs in this state that has an office that is identical to the registered
14 office.

15 Sec. 10.21.803. CHANGE OF REGISTERED OFFICE; CHANGE OR RESIGNATION
16 OF REGISTERED AGENT OF FOREIGN CORPORATION. (a) A foreign corporation
17 authorized to conduct affairs in this state may change its registered office or its registered agent,
18 or both, upon filing with the commissioner a verified statement setting out

19 (1) the name of the corporation;

20 (2) the address of its registered office;

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

23 (4) the name of its registered agent;

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

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

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

30 (c) A registered agent may resign by filing a written notice, executed in duplicate, with
31 the commissioner. The written notice of resignation shall set out the latest address of the

1 principal office of the corporation and the names, addresses, and titles of the most recent officers
2 of the corporation known to the agent. The commissioner shall immediately mail a copy of the
3 notice to the corporation at its principal office. The resignation becomes effective 30 days after
4 the filing of the written notice or upon the appointment of a new agent by the corporation,
5 whichever is sooner.

6 Sec. 10.21.805. FILING OF STATEMENT OF CHANGE. A statement of change under
7 AS 10.21.803 shall be executed and verified by the corporation by the board chair, president, or
8 a vice-president and delivered to the commissioner. If the commissioner finds that the statement
9 conforms to the provisions of this chapter, the commissioner shall file the statement in the office
10 of the commissioner, and upon the filing, the change of address of the registered office, or the
11 appointment of a new registered agent, or both, as the case may be, become effective.

12 Sec. 10.21.808. SERVICE OF PROCESS ON FOREIGN CORPORATION. The regis-
13 tered agent appointed by a foreign corporation authorized to conduct affairs in this state is an
14 agent of the corporation upon whom process, notice, or demand required or permitted by law to
15 be served upon the corporation may be served.

16 Sec. 10.21.810. SERVICE ON COMMISSIONER. If a foreign corporation authorized
17 to conduct affairs in this state, or not authorized to conduct affairs in this state but doing so, fails
18 to appoint or maintain a registered agent in this state, or when a registered agent cannot with
19 reasonable diligence be found at the registered office, or when the certificate of authority of a
20 foreign corporation is suspended or revoked, the commissioner is an agent upon whom process,
21 notice, or demand may be served. Service is made upon the commissioner as provided in
22 AS 10.21.088(b).

23 Sec. 10.21.813. RECORDS KEPT BY COMMISSIONER. The commissioner shall keep
24 a record of all processes, notices, or demands served upon a corporation under AS 10.21.810, and
25 shall record the time of service and any action taken with reference to the service.

26 Sec. 10.21.815. PROCEDURE NOT EXCLUSIVE. AS 10.21.808 - 10.21.813 do not
27 limit or affect the right to serve process, notice, or demand required or permitted by law to be
28 served upon a corporation in any other manner.

29 Sec. 10.21.818. AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN
30 CORPORATION. If the articles of a foreign corporation authorized to conduct affairs in this
31 state are amended, the foreign corporation shall, within 30 days after the amendment becomes

1 effective, file with the commissioner a copy of the amendment authenticated by the proper officer
2 of the state or country under whose laws it is incorporated. The filing of the amendment does
3 not enlarge or alter the purpose that the corporation may pursue in the conduct affairs in this state
4 under a name other than the name set out in its certificate of authority.

5 Sec. 10.21.820. ORGANIC CHANGE OF FOREIGN CORPORATION. If a foreign
6 corporation authorized to conduct affairs in this state is a party to an organic change
7 (AS 10.21.990) permitted by the laws of the state or country where it is incorporated, and the
8 corporation is the surviving corporation, it shall, within 30 days after the change becomes
9 effective, file with the commissioner a copy of the articles of merger, consolidation, or
10 reorganization authenticated by the proper office of the state or country under whose laws the
11 organic change was carried out. It is not necessary for the corporation to obtain a new or
12 amended certificate of authority to conduct affairs in this state unless the name of the corporation
13 is changed or unless the corporation desires to pursue in this state other or additional purposes
14 than those that it is authorized to pursue in this state.

15 Sec. 10.21.823. WITHDRAWAL OF FOREIGN CORPORATION. A foreign corporation
16 authorized to conduct affairs in this state may withdraw from this state on obtaining from the
17 commissioner a certificate of withdrawal. To obtain a certificate of withdrawal the foreign
18 corporation shall deliver to the commissioner an application for withdrawal.

19 Sec. 10.21.825. CONTENTS OF APPLICATION FOR WITHDRAWAL. An application
20 for withdrawal must set out

- 21 (1) the name of the corporation and the state or country where it is incorporated;
22 (2) that the corporation is not conducting affairs in this state;
23 (3) that the corporation surrenders its authority to conduct affairs in this state;
24 (4) that the corporation revokes the authority of its registered agent in this state
25 to accept service of process and consents that service of process in an action, suit, or proceeding
26 based on a cause of action arising in this state during the time the corporation was authorized to
27 conduct affairs in this state may be made on the corporation by service on the commissioner;
28 (5) a post office address, to which the commissioner may mail a copy of a process
29 against the corporation that may be served on the commissioner;
30 (6) a statement of the number of memberships that the corporation may issue,
31 itemized by classes, as of the date of the application;

1 (7) a statement of the number of members itemized by classes, as of the date of
2 the application;

3 (8) additional information necessary or appropriate to enable the commissioner
4 to determine and assess unpaid fees payable as prescribed in this chapter.

5 Sec. 10.21.828. FORM OF APPLICATION FOR WITHDRAWAL. An application for
6 withdrawal shall be made on forms prescribed and furnished by the commissioner and shall be
7 executed by the corporation by its board chair, president, or vice-president, and by its secretary
8 or an assistant secretary, and verified by one of the officers signing the application, or, if the
9 corporation is in the hands of a receiver or trustee, the application shall be executed and verified
10 on behalf of the corporation by the receiver or trustee.

11 Sec. 10.21.830. FILING OF APPLICATION FOR WITHDRAWAL. Duplicate originals
12 of an application for withdrawal shall be delivered to the commissioner for processing according
13 to AS 10.21.905 and issuance of a certificate of withdrawal.

14 Sec. 10.21.833. EFFECT OF CERTIFICATE OF WITHDRAWAL. On the issuance of
15 a certificate of withdrawal, the authority of a corporation to conduct affairs in this state ceases.

16 ARTICLE 12. REPORTS, FEES, AND PENALTIES.

17 Sec. 10.21.850. BIENNIAL REPORT OF DOMESTIC AND FOREIGN
18 CORPORATIONS. A domestic corporation and a foreign corporation authorized to conduct
19 affairs in this state shall file a biennial report within the time prescribed by this chapter.

20 Sec. 10.21.852. CONTENTS OF BIENNIAL REPORT. A biennial report must include

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

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

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

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

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

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

30 (7) the name and address of each person holding as of September 30 of each year
31 the power to directly cause the election or designation of one or more members of the board;

1 (8) the gross receipts of the corporation during the reporting period from all
2 sources;

3 (9) the amount, expressed in dollars and as a percentage of the gross receipts of
4 the corporation, of each of the following:

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

6 (B) donations;

7 (C) grants from governmental entities;

8 (D) sales of goods or services; and

9 (E) all other sources;

10 (10) in the case of a mutual benefit corporation, the amount, expressed in dollars
11 and as a percentage of the total income, of the total income used or held for the following
12 purposes:

13 (A) recurrent administrative costs;

14 (B) nonrecurrent administrative costs;

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

18 (D) all other expenses of the corporation;

19 (11) in the case of a public benefit corporation, the amount, expressed in dollars
20 and as a percentage of total income, of the total income used or held for the following purposes:

21 (A) recurrent administrative costs;

22 (B) nonrecurrent administrative costs;

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

24 (D) all other expenses of the corporation;

25 (12) information required by AS 10.21.293.

26 Sec. 10.21.854. FILING OF BIENNIAL REPORT. (a) A biennial report of a domestic
27 or foreign corporation shall be filed with the department and is due before July 2 of the filing
28 year. The biennial report is delinquent if not filed before August 1 of each year. Delinquent
29 returns are subject to the penalty provided in AS 10.21.858.

30 (b) Proof to the satisfaction of the commissioner that on or before August 1 the report
31 was deposited in the United States mail in a sealed envelope, properly addressed with postage

1 prepaid, is compliance with (a) of this section.

2 (c) The commissioner shall file the report if the commissioner finds that the report
3 conforms to the requirements of this chapter. If the commissioner finds that the report does not
4 conform to the requirements of this chapter, the commissioner shall promptly return it to the
5 corporation for necessary corrections. If the report is corrected to conform to the requirements
6 of this chapter and returned to the commissioner in sufficient time to be filed before October 1
7 of the year in which it is due, the penalty provided in AS 10.21.858 for failure to file the report
8 within the time required does not apply.

9 (d) Upon receipt of a form from the commissioner, a domestic or foreign corporation
10 shall file a biennial report within six months after original incorporation or authorization to
11 conduct affairs in this state.

12 Sec. 10.21.858. PENALTY FOR FAILURE TO FILE DOCUMENTS OR PAY FEES.
13 If a domestic or foreign corporation fails to file and publish a document required by this chapter
14 or pay a fee within the time prescribed by this chapter the commissioner shall collect a penalty
15 of \$10 for the first month that the filing, publication, or payment is not made, and \$100 for each
16 additional month up to a total of five months, and after six months without the filing, publication,
17 or payment the commissioner may

18 (1) involuntarily dissolve a delinquent domestic corporation under AS 10.21.578;
19 or

20 (2) revoke the certificate of authority of a delinquent foreign corporation to
21 conduct affairs in this state under AS 10.21.790.

22 Sec. 10.21.860. INTERROGATORIES BY COMMISSIONER; JUDICIAL
23 PROCEEDING TO CONTEST. (a) The commissioner may propound to a domestic or foreign
24 corporation and to an officer or director of a domestic or foreign corporation interrogatories
25 reasonably necessary and proper to enable the commissioner to ascertain whether the corporation
26 has complied with the provisions of this chapter.

27 (b) Interrogatories shall be propounded by the commissioner or a person designated by
28 the commissioner to

29 (1) a domestic corporation by mailing them to the corporation's agent identified
30 under AS 10.21.088;

31 (2) a foreign corporation by mailing them to the corporation's agent identified

1 under AS 10.21.808;

2 (3) an individual officer or director of a domestic or foreign corporation by
3 mailing by registered or certified mail a copy of the interrogatories addressed to the person at the
4 person's office in this state, or, if the person has no office in this state, to the principal office of
5 the person.

6 (c) Interrogatories shall be answered within 30 days, or within the additional time fixed
7 by the commissioner or by the superior court. Answers shall be full and complete, in writing,
8 and under oath. If the interrogatories are directed to an individual they shall be answered by that
9 individual, and if directed to a corporation they shall be answered by the board chair, president,
10 vice-president, secretary, or assistant secretary of the corporation or, in the instance of a foreign
11 corporation, the person functioning as comparable officer in accordance with the laws of the state
12 of incorporation.

13 (d) A petition stating good cause to extend the date for answer, to modify, or set aside
14 the interrogatories propounded by the commissioner, or to enforce compliance with AS 10.21.862
15 may be filed in the superior court before the expiration of the 30 days fixed in this subsection
16 for answer.

17 Sec. 10.21.862. CONFIDENTIALITY OF INFORMATION DISCLOSED BY
18 INTERROGATORIES. Interrogatories and answers propounded and obtained under
19 AS 10.21.860 are not open to public inspection and the commissioner may not disclose facts or
20 information obtained from the interrogatories except as official duty requires or unless the
21 interrogatories or answers are required for evidence in criminal proceedings or other action by
22 the state.

23 Sec. 10.21.864. FAILURE TO ANSWER INTERROGATORIES. Unless otherwise
24 provided by an order of court issued in response to a petition filed under AS 10.21.860(d),

25 (1) a domestic or foreign corporation and each officer or director of a domestic
26 or foreign corporation that wilfully fails or refuses to answer truthfully and fully interrogatories
27 propounded by the commissioner within the time prescribed by AS 10.21.860(c) is guilty of a
28 class A misdemeanor; and

29 (2) the commissioner need not file a document to which the interrogatories relate
30 until the interrogatories are properly answered and need not file a document to which the
31 interrogatories relate if the answers disclose that the document does not conform to the provisions

1 of this chapter.

2 Sec. 10.21.866. PENALTY FOR SIGNING FALSE DOCUMENT. An officer or director
3 of a domestic or foreign corporation who signs articles, or a statement, report, application, or
4 other document filed with the commissioner that is known to the officer or director to be false
5 in a material respect, is guilty of a class A misdemeanor.

6 Sec. 10.21.868. FEES. (a) The department shall establish by regulation, charge, and
7 collect a fee for

8 (1) filing articles of incorporation and issuing a certificate of incorporation;

9 (2) filing an application for a certificate of authority to conduct affairs in this state
10 and issuing a certificate of authority;

11 (3) filing articles of amendment and issuing a certificate of amendment;

12 (4) filing a statement of change of the identify or address of a registered agent;

13 (5) a foreign corporation filing a certificate of the appointment and consent of an
14 agent residing in this state, or a certificate of revocation of the appointment of the resident agent;

15 (6) filing a document required by this chapter for the dissolution of a corporation
16 organized under this chapter;

17 (7) filing a document not listed under (1) - (6) of this subsection;

18 (8) furnishing a certified copy of a document.

19 (b) A fee required under this chapter shall be paid in advance.

20 (c) The fees charged under this section shall be uniform, except that a lesser fee may be
21 charged a public benefit corporation or foreign corporation that would, if formed under this
22 chapter, be a public benefit corporation.

23 (d) The department may by regulation charge a corporation subject to this chapter a fixed
24 fee in place of the fees specified in this chapter and for routine administrative services rendered
25 to the corporation by the department.

26 Sec. 10.21.872. WITHDRAWAL OF FOREIGN CORPORATION: PENALTIES;
27 FILING CERTIFICATE. A registered foreign corporation may withdraw from this state upon
28 payment of all penalties due at the time of desired withdrawal, and by filing with the department
29 a certificate of withdrawal, signed by its proper officers and under its corporate seal.

30 Sec. 10.21.876. PENALTIES ON FILING CERTIFICATE OF DISSOLUTION OF
31 FOREIGN CORPORATION. If a foreign corporation desires to file a certificate of dissolution

1 from the state of its incorporation it shall file the certificate, signed by the proper state officer,
2 under seal, upon payment of all penalties due to this state at the time of dissolution.

3 Sec. 10.21.882. EXEMPTION FROM BIENNIAL CORPORATION TAX. A corporation
4 organized under this chapter or a foreign corporation organized under the laws of the United
5 States, a state, or foreign country for the same purpose as those allowed under this chapter is
6 exempt from the payment of the biennial corporation tax imposed by AS 10.06.845.

7 Sec. 10.21.894. APPEAL FROM REVOCATION OF CERTIFICATE OF AUTHORITY.
8 If the commissioner revokes a certificate of authority of a foreign corporation to conduct affairs
9 in this state under this chapter, the foreign corporation may appeal to the superior court by filing
10 with the clerk of the court a petition setting out a copy of its certificate of authority and a copy
11 of the notice of revocation given by the commissioner. The matter shall be tried de novo by the
12 superior court, and the court shall either sustain the action of the commissioner or direct the
13 commissioner to take action the court considers proper.

14 Sec. 10.21.896. CANCELLATION OF CERTIFICATES ISSUED AND FILINGS
15 ACCEPTED. The commissioner may within one year after a filing, and after written notice to
16 the corporation or individual making a filing, cancel a certificate issued or filing accepted under
17 this chapter, on any ground existing at the time of issuance or filing for which the commissioner
18 could have originally refused to issue the certificate or accept the filing. The notice of
19 cancellation shall state the reason for the cancellation. A corporation or individual may request
20 a hearing within 90 days after receipt of the notice. Cancellation becomes final if the corporation
21 or individual does not request a hearing within 90 days after receipt of notice. Notice of
22 cancellation shall be sent by certified mail with return receipt requested. If the return receipt is
23 not received by the department within a reasonable time and the department has made diligent
24 inquiry as to the address of the corporation, notice may be made by publication in a newspaper
25 of general circulation in the vicinity of the registered office of the corporation or the address of
26 the individual who made the filing. Cancellation becomes final 60 days after publication of the
27 notice if the person or corporation does not request a hearing.

28 Sec. 10.21.898. FORMS TO BE FURNISHED BY THE COMMISSIONER. Reports re-
29 quired by this chapter to be filed with the department or the commissioner shall be on forms
30 prescribed and furnished by the commissioner. Forms for other documents to be filed in the
31 office of the department or the commissioner shall be furnished by the commissioner on request,

1 but the use of these forms, unless required in this chapter, is not mandatory.

2 **ARTICLE 13. MISCELLANEOUS PROVISIONS.**

3 **Sec. 10.21.905. PROCESSING OF WRITINGS FILED WITH THE COMMISSIONER.**

4 If a writing delivered to the commissioner for filing conforms to law and all fees and corporation
5 taxes prescribed in this chapter have been paid, the commissioner shall

6 (1) endorse on each duplicate original the word "filed" and the date of the filing;

7 (2) file one duplicate original in the office of the commissioner;

8 (3) return a duplicate original of the writing, together with any writing issued by
9 the commissioner attached to the original, to the corporation or its representative.

10 **Sec. 10.21.910. APPEAL FROM DISAPPROVAL OF DOCUMENT.** If the commis-
11 sioner fails to approve articles of incorporation, amendment, merger, consolidation or dissolution,
12 or any other document required by this chapter to be approved by the commissioner, the
13 commissioner shall, within 10 days after the receipt of the document, give written notice of
14 disapproval to the person or domestic or foreign corporation delivering the document, specifying
15 the reasons for disapproval. The person or corporation may appeal from the disapproval to the
16 superior court by filing with the clerk of the court a petition setting out a copy of the document
17 sought to be filed and a copy of the written disapproval. The matter shall be tried de novo by
18 the superior court, which shall either sustain the action of the commissioner or direct the
19 commissioner to take action the court considers proper.

20 **Sec. 10.21.915. WRITINGS; CORRECTIONS.** A writing relating to a domestic or
21 foreign corporation filed by the commissioner under this chapter may be corrected if it contains
22 an error apparent on the face or defect in the execution of the writing including the deletion of
23 matter not permitted to be stated in the writing. A certificate entitled Certificate of Correction
24 of . . . (correct title of writing) shall be signed, verified, or acknowledged in the same manner
25 as the original writing and delivered to the commissioner. The certificate shall set out the name
26 of the corporation, the date the writing to be corrected was filed by the commissioner, the
27 provision in the writing corrected or eliminated and, if the execution was defective, the proper
28 execution. The filing of the certificate by the commissioner does not alter the effective time of
29 the writing being corrected and does not affect any right or liability accrued or incurred before
30 the filing. A corporate name may not be changed or corrected under this section.

31 **Sec. 10.21.920. WRITINGS AS EVIDENCE.** (a) A writing filed by the commissioner

1 relating to a domestic or foreign corporation and containing statements of fact required or
2 permitted by law and a certification by the commissioner of the absence of a filing shall be
3 received in all courts, public offices, and official bodies as prima facie evidence of these facts
4 and of the execution of the writing.

5 (b) If under the laws of a jurisdiction other than this state a writing by an officer in that
6 jurisdiction or a copy of a writing certified or exemplified by an officer may be received as prima
7 facie evidence of the incorporation, existence, or capacity of a foreign corporation incorporated
8 in that jurisdiction, the writing when exemplified shall be received in all courts, public offices,
9 and official bodies of this state, as prima facie evidence with the same force as in that
10 jurisdiction. The writing or certified copy of the writing shall be received without being
11 exemplified if it is certified by the secretary of state or official performing the equivalent function
12 as to corporate records of that jurisdiction.

13 Sec. 10.21.925. CORPORATE SEAL AS EVIDENCE. The presence of a corporate seal
14 on a writing purporting to be executed by authority of a domestic or foreign corporation shall be
15 prima facie evidence that the writing was executed with the authority of the corporation.

16 Sec. 10.21.930. WAIVER OF NOTICE. If notice is required to be given to a member
17 or director of a corporation under the provisions of this chapter or under the provisions of the
18 articles or bylaws of the corporation, a waiver of the notice in writing signed by the person
19 entitled to notice, whether before or after the time stated for notice, is equivalent to the giving
20 of notice.

21 ARTICLE 14. GENERAL PROVISIONS.

22 Sec. 10.21.950. POWERS OF COMMISSIONER. The commissioner (AS 10.21.990) has
23 the power 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. 10.21.953. REGULATIONS. To the extent provided by explicit reference in this
26 chapter, the department shall adopt regulations referred to in this chapter in accordance with the
27 Administrative Procedure Act (AS 44.62).

28 Sec. 10.21.955. APPLICATION. To the extent permitted under federal law, this chapter
29 applies to commerce with foreign nations and among the several states and to corporations
30 formed under federal law.

31 Sec. 10.21.958. PROVISIONS AS RESTATEMENTS AND CONTINUATIONS. If a

1 provision of this chapter is substantially the same as a statutory provision in former AS 10.20
2 existing on June 30, 1992, it shall be construed as a restatement and continuation, and not as a
3 new enactment.

4 Sec. 10.21.960. CORPORATIONS ORGANIZED UNDER ALASKA NATIVE CLAIMS
5 SETTLEMENT ACT. (a) A village corporation organized under 43 U.S.C. 1601 - 1629e as
6 amended (Alaska Native Claims Settlement Act) that elects the status of a nonprofit corporation
7 under 43 U.S.C. 1607(a) shall be incorporated under and is subject to this chapter except

8 (1) each corporation shall issue without further consideration the number of shares
9 of common stock that may be necessary to comply with the requirement of the Act and all stock
10 so issued is considered fully paid and nonassessable when issued;

11 (2) unless otherwise provided in the articles of incorporation, the capital

12 (A) is deemed the consideration for the initial issuance of shares; and

13 (B) of a corporation organized under the Act includes the

14 (i) land or interests in it conveyed to the corporation by the United
15 States under the Act, except that which is required to be conveyed under 43
16 U.S.C. 1613(c) entered at its fair value to the corporation upon receiving the
17 conveyance of it; and

18 (ii) money, when received under 43 U.S.C. 1605 and 43 U.S.C.
19 1608, that is retained by the corporation and that is not immediately distributed
20 or required to be distributed under 43 U.S.C. 1606(j).

21 (b) Payment from the money of a corporation organized under the Act that is required
22 by the language of the Act to be distributed to shareholders or to other corporations so organized
23 is not a distribution to its members under AS 10.21.180.

24 (c) Notwithstanding the provisions of AS 10.21.513, a plan of merger, consolidation, or
25 exchange in which each participating corporation either (1) was organized under the Act, within
26 the same one of the 12 regions of Alaska established under the Act, or (2) resulted from the prior
27 merger, consolidation, or exchange of other similarly organized corporations within the same
28 region, is approved if it receives the affirmative vote of the holders of at least a majority of the
29 outstanding shares or members of each corporation. If a class of members of a corporation
30 specified in this subsection is entitled to vote as a class, the plan of merger, consolidation, or
31 exchange is approved if it receives the affirmative vote of the holders of at least a majority of

1 the members of each class entitled to vote as a class and of the total memberships.
2 Notwithstanding AS 10.21.530 - 10.21.543, a plan of merger, consolidation, or exchange
3 approved under this section may not include a right of members to dissent if prohibited by the
4 Act.

5 (d) A director or officer of a corporation organized under the Act is not personally liable
6 to the contract creditors specified in AS 10.21.440 except as otherwise provided by law.

7 (e) Notwithstanding the provisions of AS 10.21.450 - 10.21.460, a corporation organized
8 under the Act may amend its articles by a vote of the board of directors in order for the
9 corporation to comply with the mandatory requirements of the Act.

10 (f) Notwithstanding the other provisions of this chapter, a corporation organized under
11 the Act is governed by the Act to the extent the Act is inconsistent with this chapter, and the
12 corporation may take any action, including amendment of its articles, authorized by the Act, and
13 the action is considered to be approved and adopted if approved under the Act. An amendment
14 approved under the Act and delivered to the commissioner under AS 10.21.463 shall be filed by
15 the commissioner under AS 10.21.905, and a certificate of amendment shall be issued.

16 (g) Notwithstanding AS 10.21.180, the directors of the corporation organized under the
17 Act may, from time to time, distribute to its members in partial liquidation a portion of the
18 corporation's assets out of capital, in cash or property, except that a distribution

19 (1) may not be made at a time when the corporation is, or as a result of the
20 distribution would be, likely to be unable to meet its liabilities as they mature;

21 (2) may not be made unless the articles of incorporation authorize the board to
22 make the distribution or the distribution is authorized by the affirmative vote of at least two-
23 thirds of the shareholders;

24 (3) when made, shall be identified as a distribution in partial liquidation and the
25 amount per membership shall be disclosed to the members concurrently with the distribution.

26 (h) For the purposes of this chapter, in the Act

27 (1) "share" means a membership;

28 (2) "shareholder" means a member.

29 (i) In this section, "Act" means 43 U.S.C. 1601 - 1629e (Alaska Native Claims
30 Settlement Act).

31 **Sec. 10.21.975. RESERVATION OF POWER.** The legislature reserves the right, at

1 pleasure, to alter, amend, suspend, or repeal in whole or in part this chapter, or a certificate of
2 incorporation or the authority to conduct affairs in this state, of a domestic or foreign corporation,
3 whether or not existing or authorized on July 1, 1992.

4 Sec. 10.21.980. SIGNATURE. "Signature" includes a mark when the signer cannot
5 write. The signer's name shall be written near the mark by a witness who shall write the
6 witness's own name near the signer's name. A signature by mark can be acknowledged or can
7 serve as a signature to a sworn statement.

8 Sec. 10.21.985. RULES OF CONSTRUCTION GOVERNING. (a) Unless a provision
9 or the context otherwise requires, the general provisions and rules of construction in this section
10 govern this chapter.

11 (b) When, by the provisions of this chapter, a power is granted to, or a duty imposed
12 upon, a public officer, the power may be exercised or the duty performed by a deputy of the
13 officer or by a person authorized, under law, by the officer, unless this chapter expressly provides
14 otherwise.

15 (c) When a notice, report, statement, or record is required or authorized by this chapter,
16 it shall be made in writing in a manner reasonably calculated to communicate the notice, report,
17 statement, or record to the recipient.

18 (d) A reference in this chapter to mailing means first class mail, postage prepaid, unless
19 certified mail is specified.

20 (e) Subject to a specific accounting treatment required by a particular section of this
21 chapter,

22 (1) references in this chapter to financial statements, balance sheets, income
23 statements and references to assets, liabilities, income, and similar accounting items of a
24 corporation mean financial statements or accounting items prepared or determined fairly and
25 reasonably to present the purported matters;

26 (2) financial statements prepared or determined in accordance with generally
27 accepted accounting principles then applicable are fair and reasonable; the fair and reasonable
28 quality of statements and determinations prepared under other practices and principles shall be
29 proved by the corporation;

30 (3) references in this chapter to financial statements mean, in the case of a
31 corporation that has subsidiaries, consolidated statements of the corporation and its subsidiaries,

1 and all references to accounting items mean items determined on a consolidated basis in
2 accordance with consolidated financial statements.

3 (f) A reference in this chapter to the time a notice is given or sent means the time a
4 written notice by mail is deposited in the United States mail, postage prepaid, the time any other
5 written notice is personally delivered to the recipient or is delivered to a common carrier for
6 transmission, or actually transmitted by electronic means to the recipient by the person giving
7 the notice, or the time oral notice is communicated in person or by electronic means to the
8 recipient or to a person at the office of the recipient who the person giving the notice has reason
9 to believe will promptly communicate it to the recipient.

10 (g) Since there are fundamental differences between for-profit and nonprofit corporations,
11 it is not necessary to construe language in this chapter to have the same meaning as similar or
12 identical language in AS 10.06.

13 Sec. 10.21.990. DEFINITIONS. In this chapter, unless the context otherwise requires,

14 (1) "acknowledged" means that a document is accompanied by a certificate of its
15 acknowledgement as provided in AS 09.63;

16 (2) "affiliate" means a person that directly or indirectly through one or more
17 intermediaries controls, or is controlled by, or is under common control with, a corporation
18 subject to this chapter;

19 (3) "alien" means

20 (A) an individual who is not a citizen or national of the United States, or
21 who is not lawfully admitted to the United States for permanent residence, or paroled into
22 the United States under 8 U.S.C. 1101 - 1503, Immigration and Nationality Act;

23 (B) a person, other than an individual, that was not created or organized
24 under the laws of the United States or of a state, or whose principal office is not located
25 in a state; or

26 (C) a person, other than an individual, that was created or organized under
27 the laws of the United States or of a state, or whose principal office is located in a state,
28 and that is controlled by a person described in (A) or (B) of this paragraph;

29 (4) "approved by a majority of all members" or "approval of a majority of all
30 members" means approval by an affirmative vote or written ballot of a majority of the votes
31 entitled to be cast; this approval includes the affirmative vote of

1 (A) a majority of the outstanding memberships of each class, unit, or
2 grouping of members entitled by the articles or the bylaws to vote as a class, unit or
3 grouping of members on the subject matter; and

4 (B) a greater proportion, including all, of the memberships of a class, unit,
5 or grouping of members, if a greater proportion is required by this chapter or the articles;

6 (5) "approved by a majority of the entire board" or "approval of a majority of the
7 entire board" means approval by an affirmative vote or written ballot of a majority of the entire
8 board;

9 (6) "approved by the board" or "approval of the board" means approved or ratified
10 by the vote of the board or by a committee authorized to exercise the powers of the board, except
11 as to matters not within the competence of a committee under AS 10.21.390;

12 (7) "approved by the members" or "approval of the members" means approved
13 or ratified by the affirmative vote of a majority of the memberships entitled to vote represented
14 at a duly held meeting at which a quorum is present, or of a greater proportion, including all, of
15 the memberships of a class if a greater proportion is required by this chapter or the articles for
16 all or any specified member action;

17 (8) "articles" or "articles of incorporation" means the original or restated articles
18 of incorporation and all amendments and includes articles of merger;

19 (9) "bylaws" means a code of rules adopted for the regulation or management of
20 the affairs of the corporation irrespective of the name by which these rules are known;

21 (10) "certified mail" includes registered mail;

22 (11) "commissioner" means the commissioner of commerce and economic
23 development or a designee of the commissioner;

24 (12) "control" or "controlling interest" means

25 (A) the power to elect or designate one or more members of the board of
26 directors in the case of a foreign or domestic corporation having five or fewer directors;
27 or

28 (B) the power to elect or designate 20 percent or more of the members of
29 the board of directors in the case of a foreign or domestic corporation having more than
30 five directors;

31 (13) "corporation" means a nonprofit corporation subject to the provisions of this

1 chapter, but does not include a foreign corporation;

2 (14) "department" means the Department of Commerce and Economic
3 Development;

4 (15) "director" means a natural person who is a member of the governing board
5 of a corporation, irrespective of the title by which the person is known;

6 (16) "domestic corporation" means a nonprofit corporation subject to the
7 provisions of this chapter, but does not include a foreign corporation;

8 (17) "donation" includes the transfer of any legal consideration if the transferor
9 becomes entitled to a charitable tax deduction upon transfer; "donation" does not include a grant
10 or other transfer from or by a state, federal, municipal, or other governmental agency or body;

11 (18) "entire board" means the total number of directors of a corporation if there
12 are no vacancies;

13 (19) "filed" means filed in the office of the commissioner unless otherwise
14 expressly provided;

15 (20) "foreign corporation" means a corporation organized under laws other than
16 the laws of this state that would, if formed in this state, be either a mutual benefit or public
17 benefit corporation;

18 (21) "insolvent" means the inability of a corporation to pay its debts as they
19 become due in the regular course of business;

20 (22) "member" means a person having membership rights in a corporation under
21 the provisions of its articles of incorporation or bylaws;

22 (23) "mutual benefit corporation" means a domestic corporation other than a
23 public benefit corporation;

24 (24) "nonprofit corporation" means a corporation

25 (A) formed exclusively for a purpose for which a corporation may be
26 formed under this chapter and not for pecuniary profit or financial gain; and

27 (B) no part of the assets, income, or profits of which is distributable to,
28 or inures to the benefit of, its members, directors, or officers except to the extent
29 permitted under this chapter;

30 (25) "organic change" means a merger, consolidation, or sale of assets other than
31 in the regular course of business;

1 (C) that has no voting members or whose only members are its directors
2 or officers;

3 (26) "proxy" means a written authorization signed by a member or the member's
4 attorney-in-fact giving another person power to vote with respect to the membership of the
5 member; "signed" for the purpose of this paragraph means the placing of the member's name on
6 the proxy by manual signature by the member or by the member's attorney-in-fact;

7 (27) "proxy holder" means the person to whom a proxy is given;

8 (28) "public benefit corporation" means a domestic corporation

9 (A) formed for a public or charitable purpose;

10 (B) that derives more than 10 percent of its annual income from donations;

11 or

12 (C) that has no voting members or whose only members are its directors
13 or officers;

14 (29) "signature" includes a mark if the person cannot write;

15 (30) "state" means any of the United States, the District of Columbia, the
16 Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands,
17 American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession
18 of the United States;

19 (31) "subsidiary" of a specified corporation means a corporation in which the
20 specified corporation holds a controlling interest;

21 (32) "surviving corporation" means a corporation into which one or more other
22 corporations are merged;

23 (33) "vacancy" when used with respect to the board means any authorized position
24 of director that is not then filled by a duly elected director, whether caused by death, resignation,
25 removal, change in the authorized number of directors, or otherwise;

26 (34) "verified" means certified as true under in AS 09.63.040;

27 (35) "vote" includes authorization by written consent, subject to the provisions
28 of AS 10.21.285 and 10.21.405(b);

29 (36) "writing" includes any form of recorded message capable of comprehension
30 by ordinary visual means.

31 Sec. 10.21.995. SHORT TITLE. This chapter may be cited as the Alaska Nonprofit

1 Corporations Code.

2 * Sec. 2. AS 10 is amended by adding a new chapter to read:

3 CHAPTER 41. RELIGIOUS CORPORATIONS.

4 ARTICLE 1. CORPORATE PURPOSE AND POWERS.

5 Sec. 10.41.005. PURPOSES FOR WHICH AUTHORIZED. A corporation may be formed
6 for acquiring, holding, or disposing of church or religious society property for

- 7 (1) the benefit of religion;
8 (2) works of charity and education; or
9 (3) public worship.

10 Sec. 10.41.010. CORPORATE POWERS. A corporation organized under this chapter
11 may

12 (1) acquire by donation, gift, bequest, devise, or purchase, and hold and maintain
13 real and personal property, and grant, sell, convey, or otherwise dispose of property as may be
14 necessary to carry on or promote the objects of the corporation, but not for the purpose of
15 obtaining revenue or profits from the property;

16 (2) borrow money and give written obligations for repayment, and give mortgages
17 or other liens upon real or personal property to secure payment of written obligations, when
18 necessary to promote the objects of the corporation;

19 (3) enter into contracts;

20 (4) sue and be sued;

21 (5) establish and maintain a cemetery subject to the provisions of AS 10.30;

22 (6) adopt and use a common seal by which all deeds and acts of the corporation
23 may be authenticated;

24 (7) make and alter bylaws not inconsistent with its articles of incorporation or
25 with the laws of the state, for the administration and regulation of the affairs of the corporation;

26 (8) pay pensions and establish pension plans, pension trusts, and other incentive
27 plans for its officers and employees;

28 (9) act as a trustee under a trust incidental to the principal affairs of the corpora-
29 tion, and receive, hold, administer, exchange, and expend money and property subject to the trust;

30 (10) have and exercise all powers necessary or convenient to carry out the
31 purposes for which the corporation was organized.

1 **Sec. 10.41.015. LIMITATIONS ON AUTHORITY OF CORPORATE AGENTS.** (a) A
2 limitation on the powers of the corporation sole, trustees, members, or officers, or on the manner
3 of exercise of their powers, contained in or implied by the articles, bylaws, or action of the
4 trustees, members, or officers, or by AS 10.41.300 - 10.41.455 may not be asserted as between
5 the corporation or a member and a third person, except in a proceeding

6 (1) by a member or the state to enjoin the doing or continuance of unauthorized
7 business by the corporation or its officers, or both, in cases where third parties have not acquired
8 rights under AS 10.41.020;

9 (2) to dissolve the corporation; or

10 (3) by the corporation or by a member suing in a representative suit for violation
11 of the duties of the corporation sole, trustee, member, or officer.

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

15 **Sec. 10.41.020. CONTRACTS OR CONVEYANCES BINDING CORPORATION.** (a)
16 A contract or conveyance made in the name of the corporation that is authorized or ratified by
17 the corporation sole, trustees, or members or is done within the scope of the authority, actual or
18 apparent, conferred by the corporation sole, trustees, or members, or within the agency powers
19 of the officers executing it, except as the authority is limited by law, binds the corporation, and
20 the corporation acquires rights under the contract, whether the contract is executed or wholly or
21 in part executory.

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

24 **ARTICLE 2. NAME AND SERVICE OF PROCESS.**

25 **Sec. 10.41.030. CORPORATE NAME.** (a) Depending upon the election of organi-
26 zational form under AS 10.41.105(a)(6), a corporation organized under this chapter shall adopt
27 one of the following as its corporate name:

28 (1) in the case of a corporation sole the corporate name must be the same as the
29 office within the church or religious denomination held by the incorporator and must be followed
30 by the words "and successors, a corporation sole";

31 (2) in the case of a trustee corporation the corporate name must conclude with

1 the words "a trustee corporation" and may include a reference to the denomination and church,
2 temple, synagogue, or other term designating a congregation or house of worship;

3 (3) in the case of a membership corporation the corporate name must conclude
4 with the words "a membership corporation" and may include a reference to the denomination and
5 church, temple, synagogue, or other term designating a congregation or house of worship.

6 (b) The name of the corporation may not

7 (1) contain a word or phrase that indicates or implies that it is organized for a
8 purpose other than the purpose contained its articles or that it is authorized or empowered to
9 conduct the business of banking or insurance;

10 (2) contain the word "city," "borough," or "village," or otherwise imply that the
11 corporation is a municipality, but the name of a city, borough, or village may be used in the
12 corporate name;

13 (3) be the same name as, or undistinguishable on the records of the department
14 from, the name of a domestic corporation existing under the laws of this state or a foreign
15 corporation authorized to conduct affairs in this state, or a name the exclusive right to which is
16 reserved in the manner provided in this title.

17 Sec. 10.41.035. RESERVATION OF CORPORATE NAME. The exclusive right to the
18 use of a corporate name may be reserved by a

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

20 (2) domestic corporation intending to change its name;

21 (3) foreign corporation intending to apply for a certificate of authority to conduct
22 affairs in this state;

23 (4) foreign corporation authorized to conduct affairs in this state and intending
24 to change its name;

25 (5) person intending to organize a foreign corporation and to have it apply for a
26 certificate of authority to conduct affairs in this state.

27 Sec. 10.41.040. APPLICATION TO RESERVE CORPORATE NAME. Reservation of
28 a corporate name is made by filing an application with the commissioner. If the commissioner
29 finds that the name is available for corporate use, and not a reserved or registered business name
30 as set out in AS 10.35, the commissioner shall reserve it for the exclusive use of the applicant
31 for a period of 120 days.

1 **Sec. 10.41.045. TRANSFER OF RESERVED NAME.** The holder of a reserved
2 corporate name may transfer the right to the exclusive use of the corporate name to another
3 person by filing with the commissioner a notice of transfer signed by the holder and specifying
4 the name and address of the transferee.

5 **Sec. 10.41.050. FOREIGN CORPORATIONS: REGISTRATION OF CORPORATE**
6 **NAME.** A corporation organized and existing under the laws of any state may register its
7 corporate name if the name is not the same as, or undistinguishable on the records of the
8 department from, the name of a domestic corporation, the name of a foreign corporation
9 authorized to conduct affairs in this state, or a corporate name reserved or registered under
10 AS 10.35.

11 **Sec. 10.41.055. USE OF SAME OR UNDISTINGUISHABLE NAME.** Incorporation,
12 obtaining a certificate of authority by a foreign corporation, or registration of a corporate name
13 gives the exclusive right to the use of the name. The person who has incorporated, received a
14 certificate of authority, or registered a corporate name under this chapter may enjoin the use of
15 the same name or a name that is undistinguishable on the records of the department from the
16 corporate name and has a cause of action for damages against a person who uses the same name
17 or a name that is undistinguishable on the records of the department from the corporate name.

18 **Sec. 10.41.060. PROCEDURE FOR REGISTRATION OF CORPORATE NAME.**
19 Registration of a corporate name is made by filing with the commissioner

20 (1) an application for registration executed by an officer of the corporation setting
21 out the name of the corporation, the state under the laws of which it is incorporated, the date of
22 incorporation, a statement that it is conducting affairs, and a brief statement of its corporate
23 purposes; and

24 (2) a certificate from an official of the state where the corporation is organized
25 who has custody of the records pertaining to corporations stating that the corporation is in good
26 standing under the laws of that state or territory.

27 **Sec. 10.41.065. FEE FOR AND DURATION OF REGISTERED NAME.** (a) The fee
28 for registration of a corporate name shall be established by the department by regulation.

29 (b) The registration is effective until the close of the calendar year in which the
30 application for registration is filed unless terminated earlier by involuntary dissolution in
31 accordance with AS 10.41.300 - 10.41.455.

1 **Sec. 10.41.070. RENEWAL OF REGISTERED NAME.** A foreign corporation that has
2 registered its corporate name may renew the registration each year by (1) filing an application
3 for renewal setting out the facts required in an original application for registration; (2) filing a
4 certificate of good standing required for an original registration; and (3) paying a fee established
5 by the department by regulation. An application for renewal shall be filed between October 1
6 and December 31 in each year. The renewal extends the registration for the following calendar
7 year.

8 **Sec. 10.41.080. SERVICE OF PROCESS.** (a) A corporation organized under this
9 chapter shall continuously maintain on file with the department the name and address of a person
10 in this state designated to act as agent for the purpose of accepting service of process.

11 (b) When a corporation fails to designate an agent under (a) of this section and maintain
12 this information on file, the commissioner is the agent upon whom process may be served.
13 Service on the commissioner shall be made in the same manner as provided in AS 10.06.175.

14 **ARTICLE 3. FORMATION OF CORPORATIONS.**

15 **Sec. 10.41.100. INCORPORATION; CORPORATION SOLE, TRUSTEE COR-**
16 **PORATION, MEMBERSHIP CORPORATION.** (a) Whenever the rules or discipline of a
17 religious denomination, religious society, or church permit or require its estate, property,
18 temporalities, and business to be held in the name of or managed by a bishop, chief priest, or
19 presiding elder, the bishop, chief priest, or presiding elder of the religious denomination, religious
20 society, or church may incorporate as a corporation sole in the manner prescribed in this chapter.

21 (b) Individuals with an unincorporated church, congregation, or religious society who are
22 at least 18 years of age and are considered as belonging to it may elect, appoint, or designate
23 trustees and incorporate as a trustee corporation under (c) - (e) of this section.

24 (c) In order for trustees to be elected, a written notice, signed by at least five individuals,
25 stating the time, place, and object of the meeting, must be posted at least 15 days before the
26 meeting, at the place of worship of the society. At the time and place fixed, if at least five
27 individuals are present, they shall, by a plurality vote, elect a chair and secretary. The chair and
28 secretary shall together determine the qualifications of voters and receive and count the votes.
29 The voters shall, by a plurality vote, elect at least three and not more than 15 individuals of their
30 society as trustees, to take charge of its property and temporal affairs. Immediately after the
31 meeting the chair and secretary shall sign and acknowledge in the presence of two subscribing

1 witnesses articles of incorporation conforming to AS 10.41.105.

2 (d) When the constitution, rules, or usages of a church, denomination, congregation, or
3 religious society require that trustees be appointed by a minister, presiding elder, or other
4 officers, or by a body, the individual who appoints the trustees or the presiding officer and
5 secretary of the body shall execute, acknowledge, and deliver to the trustees articles of
6 incorporation conforming to AS 10.41.105.

7 (e) When the constitution, rules, and usages of a church or religious denomination declare
8 that the ministers, elders, deacons, or other officers elected by a church or congregation according
9 to the constitution, rules, or usages, are the trustees of the church or congregation, those
10 designated individuals shall assemble, execute, and acknowledge articles of incorporation con-
11 forming to AS 10.41.105.

12 (f) If a church or religious society does not wish to form as a corporation sole or a
13 trustee corporation, at least three individuals belonging to the church or society may incorporate
14 as a membership corporation by adopting articles of incorporation conforming to AS 10.41.105
15 and electing the status of a membership corporation.

16 Sec. 10.41.105. ARTICLES OF INCORPORATION; MANDATORY CONTENT. (a)

17 The articles of incorporation must set out

- 18 (1) the name of the corporation as provided in AS 10.41.030;
- 19 (2) the purpose for which the corporation is organized, that may be the conduct
20 of any or all lawful affairs for which corporations may be incorporated under this chapter;
- 21 (3) the estimated value of its property at the time of executing the articles of
22 incorporation;
- 23 (4) the name or title of the person or persons executing the articles;
- 24 (5) the address of the corporation's registered office in this state, and the name
25 and address of the person upon whom process may be served;
- 26 (6) one of the following statements:
- 27 (A) "This corporation is a corporation sole and has elected to be so treated
28 under the laws of the State of Alaska."; or
- 29 (B) "This corporation is a trustee corporation and has elected to be so
30 treated under the laws of the State of Alaska."; or
- 31 (C) "This corporation is a membership corporation and has elected to be

1 so treated under the laws of the State of Alaska."

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

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

6 Sec. 10.41.110. ARTICLES OF INCORPORATION; OPTIONAL PROVISIONS. The
7 articles of incorporation may set out

8 (1) any of the following provisions, which are not effective unless expressly
9 provided in the articles:

10 (A) in the case of a corporation sole, trustee corporation, and membership
11 corporation,

12 (i) a provision limiting the duration of the corporation's existence
13 to a specified date;

14 (ii) a provision limiting or restricting the affairs in which the
15 corporation may engage or the powers that the corporation may exercise or both;

16 (iii) a provision authorizing the corporation to merge or consolidate
17 with a surviving or resulting corporation so long as that corporation is also governed by
18 this chapter;

19 (B) in the case of a trustee corporation,

20 (i) the name of the religious denomination to which the corporation
21 belongs;

22 (ii) the names and addresses of the persons appointed to act as
23 initial trustees;

24 (iii) the terms of office, method of selection, and qualifications, if
25 any, for future trustees;

26 (iv) a provision requiring, for a corporate action, the vote of a
27 larger proportion of or all of the trustees than is otherwise required under AS 10.41.14-
28 5(a);

29 (C) in the case of a membership corporation,

30 (i) the name of the religious denomination to which the corporation
31 belongs;

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- (ii) the qualifications, if any, for members;
 - (iii) the officers, the manner of their selection, terms of office, and the functions, powers, and duties of the offices that are created for the governance of the internal affairs of the corporation;
 - (iv) a provision fixing a quorum of members other than a majority of the members entitled to vote, which may not be less than 10 percent of the members entitled to vote at a meeting;
 - (v) a provision requiring, for any or all corporate actions the vote of a larger proportion or of all of the members, than is otherwise required under AS 10.41.150 or other sections of this chapter;
 - (vi) a provision allowing a member or a group or class of members to have more or less than one vote, or no vote, in any, or all, elections or other matters presented to the members for vote;
- (2) any other provision, not in conflict with law, for the regulation of internal affairs and for the conduct of the affairs of the corporation, including any provision that is required or permitted by this chapter to be stated in the bylaws.

Sec. 10.41.120. FILING OF ARTICLES OF INCORPORATION. Duplicate originals of the articles of incorporation shall be delivered to the commissioner for processing under AS 10.41.600 and for issuance of a certificate of incorporation.

Sec. 10.41.125. DISCLOSURE OF CORPORATE PURPOSE. A person presenting articles of incorporation under AS 10.41.120 shall deliver, with the articles, a separate statement of the codes, from the identification codes established under AS 10.06.870, which most closely describe the activities in which the corporation will initially engage.

Sec. 10.41.130. EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION. The corporate existence begins upon the issuance of the certificate of incorporation. The certificate of incorporation is conclusive evidence that all conditions precedent required to be performed have been satisfied and that the corporation has been incorporated. Issuance of the certificate does not affect the right of the state to bring a proceeding to cancel or revoke the certificate of incorporation or for involuntary dissolution of the corporation. The doctrines of de jure compliance, de facto corporations, and corporations by estoppel are abolished for religious corporations.

1 **Sec. 10.41.135. ASSUMPTION OF PURPORTED POWERS OF NONEXISTENT**
2 **CORPORATION: LIABILITY.** Persons who assume to act as a corporation for which there has
3 been no issuance of a certificate of incorporation under AS 10.41.130 are jointly and severally
4 liable for debts and liabilities incurred or arising as a result of that action.

5 **Sec. 10.41.140. TRUSTEE CORPORATION; ORGANIZATIONAL MEETING.** After
6 the issuance of a certificate of incorporation an organizational meeting of the trustees named in
7 the articles of incorporation shall be held, at the call of the majority of the trustees named in the
8 articles of incorporation, for the purposes of adopting bylaws, electing officers, and transacting
9 other business as may come before the meeting. Those calling the meeting shall give at least 20
10 days notice of the meeting by mail to each trustee named. The notice must state the time and
11 place of the meeting.

12 **Sec. 10.41.145. TRUSTEE CORPORATION; ACTION OF TRUSTEES; QUORUM;**
13 **COMMITTEES.** (a) A majority of the number of trustees fixed by the articles or bylaws
14 constitutes a quorum for the transaction of business unless a greater number is required by the
15 articles under AS 10.41.110. The act of a majority of the trustees present at a meeting at which
16 a quorum is present is the act of the corporation, unless the act of a greater number is required
17 by the articles under AS 10.41.110 or by this chapter.

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

20 **Sec. 10.41.150. MEMBERSHIP CORPORATION; ACTION BY MEMBERS; QUORUM.**
21 A majority of the members (AS 10.41.990) of a membership corporation constitutes a quorum
22 for the transaction of business unless a greater number is required by the articles under
23 AS 10.41.110. The act of a majority of the members present at a meeting at which a quorum is
24 present is the act of the corporation, unless the act of a greater number is required by the articles
25 under AS 10.41.110 or by this chapter.

26 **Sec. 10.41.155. BYLAWS: ADOPTION.** Bylaws may be adopted in the following
27 manner:

28 (1) in the case of a corporation sole, by the person who executed the original
29 articles of incorporation or by a successor in office;

30 (2) in the case of a trustee corporation, by approval of the trustees
31 (AS 10.41.990(5));

1 (3) in the case of a membership corporation, by approval of the members
2 (AS 10.41.990(4)).

3 Sec. 10.41.160. BYLAWS: CONTENT. The bylaws may contain any provision, not in
4 conflict with the law or the articles (AS 10.41.105(c)), for the regulation of the internal affairs
5 and for the conduct of the affairs of the corporation, including

6 (1) a provision referred to in AS 10.41.110(2);

7 (2) the time, place, and manner of calling, conducting, and giving notice of
8 meetings of trustees, members, and committees;

9 (3) the creation and authority of committees of the members or trustees; and

10 (4) the manner and means of disposing or distributing assets following dissolution
11 under AS 10.41.310(4) and 10.41.395(5).

12 ARTICLE 4. FINANCE.

13 Sec. 10.41.170. DONATED ASSETS HELD IN CHARITABLE TRUST. (a) A donation
14 (AS 10.41.990) received by a domestic corporation, or by a foreign corporation from a source
15 in the state, shall be held in charitable trust.

16 (b) In the absence of a written agreement between a donor and the corporation defining
17 the terms of the charitable trust,

18 (1) acceptance of an unsolicited donation by the corporation implies as terms of
19 the trust that the donation will be applied to the religious or charitable purposes stated in the
20 articles of the corporation at the time of the donation or as amended in conformity with this
21 chapter and will not be used for another purpose;

22 (2) acceptance of a solicited donation by the corporation implies as terms of the
23 trust that the donation will be applied to the purpose or purposes stated in the solicitation and
24 will not be used for another purpose.

25 Sec. 10.41.175. ACTION TO REMEDY BREACH OF CHARITABLE TRUST. (a) The
26 following may bring an action to enjoin, correct, obtain damages for, or otherwise remedy a
27 breach of a charitable trust established under AS 10.41.170:

28 (1) the corporation;

29 (2) an officer of the corporation;

30 (3) a trustee of the corporation;

31 (4) a donor or a person with a reversionary, contractual, or other property interest

1 in the assets subject to the charitable trust; or

2 (5) the commissioner, or a person designated by the commissioner.

3 (b) The plaintiff shall give notice to the commissioner of an action under (a) of this
4 section and the commissioner may intervene in that action.

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

8 Sec. 10.41.180. 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, the property and assets of a corporation organized under this chapter in
11 the usual and regular course of its activities, and the mortgage or pledge of property and assets,
12 whether or not in the usual and regular course of its activities, may be made on terms and condi-
13 tions and for consideration as approved by

14 (1) in the case of a corporation sole, the corporation sole;

15 (2) in the case of a trustee corporation, a majority of the trustees
16 (AS 10.41.990(5));

17 (3) in the case of a membership corporation, a majority of the members
18 (AS 10.41.990(4)).

19 (b) This section and the other provisions of this chapter do not authorize a sale, lease,
20 exchange, or disposition prohibited by another law, including the law of trusts, charitable trusts,
21 and contracts, or prohibited by the articles or bylaws.

22 ARTICLE 5. AMENDMENTS AND CHANGES.

23 Sec. 10.41.220. ARTICLES OF INCORPORATION: PERMITTED AND PROHIBITED
24 AMENDMENTS. By complying with the provisions of this chapter, a corporation may amend
25 articles from time to time and in any and as many respects as may be desired, if its articles of
26 incorporation, as amended, contain only provisions that would be lawful to insert in original
27 articles of incorporation filed at the time of the filing of the amendment.

28 Sec. 10.41.225. PROCEDURE TO AMEND ARTICLES OF INCORPORATION. (a)
29 The articles may be amended or repealed in the following manner:

30 (1) in the case of a corporation sole, by the person who executed the original
31 articles of incorporation or by a successor in office;

1 (2) in the case of a trustee corporation, unless the articles require a vote of a
2 larger proportion or of all of the trustees under AS 10.41.110, by approval of the trustees
3 (AS 10.41.990(5));

4 (3) in the case of a membership corporation, unless the articles require a vote of
5 a larger proportion or of all of the members under AS 10.41.110, by approval of the members
6 (AS 10.41.990(4)).

7 (b) The amendment or amendments shall be filed with the commissioner in the same
8 manner as is provided for filing the original articles.

9 ARTICLE 6. ORGANIC CHANGE.

10 Sec. 10.41.230. AUTHORIZATION IN ARTICLES. If the articles of incorporation
11 contain a provision under AS 10.41.110 authorizing the corporation to merge or consolidate, a
12 corporation organized under this chapter may merge with or consolidate into another corporation
13 also governed by this chapter.

14 Sec. 10.41.240. PROCEDURE FOR MERGER OR CONSOLIDATION. (a) A written
15 plan of merger or consolidation shall be adopted

16 (1) in the case of a corporation sole, by the person who executed the original
17 articles of incorporation or by a successor in office;

18 (2) in the case of a trustee corporation, unless the articles require a vote of a
19 larger proportion or of all of the trustees under AS 10.41.110, by approval of the trustees
20 (AS 10.41.990(5));

21 (3) in the case of a membership corporation, unless the articles require a vote of
22 a larger proportion or of all of the members under AS 10.41.110, by approval of the members
23 (AS 10.41.990(4)).

24 (b) The written plan must set out

25 (1) the names of the corporations proposing to merge or consolidate and the name
26 of the surviving or resulting corporation;

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

28 (3) a statement of changes in the articles or incorporation or bylaws of the
29 surviving or resulting corporation;

30 (4) if the surviving or resulting corporation is entitled to receive gifts, devises,
31 bequests, legacies, or other transfers or assignments of money or property, real, personal, or

1 mixed or any asset impressed with a charitable trust under AS 10.41.170, a statement that the
2 property may not be diverted from the uses and purposes for which it was originally received by
3 the constituent corporations or from the uses and purposes for which it was expressed and
4 intended;

5 (5) a certification that each corporation has adopted the plan in accordance with
6 its constitution, canon law, or other general provisions for the governance of its affairs; and

7 (6) other provisions of the merger or consolidation considered necessary and
8 desirable.

9 Sec. 10.41.250. FILING OF ARTICLES OF MERGER OR CONSOLIDATION.

10 Duplicate originals of the articles of merger or consolidation shall be delivered to the
11 commissioner for processing according to AS 10.41.600 and the issuance of a certificate of
12 merger or consolidation.

13 Sec. 10.41.270. EFFECT OF MERGER OR CONSOLIDATION. (a) A merger or con-
14 solidation is effective upon the issuance of a certificate of merger or consolidation by the
15 commissioner, or on a later date, not more than 30 days after the filing of the certificate with the
16 commissioner, as provided in the plan.

17 (b) When a merger or consolidation has become effective

18 (1) the corporations that are parties to the plan of merger or consolidation are a
19 single corporation that, in the case of a merger, is the corporation designated in the plan of
20 merger as the surviving corporation (AS 10.41.990), and, in the case of a consolidation, is the
21 resulting corporation (AS 10.41.990) provided for in the plan of consolidation;

22 (2) the separate existence of all corporations or parties to the plan of merger or
23 consolidation, except the surviving or resulting corporation, ceases;

24 (3) a surviving or resulting corporation has all the rights, privileges, immunities,
25 and powers and is subject to all the duties and liabilities of a corporation organized under this
26 chapter;

27 (4) the surviving or resulting corporation possesses all the public and private
28 rights, privileges, immunities, and franchises of each of the merging or consolidating
29 corporations; all property real, personal, and mixed, and all debts due on whatever account, and
30 all other choses in action, and every other interest of, belonging to, or due to each of the merged
31 or consolidated corporations, is transferred to and vested in the corporation without further act;

1 and the title to real estate, or an interest in real estate, vested in any of the corporations may not
2 revert and is not in any way impaired by reason of a merger or consolidation, except that
3 property received by a corporation by a conditional grant or similar device remains subject to the
4 same conditions as if the merger or consolidation had not occurred;

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

11 (6) in the case of a merger, the articles of incorporation of the surviving
12 corporation are considered to be amended to the extent that changes in its articles of
13 incorporation are stated in the plan of merger, and, in the case of a consolidation, the statements
14 set out in the articles of consolidation that are required or permitted to be set out under
15 AS 10.41.105 - 10.41.110 in the articles of incorporation of corporations organized under this
16 chapter are considered to be the original articles of incorporation of the new corporation.

17 ARTICLE 7. DISSOLUTION.

18 Sec. 10.41.300. VOLUNTARY DISSOLUTION. A corporation organized under this
19 chapter may elect to wind up and dissolve

20 (1) in the case of a corporation sole, by the approval of the corporation sole;

21 (2) in the case of a trustee corporation, by the approval of the trustees
22 (AS 10.41.990(5));

23 (3) in the case of a membership corporation, by approval of the members
24 (AS 10.41.990(4)).

25 Sec. 10.41.305. FILING OF ELECTION TO WIND UP AND DISSOLVE. (a) A
26 corporation organized under this chapter that has elected to wind up and dissolve shall file a
27 certificate evidencing the election with the commissioner.

28 (b) The certificate shall be signed and verified

29 (1) in the case of a corporation sole, by the corporation sole;

30 (2) in the case of a trustee corporation, by a majority of the trustees then in office;

31 (3) in the case of a membership corporation, by one or more members authorized

1 to do so by approval of a majority of all members (AS 10.41.990(3)).

2 (c) The certificate must contain

3 (1) the name of the corporation;

4 (2) a statement that the corporation has elected to wind up and dissolve and the
5 reason for the action;

6 (3) a statement that the dissolution has been duly authorized by the church in
7 order to administer the affairs, property, and temporalities of the corporation;

8 (4) if the election was made by the corporation sole, a statement to that effect;

9 (5) if the election was made by the trustees, a statement that it was approved by
10 a majority of all the trustees;

11 (6) if the certificate is executed by a member, a statement that the person
12 executing the certificate is authorized to execute the certificate by approval of a majority of all
13 members, a statement of the number of votes for the election, and a statement that the election
14 was made by approval of a majority of all members.

15 Sec. 10.41.310. DISTRIBUTION OF ASSETS. The assets of a corporation in the
16 process of dissolution shall be applied and distributed in the following order:

17 (1) all liabilities and obligations of the corporation shall be paid and discharged,
18 or adequate provision shall be made for them;

19 (2) assets held by the corporation upon condition requiring return, transfer, or
20 conveyance shall, if the condition occurs by reason of the dissolution, be returned, transferred,
21 or conveyed in accordance with the condition;

22 (3) assets received and held by the corporation subject to limitations permitting
23 their use only for charitable, religious, eleemosynary, benevolent, educational, or similar
24 purposes, or held in charitable trust under terms of AS 10.41.170, but not held upon a condition
25 requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or
26 conveyed to one or more corporations organized under this chapter engaged in activities
27 substantially similar to those of the dissolving corporation, under a plan of distribution adopted
28 as provided in this chapter;

29 (4) remaining assets shall be distributed in accordance with the provisions of the
30 articles of incorporation or bylaws.

31 Sec. 10.41.315. REVOCATION OF ELECTION TO WIND UP AND DISSOLVE

1 CORPORATION; FILING OF REVOCATION CERTIFICATE. (a) A voluntary election to
2 wind up and dissolve under AS 10.41.305 may be revoked before distribution of assets

3 (1) by the corporation sole if the election was made under AS 10.41.300(1);

4 (2) by approval of a majority of all the trustees if the election was made under
5 AS 10.41.300(2);

6 (3) by approval of a majority of all members if the election was by the members
7 under AS 10.41.300(3).

8 (b) After a revocation, a certificate evidencing the revocation shall be signed, verified,
9 and filed in the same manner prescribed under AS 10.41.305(a) and (b).

10 (c) The certificate required by (b) of this section shall contain

11 (1) a statement that the corporation has revoked its election to wind up and
12 dissolve;

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

14 (3) in the case of a corporation sole, a statement that the election to revoke was
15 made by the corporation sole;

16 (4) in the case of a trustee corporation, a statement that the election to revoke was
17 made by a majority of all the trustees;

18 (5) in the case of a membership corporation, a statement that the election was
19 made by a majority of all the members.

20 Sec. 10.41.320. COMMENCEMENT AND CONDUCT OF VOLUNTARY
21 DISSOLUTION; CESSATION OF CORPORATE ACTIVITIES; NOTICE. (a) Voluntary
22 proceedings for winding up the corporation commence with the approval required under
23 AS 10.41.300.

24 (b) If a voluntary proceeding for winding up has commenced,

25 (1) in the case of a corporation sole, the corporation sole shall continue to act and
26 has full powers to wind up and settle the corporation's affairs before and after filing of the
27 certificate of dissolution;

28 (2) in the case of a trustee corporation, the trustees shall continue to act and have
29 full powers to wind up and settle the corporation's affairs before and after filing of the certificate
30 of dissolution;

31 (3) in the case of a membership corporation, the members shall continue to act

1 and have full powers to wind up and settle the corporation's affairs before and after filing of the
2 certificate of dissolution;

3 (c) If a voluntary proceeding for winding up has commenced, the corporation shall cease
4 to conduct its activities except to the extent necessary for beneficial winding up, to carry out the
5 corporation's purposes, and to protect assets held in charitable trust. Written notice of the
6 dissolution shall be prominently posted in the place or places of customary worship, and shall
7 also be given by mail to all known creditors and claimants whose addresses appear on the records
8 of the corporation, and to the commissioner.

9 Sec. 10.41.325. JURISDICTION AND POWER OF COURT OVER VOLUNTARY
10 WINDING UP; PROTECTION OF CREDITORS AND ASSETS. If a corporation organized
11 under this chapter is in the process of a voluntary winding up, the superior court, upon the
12 petition of the corporation, the commissioner, or three or more creditors of the corporation, and
13 upon notice to the persons and creditors that the court may order, may take jurisdiction over the
14 voluntary winding-up proceeding if it appears necessary for the protection of a party in interest,
15 the assets held in charitable trust, or the purposes served by the corporation. The court, if it
16 assumes jurisdiction, may make orders as to any and all matters concerning the winding up of
17 the affairs of the corporation and the protection of its creditors, assets, and purposes. The
18 provisions of AS 10.41.385 - 10.41.455 apply to court proceedings under this section.

19 Sec. 10.41.330. CERTIFICATE OF DISSOLUTION; CONTENTS. (a) If a corporation
20 organized under this chapter has been completely wound up without court proceedings, the person
21 or persons who conducted the dissolution under AS 10.41.320(b) shall sign and verify a
22 certificate of dissolution stating that

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

24 (2) its known debts and liabilities have been paid or adequately provided for as
25 far as the corporation's assets permitted, or that it has incurred no known debts or liabilities; if
26 there are known debts or liabilities as to which adequate provision for payment has been made,
27 the certificate must state the name and address of the corporation, person, or governmental
28 agency that has assumed or guaranteed the payment, or the name and address of the depository
29 with which deposit has been made and other information as necessary to enable the creditor or
30 other person to whom payment is to be made to appear and claim payment of the debt or
31 liability;

1 (3) its known assets have been distributed in conformance with AS 10.41.310 or
2 that the corporation has not acquired assets; and

3 (4) the corporation is dissolved.

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

7 Sec. 10.41.335. TERMINATION OF CORPORATION ON EXPIRATION OF TERM
8 OF EXISTENCE. Except as otherwise provided by law, if the term of existence for which a
9 corporation organized under this chapter expires without renewal or extension, it shall terminate
10 its activities and wind up its affairs. After the affairs of the corporation have been wound up
11 under this section, the person or persons who conducted the dissolution under AS 10.41.320(b)
12 shall execute and file a certificate of dissolution conforming to the requirements in AS 10.41.330.

13 Sec. 10.41.340. PETITION FOR COURT ORDER DECLARING CORPORATION
14 DULY WOUND UP AND DISSOLVED. (a) Instead of filing a certificate of dissolution, the
15 person or persons who conducted the dissolution under AS 10.41.320(b) may petition the
16 superior court for an order declaring the corporation duly wound up and dissolved. The petition
17 shall be filed in the name of the corporation.

18 (b) Upon the filing of a petition under (a) of this section, the court shall order all
19 interested persons, including the commissioner, to show cause why an order should not be made
20 declaring the corporation duly wound up and dissolved. The order shall be served by notice to
21 all creditors, claimants, and such other persons as the court shall order. Notice shall also be
22 served upon the commissioner.

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

27 (d) Thirty days after the filing of a petition under (a) of this section, the court may issue
28 an order declaring the corporation duly wound up and dissolved. This order has the effect
29 prescribed in AS 10.41.435 and shall be filed in the same manner as provided under
30 AS 10.41.440.

31 Sec. 10.41.350. GROUNDS FOR INVOLUNTARY DISSOLUTION. A corporation may

1 be dissolved involuntarily by the commissioner when it is established that

2 (1) the corporation has failed to file any document or pay any fee required under
3 this chapter as provided in AS 10.41.720(b);

4 (2) the corporation procured its articles of incorporation through fraud;

5 (3) the corporation has continued to exceed or abuse the authority conferred upon
6 it by law;

7 (4) the corporation has continued to violate the terms of any trust or conditional
8 gift, or the terms of AS 10.41.170;

9 (5) the corporation has failed for 30 days to appoint and maintain a registered
10 agent in the state;

11 (6) the corporation has failed for 30 days after change of its registered agent to
12 file in the office of the commissioner a statement of the change;

13 (7) the corporation has failed, within the time required by this chapter, to revoke
14 or complete a plan of voluntary dissolution.

15 Sec. 10.41.355. NOTICE TO CORPORATION. When the commissioner determines that
16 a corporation has given cause for involuntary dissolution, the commissioner shall mail to the
17 corporation, by certified mail, at its registered office a notice, setting out the grounds for
18 involuntary dissolution, 60 days before a certificate of dissolution is issued.

19 Sec. 10.41.360. REMOVAL OF GROUND FOR INVOLUNTARY DISSOLUTION;
20 REINSTATEMENT. (a) A corporation dissolved under AS 10.41.350 may be reinstated within
21 two years from the date of the certificate of involuntary dissolution if it is established to the
22 satisfaction of the commissioner that in fact there was not a cause for the dissolution, or the
23 delinquency, omission, or noncompliance resulting in dissolution has been corrected and the
24 corporation pays double the fees that the corporation would have paid had it not been dissolved
25 during the two-year period.

26 (b) An action arising out of a contract assigned by a corporation dissolved under
27 AS 10.41.350 may be brought in the name of the assignee. The fact of assignment and of
28 purchase by the plaintiff must be set out in the complaint or other process. The defendant may
29 use any matter of defense that the defendant could have used in a suit on the claim by the
30 corporation had it not been dissolved.

31 Sec. 10.41.365. JURISDICTION OF COURT TO LIQUIDATE ASSETS AND

1 **BUSINESS OF CORPORATION.** The superior court may liquidate the assets and business of
2 a corporation in the cases provided in AS 10.41.350, 10.41.370, 10.41.375, and 10.41.380.

3 **Sec. 10.41.370. ACTION SEEKING LIQUIDATION.** The superior court may liquidate
4 the assets and wind up the affairs of a corporation organized under this chapter when it is
5 established that

6 (1) the acts of those in control of the corporation are illegal, oppressive, or
7 fraudulent;

8 (2) in the case of a trustee corporation, the trustees are deadlocked in the
9 management of the corporate affairs, the articles fail to provide machinery for resolving the
10 deadlock, and irreparable injury to the corporation is being suffered or is threatened by reason
11 of the deadlock;

12 (3) in the case of a membership corporation, the members are deadlocked in
13 voting power, and have failed, over a period of six months to resolve the deadlock, and irrepara-
14 ble injury to the corporation is being suffered or is threatened by reason of the deadlock; or

15 (4) the corporate assets are being misapplied or wasted.

16 **Sec. 10.41.375. ACTION BY CREDITOR FOR LIQUIDATION.** In an action by a
17 creditor, the superior court may liquidate the assets and wind up the affairs of a corporation
18 organized under this chapter when

19 (1) the claim of the creditor has been reduced to judgment and an execution on
20 the judgment has been returned unsatisfied and it is established that the corporation is insolvent;
21 or

22 (2) the corporation has admitted in writing that the claim of the creditor is due
23 and owing and it is established that the corporation is insolvent.

24 **Sec. 10.41.380. LIQUIDATION ON APPLICATION BY CORPORATION.** If a
25 corporation that has filed a statement of intent to dissolve as provided in this chapter applies to
26 have its liquidation continued under the supervision of the court, the superior court may liquidate
27 the assets and wind up the affairs of the corporation.

28 **Sec. 10.20.385. PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT.** In
29 a proceeding to liquidate the assets and business of a corporation the superior court may issue
30 injunctions, appoint a receiver pendente lite with powers and duties as the court may direct, and
31 take other action necessary to preserve the corporate assets wherever situated and carry on the

1 activities of the corporation until a full hearing is held.

2 Sec. 10.41.390. APPOINTMENT OF RECEIVER. After a hearing held upon the notice
3 that the court may direct to be given to all parties to the proceedings and to any other parties in
4 interest designated by the court, the court may appoint a liquidating receiver with authority to
5 collect the assets of the corporation, including amounts owing to the corporation. The liquidating
6 receiver may, subject to the order of the court, sell, convey, and dispose of all or a part of the
7 assets of the corporation wherever situated, either at public or private sale.

8 Sec. 10.41.395. DISPOSITION OF ASSETS OR PROCEEDS. The assets of the
9 corporation or the proceeds resulting from a sale, conveyance, or other disposition of the assets
10 shall be applied and distributed in the following order:

11 (1) all costs and expenses of the court proceedings shall be paid;

12 (2) all liabilities and obligations of the corporation shall be paid and discharged,
13 or adequate provision shall be made for them;

14 (3) assets held by the corporation upon condition requiring return, transfer, or
15 conveyance shall, if the condition occurs by reason of the dissolution, be returned, transferred,
16 or conveyed in accordance with the condition;

17 (4) assets received and held by the corporation subject to limitations permitting
18 their use only for charitable, religious, eleemosynary, benevolent, educational, or similar
19 purposes, or held in charitable trust under terms of AS 10.41.170, but not held upon a condition
20 requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or
21 conveyed to one or more corporations organized under this chapter and engaged in activities
22 substantially similar to those of the dissolving corporation, under a plan of distribution adopted
23 as provided in this chapter;

24 (5) any remaining assets shall be distributed in accordance with the provisions of
25 the articles of incorporation, bylaws, or as the court may direct.

26 Sec. 10.41.400. POWERS AND DUTIES OF RECEIVER. The order appointing the
27 liquidating receiver shall state the receiver's powers and duties. The powers and duties may be
28 increased or diminished at any time during the liquidation proceedings.

29 Sec. 10.41.405. COMPENSATION OF RECEIVER AND ATTORNEYS. The court may
30 allow from time to time, as expenses of the liquidation, compensation to the receiver and to
31 attorneys in the proceeding, and direct the payment of compensation out of the assets of the

1 corporation or the proceeds of a sale or disposition of assets.

2 **Sec. 10.41.410. POWER OF RECEIVER TO SUE AND BE SUED.** A receiver of a
3 corporation appointed under this chapter may sue and defend in all courts in the receiver's own
4 name as receiver of the corporation.

5 **Sec. 10.41.415. APPOINTING COURT HAS EXCLUSIVE JURISDICTION.** The court
6 appointing the receiver has exclusive jurisdiction of the corporation and its property, wherever
7 situated.

8 **Sec. 10.41.420. QUALIFICATION OF RECEIVER.** (a) A party, an attorney of a party,
9 or a person interested in the action or related according to the common law by consanguinity or
10 affinity within the third degree of kindred to a judge of the court appointing the receiver, may
11 not be appointed receiver in the action without the written consent of the parties, including the
12 party to be appointed, filed with the clerk. If a receiver is appointed upon an ex parte applica-
13 tion, the court, before making the order, shall require from the applicant an undertaking, with
14 sufficient sureties, in an amount to be fixed by the court, to the effect that the applicant will pay
15 to the corporation all damages sustained by reason of the appointment of the receiver, in the case
16 the applicant has procured the appointment wrongfully, maliciously, or without sufficient cause.
17 The court may, in its discretion, at any time after appointment, require an additional undertaking.

18 (b) Before entering upon the duties of a receiver, the receiver must be sworn to perform
19 those duties faithfully, and with two or more sureties, approved by the court or judge, execute
20 an undertaking to the state, in a sum the court or judge directs, to the effect that the receiver will
21 faithfully discharge the duties of receiver and obey the order of the court in the action.

22 **Sec. 10.41.425. FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS.** (a) In a
23 proceeding to liquidate the assets and wind up the affairs of a corporation the court may require
24 creditors of the corporation to file with the clerk of the court or with the receiver, in the form
25 the court prescribes, proof under oath of their respective claims.

26 (b) If the court requires the filing of claims it shall fix a date, not less than four months
27 from the date of the order, as the last day for the filing of claims, and shall prescribe the notice
28 to be given to creditors and claimants of the date fixed. Before the date fixed, the court may
29 extend the time of the filing of claims.

30 (c) A creditor who fails to file proof of a claim on or before the date fixed may be barred
31 by order of the court from participating in the distribution of the assets of the corporation.

1 **Sec. 10.41.430. DISCONTINUANCE OF LIQUIDATION PROCEEDINGS.** The
2 liquidation of the assets and winding up the affairs of a corporation may be discontinued at any
3 time during the liquidation proceeding when it is established that cause for liquidation no longer
4 exists. In this event, the court shall dismiss the proceeding and direct the receiver to redeliver
5 to the corporation its remaining property and assets.

6 **Sec. 10.41.435. DECREE OF INVOLUNTARY DISSOLUTION.** In proceedings to
7 liquidate the assets and wind up the affairs of a corporation, when the costs and expenses of the
8 proceeding and the debts, obligations, and liabilities of the corporation have been paid and
9 discharged, or when the remaining property and assets are not sufficient to satisfy and discharge
10 the costs, expenses, debts, and obligations, and all the property and assets have been applied to
11 their payment, the court shall enter a decree dissolving the corporation. Upon entry of the decree,
12 the existence of the corporation ceases.

13 **Sec. 10.41.440. FILING OF CERTIFIED ORDER, DECREE, OR JUDGMENT OF**
14 **DISSOLUTION.** If a corporation is dissolved or its existence forfeited by order, decree, or
15 judgment of a court, a copy of the order, decree, or judgment, certified by the clerk of court,
16 shall be filed with the commissioner.

17 **Sec. 10.41.445. DEPOSIT WITH COMMISSIONER OF AMOUNT DUE CREDITORS.**
18 Upon the voluntary or involuntary dissolution of a corporation, the portion of the assets
19 distributable to a creditor who is unknown or cannot be found, or who is under disability and
20 there is no legally competent person to receive the distributive portion, shall be reduced to cash
21 and deposited with the commissioner and shall be paid over to the creditor or the legal
22 representative of the creditor upon proof satisfactory to the commissioner of a right to it.

23 **Sec. 10.41.447. RECOVERY OF IMPROPER DISTRIBUTIONS.** (a) If a distribution
24 of assets has been made in the process of winding up a corporation without a court order and
25 without prior payment or adequate provision for payment of the debts and liabilities of the
26 corporation, the amount improperly distributed to a person may be recovered by the corporation.
27 A person who received an improper distribution may be joined as a defendant in the same action
28 or be brought in on the motion of another defendant.

29 (b) Suit may be brought in the name of the corporation to enforce the liability under (a)
30 of this section against a person receiving a distribution by the commissioner or by a creditor of
31 that corporation, whether or not the creditor has reduced the claim to judgment.

1 (c) In this section, "process of winding up" includes a proceeding under AS 10.41.300 -
2 10.41.455 and any other distribution of assets to a person made in contemplation of termination
3 or abandonment of the corporation.

4 Sec. 10.41.450. EXISTENCE OF CORPORATION AFTER DISSOLUTION. (a) A
5 corporation that is dissolved voluntarily or involuntarily continues to exist for the purpose of
6 winding up its affairs, defending actions against it and enabling it to collect and discharge
7 obligations, dispose of and convey its property and collect and divide its assets, but not for the
8 purpose of continuing its activities except to the extent necessary for the winding up.

9 (b) An action or proceeding to which a corporation is a party does not abate by the
10 dissolution of the corporation or by reason of proceedings for winding up and dissolution. A
11 corporation that is dissolved voluntarily or involuntarily may not commence a court action, except
12 under AS 10.41.447.

13 (c) Assets inadvertently or otherwise omitted from the winding up continue in the
14 dissolved corporation for the benefit of the persons entitled to the assets on dissolution of the
15 corporation and on realization shall be distributed to the person entitled.

16 (d) The directors of the corporation on the date of its dissolution, or as determined under
17 AS 10.41.440, shall exercise and have the powers necessary to act under this section.

18 Sec. 10.41.455. CONTINUED EXISTENCE FOR CERTAIN PURPOSES. If a dissolved
19 corporation is the owner of real or personal property, or claims an interest in or lien upon real
20 or personal property, the corporation through its receiver continues to exist for five years after
21 the date of dissolution for the purpose of conveying, transferring, or releasing the real or personal
22 property or interest in or lien upon the property. In addition, a dissolved corporation through its
23 receiver continues to exist for the purpose of being sued in a quiet title action. The action or
24 proceeding against the corporation may be instituted and maintained in the same manner as
25 before the dissolution of the corporation. This section does not affect or suspend a statute of
26 limitations applicable to a claim. For the purpose of service of process, notice, or demand within
27 the prescribed time following dissolution, the commissioner is an agent of the dissolved corpora-
28 tion upon whom service may be made under AS 10.41.080(b).

29 ARTICLE 8. FOREIGN CORPORATIONS.

30 Sec. 10.41.500. APPLICABILITY TO FOREIGN CORPORATIONS. To the extent
31 provided in this chapter, this chapter is applicable to a foreign corporation (AS 10.41.990) that

1 is authorized to conduct or does conduct affairs in this state.

2 **Sec 10.41.505. ADMISSION OF FOREIGN CORPORATION.** A foreign corporation
3 may not conduct affairs in this state until it has been issued a certificate of authority from the
4 commissioner. A foreign corporation may not be issued a certificate of authority to conduct
5 affairs in this state that a corporation organized under this chapter is not permitted to conduct.
6 A foreign corporation may not be denied a certificate of authority because the laws of the state
7 or country under which it is organized governing its organization and internal affairs differ from
8 the laws of this state.

9 **Sec. 10.41.510. LIABILITY TO STATE FOR CONDUCTING AFFAIRS WITHOUT**
10 **CERTIFICATE OF AUTHORITY.** A foreign corporation that conducts affairs in this state
11 without a certificate of authority is liable to this state for the years or portions of years during
12 which it conducted affairs in this state without a certificate of authority, in an amount equal to
13 all fees that would have been imposed by this chapter on the corporation if it had applied for and
14 received a certificate of authority to conduct affairs in this state as required by this chapter and
15 filed all reports required by this chapter, plus all penalties imposed by this chapter for failure to
16 pay the fees, plus a penalty of up to \$10,000 a year or portion of a year for each year it
17 conducted affairs in this state without a certificate of authority. The attorney general shall bring
18 proceedings to recover amounts due the state under this section.

19 **Sec. 10.41.515. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY**
20 **AS A BAR TO RIGHT TO SUE.** A foreign corporation conducting affairs in this state without
21 a certificate of authority may not maintain an action, suit, or proceeding in a court of this state
22 until it obtains a certificate of authority. A successor or assignee of a foreign corporation
23 conducting affairs without a certificate of authority may not maintain an action, suit, or
24 proceeding in a court of this state on a right, claim, or demand arising out of the conduct of
25 affairs by the corporation in this state until a certificate of authority is obtained by the
26 corporation or by a corporation that has acquired all or substantially all of its assets.

27 **Sec. 10.41.520. CONDUCTING AFFAIRS WITHOUT CERTIFICATE OF AUTHORITY**
28 **NOT AFFECTING CONTRACTS AND RIGHT TO DEFEND ACTION.** The failure of a
29 foreign corporation to obtain a certificate of authority to conduct affairs in this state does not
30 impair the validity of a contract or act of the corporation, and does not prevent the corporation
31 from defending an action, suit, or proceeding in a court of this state.

1 **Sec. 10.41.525. ACTIVITIES NOT CONSTITUTING CONDUCTING AFFAIRS IN**
2 **THIS STATE.** The activities of a foreign corporation that are not considered to be conducting
3 affairs in this state, for the purposes of this chapter, include

4 (1) maintaining, defending, or settling an action, suit, or an administrative or
5 arbitration proceeding, or the settlement of claims or disputes;

6 (2) holding meetings of the corporation, or carrying on other activities concerning
7 the internal affairs of the corporation;

8 (3) maintaining bank accounts;

9 (4) securing or collecting debts, or enforcing rights in property securing debts;

10 (5) granting funds;

11 (6) distributing information to members;

12 (7) conducting an isolated transaction, completed within 30 days, not in the course
13 of a number of repeated transactions of like nature.

14 **Sec. 10.41.530 CORPORATE NAME OF FOREIGN CORPORATION.** A certificate of
15 authority may not be issued to a foreign corporation if the corporate name of the corporation

16 (1) contains a word or phrase that indicates or implies that it is organized for a
17 purpose other than the purpose contained its articles or that it is authorized or empowered to
18 conduct the business of banking or insurance;

19 (2) contains the word "city," "borough," or "village," or otherwise imply that the
20 corporation is a municipality, but the name of a city, borough, or village may be used in the
21 corporate name;

22 (3) is the same name as, or undistinguishable on the records of the department
23 from, the name of a domestic corporation existing under the laws of this state or a foreign
24 corporation authorized to conduct affairs in this state, or a name the exclusive right to which is
25 reserved in the manner provided in this title.

26 **Sec. 10.41.535. ASSUMED CORPORATE NAME: COMMISSIONER TO CROSS**
27 **INDEX.** (a) If a foreign corporation applying for a certificate of authority has a name that is
28 impermissible under AS 10.41.530, it shall select an assumed name, acceptable under the
29 provisions of AS 10.41.530, under which it elects to conduct affairs in this state.

30 (b) The commissioner shall maintain records that cross reference the actual and assumed
31 names of all foreign corporations authorized to conduct affairs in this state.

1 **Sec. 10.41.540. CHANGE OF NAME BY FOREIGN CORPORATION.** If a foreign
2 corporation authorized to conduct affairs in this state changes its name to one under which a
3 certificate of authority would not be granted to it under this chapter, the certificate of authority
4 of the corporation is suspended and it may not conduct affairs in this state until it has changed
5 its name to a name available to it under the laws of this state.

6 **Sec. 10.41.545. APPLICATION FOR CERTIFICATE OF AUTHORITY.** To receive a
7 certificate of authority to conduct affairs in this state a foreign corporation shall apply in
8 duplicate to the commissioner.

9 **Sec. 10.41.550. CONTENTS OF APPLICATION.** An application for a certificate of
10 authority must set out

11 (1) the name of the corporation and the assumed name, if any;

12 (2) the date of incorporation and the period of duration of the incorporation;

13 (3) the address of the principal office of the corporation in the state or country
14 under whose laws it is incorporated;

15 (4) the address of the proposed registered office of the corporation in this state,
16 and the name of its proposed registered agent in this state at that address;

17 (5) the purpose the corporation proposes to pursue in the conduct of affairs in this
18 state;

19 (6) additional information necessary or appropriate to enable the commissioner
20 to determine whether the corporation is entitled to a certificate of authority and to determine and
21 assess the fees prescribed in this chapter that are payable;

22 (7) the name and address of each alien affiliate (AS 10.41.990), the percentage
23 of control held by each alien affiliate, and a specific description of the nature of the relationship
24 between the foreign corporation and its alien affiliates, or a statement that there are no alien
25 affiliates;

26 (8) the name and address of a person holding at least five percent of the members
27 of the corporation, and the percentage of control held by that person.

28 **Sec. 10.41.555. FILING OF APPLICATION FOR CERTIFICATE OF AUTHORITY.**
29 The 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 executed
31 and verified by a trustee for a trustee corporation, a member for a membership corporation, or,

1 for a corporation sole, the individual holding the position that owns the property of the
2 corporation sole, together with a verified copy of the articles and all amendments to the articles,
3 shall be delivered to the commissioner for processing under AS 10.41.800 and issuance of a
4 certificate of authority.

5 Sec. 10.41.560. EFFECT OF CERTIFICATE OF AUTHORITY. On the issuance of a
6 certificate of authority by the commissioner, the corporation may conduct affairs in this state for
7 the purpose set out in its application, subject, however, to the right of this state to suspend or
8 revoke the authority as provided in this chapter.

9 Sec. 10.41.565. AMENDED CERTIFICATE OF AUTHORITY. (a) A foreign corpora-
10 tion authorized to conduct affairs in this state shall obtain an amended certificate of authority if
11 it changes its corporate name, or desires to pursue in this state other or additional purposes than
12 those set out in its earlier application for a certificate of authority.

13 (b) The requirements as to form and content of an application for an amended certificate
14 of authority, the manner of its execution, the filing of duplicate originals of the application with
15 the commissioner, and the issuance of an amended certificate of authority are the same as in the
16 case of an original application for a certificate of authority.

17 Sec. 10.41.570. POWERS OF FOREIGN CORPORATION. A foreign corporation that
18 has received a certificate of authority enjoys, until a certificate of revocation or of withdrawal
19 is issued as provided in this chapter, the same, but no greater, rights and privileges as a domestic
20 corporation organized for the purposes set out in the application under which the certificate of
21 authority is issued and, except as otherwise provided in this chapter, is subject to the duties,
22 restrictions, penalties and liabilities imposed on a domestic corporation of like character.

23 Sec. 10.41.575. REVOCATION OF CERTIFICATE OF AUTHORITY. A certificate of
24 authority of a foreign corporation to conduct affairs in this state may be revoked by the
25 commissioner if

- 26 (1) the corporation has failed to comply with a requirement of this chapter;
27 (2) the corporation fails, after change of its registered office or registered agent,
28 to file with the commissioner a statement of the change as required by this chapter;
29 (3) the corporation fails to file with the department an amendment to its articles
30 of incorporation or articles of merger within the time prescribed by this chapter; or
31 (4) a misrepresentation of a material matter has been made in an application,

1 report, affidavit, or other document submitted under this chapter.

2 **Sec 10.41.580. LIMITATIONS ON REVOCATION OF CERTIFICATE OF AUTHORI-**
3 **TY.** The commissioner may not revoke a certificate of authority of a foreign corporation unless

4 (1) the corporation has been given at least 60 days' notice by certified mail
5 addressed to its registered office in this state; and

6 (2) the corporation fails before revocation to file the biennial report, pay the fees
7 or penalties that are due, file the required statement of change of registered agent or registered
8 office, file the articles of amendment or articles of merger, or correct the misrepresentation.

9 **Sec. 10.41.585. ISSUANCE OF CERTIFICATE OF REVOCATION.** Upon revoking a
10 certificate of authority, the commissioner shall

11 (1) issue a certificate of revocation in duplicate;

12 (2) file one of the certificates in the office of the commissioner;

13 (3) mail to the corporation at its registered office in this state (AS 10.41.595(1))
14 a notice of the revocation accompanied by one of the certificates.

15 **Sec. 10.41.590. EFFECT OF CERTIFICATE OF REVOCATION.** Upon the issuance
16 of a certificate of revocation, the authority of a corporation to conduct affairs in this state ceases.

17 **Sec. 10.41.595. REGISTERED OFFICE AND REGISTERED AGENT OF A FOREIGN**
18 **CORPORATION.** A foreign corporation authorized to conduct affairs in this state shall have and
19 continuously maintain in this state

20 (1) a registered office that may be, but need not be, the same as its principal
21 office in this state; and

22 (2) a registered agent, who may be either an individual resident in this state whose
23 office is identical to the registered office, or a domestic corporation or a foreign corporation
24 authorized to conduct affairs in this state that has an office that is identical to the registered
25 office.

26 **Sec. 10.41.600. CHANGE OF REGISTERED OFFICE; CHANGE OR RESIGNATION**
27 **OF REGISTERED AGENT OF FOREIGN CORPORATION.** (a) A foreign corporation
28 authorized to conduct affairs in this state may change its registered office or its registered agent,
29 or both, upon filing with the commissioner a verified statement setting out

30 (1) the name of the corporation;

31 (2) the address of its registered office;

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

3 (4) the name of its registered agent;

4 (5) the name of its successor registered agent if its registered agent is to be
5 changed.

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

8 (c) A registered agent may resign by filing a written notice, executed in duplicate, with
9 the commissioner. The written notice of resignation shall set out the latest address of the
10 principal office of the corporation. The commissioner shall immediately mail a copy of the
11 notice to the corporation at its principal office. The resignation becomes effective 30 days after
12 the filing of the written notice or upon the appointment of a new agent by the corporation,
13 whichever is sooner.

14 Sec. 10.41.605. SERVICE OF PROCESS ON FOREIGN CORPORATION. The regis-
15 tered agent appointed by a foreign corporation authorized to conduct affairs in this state is an
16 agent of the corporation upon whom process, notice, or demand required or permitted by law to
17 be served upon the corporation may be served.

18 Sec. 10.41.610. SERVICE ON COMMISSIONER. If a foreign corporation authorized
19 to conduct affairs in this state, or not authorized to conduct affairs in this state but doing so, fails
20 to appoint or maintain a registered agent in this state, or when a registered agent cannot with
21 reasonable diligence be found at the registered office, or when the certificate of authority of a
22 foreign corporation is suspended or revoked, the commissioner is an agent upon whom process,
23 notice, or demand may be served. Service is made upon the commissioner as provided in
24 AS 10.06.175.

25 Sec. 10.41.615. RECORDS KEPT BY COMMISSIONER. The commissioner shall keep
26 a record of all processes, notices, or demands served upon a corporation under AS 10.41.610, and
27 shall record the time of service and any action taken with reference to the service.

28 Sec. 10.41.620. PROCEDURE NOT EXCLUSIVE. AS 10.41.605 - 10.41.615 do not
29 limit or affect the right to serve process, notice, or demand required or permitted by law to be
30 served upon a corporation in any other manner.

31 Sec. 10.41.625. AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN

1 CORPORATION. If the articles of a foreign corporation authorized to conduct affairs in this
2 state are amended, the foreign corporation shall, within 30 days after the amendment becomes
3 effective, file with the commissioner a copy of the amendment authenticated by the proper officer
4 of the state or country under whose laws it is incorporated. The filing of the amendment does
5 not enlarge or alter the purpose that the corporation may pursue in the conduct affairs in this state
6 under a name other than the name set out in its certificate of authority.

7 Sec. 10.41.630. ORGANIC CHANGE OF FOREIGN CORPORATION. If a foreign
8 corporation authorized to conduct affairs in this state is a party to an organic change
9 (AS 10.21.990) permitted by the laws of the state or country where it is incorporated, and the
10 corporation is the surviving corporation, it shall, within 30 days after the change becomes
11 effective, file with the commissioner a copy of the articles of merger, consolidation, or
12 reorganization authenticated by the proper office of the state or country under whose laws the
13 organic change was carried out. It is not necessary for the corporation to obtain a new or
14 amended certificate of authority to conduct affairs in this state unless the name of the corporation
15 is changed or unless the corporation desires to pursue in this state other or additional purposes
16 than those that it is authorized to pursue in this state.

17 Sec. 10.41.635. WITHDRAWAL OF FOREIGN CORPORATION. A foreign corporation
18 authorized to conduct affairs in this state may withdraw from this state on obtaining from the
19 commissioner a certificate of withdrawal. To obtain a certificate of withdrawal the foreign
20 corporation shall deliver to the commissioner an application for withdrawal.

21 Sec. 10.41.640. CONTENTS OF APPLICATION FOR WITHDRAWAL. An application
22 for withdrawal must set out

- 23 (1) the name of the corporation and the state or country where it is incorporated;
24 (2) that the corporation is not conducting affairs in this state;
25 (3) that the corporation surrenders its authority to conduct affairs in this state;
26 (4) that the corporation revokes the authority of its registered agent in this state
27 to accept service of process and consents that service of process in an action, suit, or proceeding
28 based on a cause of action arising in this state during the time the corporation was authorized to
29 conduct affairs in this state may be made on the corporation by service on the commissioner;
30 (5) a post office address, to which the commissioner may mail a copy of a process
31 against the corporation that may be served on the commissioner;

1 (6) additional information necessary or appropriate to enable the commissioner
2 to determine and assess unpaid fees payable as prescribed in this chapter.

3 **Sec. 10.41.645. FORM OF APPLICATION FOR WITHDRAWAL.** An application for
4 withdrawal shall be made on forms prescribed and furnished by the commissioner and shall be
5 executed and verified by a trustee for a trustee corporation, a member for a membership
6 corporation, or, for a corporation sole, the individual holding the position that owns the property
7 of the corporation sole, or, if the corporation is in the hands of a receiver or trustee, the
8 application shall be executed and verified on behalf of the corporation by the receiver or trustee.

9 **Sec. 10.41.650. FILING OF APPLICATION FOR WITHDRAWAL.** Duplicate originals
10 of an application for withdrawal shall be delivered to the commissioner for processing according
11 to AS 10.41.800 and issuance of a certificate of withdrawal.

12 **Sec. 10.41.655. EFFECT OF CERTIFICATE OF WITHDRAWAL.** On the issuance of
13 a certificate of withdrawal, the authority of a corporation to conduct affairs in this state ceases.

14 **ARTICLE 9. REPORTS, FEES, AND PENALTIES.**

15 **Sec. 10.41.700. BIENNIAL REPORT.** A domestic corporation and a foreign corporation
16 authorized to conduct affairs in this state shall file a biennial report with the commissioner of
17 commerce and economic development setting out

18 (1) the name of the corporation;

19 (2) the name and address of a person designated to act as agent for the purpose
20 of accepting service of process; and

21 (3) the real and personal property assets of the corporation.

22 **Sec. 10.41.710. FILING OF BIENNIAL REPORT.** (a) A biennial report of a domestic
23 or foreign corporation shall be filed with the department and is due before July 2 of the filing
24 year. The biennial report is delinquent if not filed before August 1 of each filing year as
25 provided in this section. Delinquent returns are subject to the penalty provided in AS 10.41.720.

26 (b) Proof to the satisfaction of the commissioner that on or before August 1 of the filing
27 year the report was deposited in the United States mail in a sealed envelope, properly addressed
28 with postage prepaid, is compliance with (a) of this section.

29 (c) The commissioner shall file the report if the commissioner finds that the report
30 conforms to the requirements of this chapter. If the commissioner finds that the report does not
31 conform to the requirements of this chapter, the commissioner shall promptly return it to the

1 corporation for necessary corrections. If the report is corrected to conform to the requirements
2 of this chapter and returned to the commissioner in sufficient time to be filed before October 1
3 of the year in which it is due, the penalty provided in AS 10.41.720 for failure to file the report
4 within the time required does not apply.

5 (d) Upon receipt of a form from the commissioner, a domestic or foreign corporation
6 shall file a biennial report within six months after original incorporation.

7 Sec. 10.41.720. PENALTIES. If a corporation organized under this chapter fails to file
8 a document required by this chapter or pay a fee within the time prescribed by this chapter the
9 commissioner shall collect a penalty of \$10 for the first month that the document or payment is
10 in default and \$100 for each additional month up to a total of five months, and after six months
11 without the filing or payment the commissioner may involuntarily dissolve the delinquent
12 corporation under AS 10.41.350(1).

13 Sec. 10.41.725. INTERROGATORIES BY COMMISSIONER; JUDICIAL
14 PROCEEDING TO CONTEST. (a) The commissioner may propound to a domestic or foreign
15 corporation interrogatories reasonably necessary and proper to enable the commissioner to
16 ascertain whether the corporation has complied with the provisions of this chapter.

17 (b) Interrogatories shall be propounded by the commissioner or a person designated by
18 the commissioner to

19 (1) the corporation organized under this chapter by mailing them to the
20 corporation's agent designated under AS 10.41.080 or 10.41.595;

21 (2) an individual officer or trustee by mailing by registered mail a copy of the
22 interrogatories addressed to the person at the person's office in this state.

23 (c) Interrogatories shall be answered within 30 days, or within the additional time fixed
24 by the commissioner or by the superior court. Answers shall be full and complete, in writing, and
25 under oath. If the interrogatories are directed to an individual they shall be answered by that
26 individual, and if directed to a corporation they shall be answered by

27 (1) in the case of a corporation sole, the corporation sole;

28 (2) in the case of a trustee corporation, a chair of the trustees or the chief
29 religious official;

30 (3) in the case of a membership corporation, the chief executive officer designated
31 in the articles of incorporation or the chief religious official.

1 (d) A petition stating good cause to extend the date for answer, to modify, or to set aside
2 the interrogatories propounded by the commissioner, or to enforce compliance with AS 10.41.735
3 may be filed in the superior court before the expiration of the 30 days fixed in this section for
4 answer.

5 Sec. 10.41.730. CONFIDENTIALITY OF INFORMATION DISCLOSED BY
6 INTERROGATORIES. Interrogatories and answers propounded and obtained under AS 10.41.725
7 are not open to public inspection and the commissioner may not disclose facts or information
8 obtained from the interrogatories except as official duty requires or unless the interrogatories or
9 answers are required for evidence in criminal proceedings or other action by the state.

10 Sec. 10.41.735. FAILURE TO ANSWER INTERROGATORIES. Unless otherwise
11 provided by an order of court issued in response to a petition filed under AS 10.41.725(d),

12 (1) a domestic or foreign corporation that fails or refuses to answer truthfully and
13 fully interrogatories propounded by the commissioner within the time prescribed by
14 AS 10.41.725(c) is guilty of a Class A misdemeanor; and

15 (2) the commissioner need not file a document to which the interrogatories relate
16 until the interrogatories are properly answered and need not file a document to which the
17 interrogatories relate if the answers disclose that the document does not conform to the provisions
18 of this chapter.

19 Sec. 10.41.740. FEES. (a) The commissioner shall establish by regulation, charge, and
20 collect a fee for

21 (1) filing articles of incorporation and issuing a certificate of incorporation;

22 (2) filing an application for a certificate of authority to conduct affairs in this state
23 and issuing the certificate;

24 (3) filing articles of amendment and issuing a certificate of amendment;

25 (4) filing a statement of change of the identity or address of a registered agent;

26 (5) a foreign corporation filing a certificate of the appointment and consent of an
27 agent residing in this state, or a certificate of revocation of the appointment of the resident agent;

28 (6) filing a document required by this chapter for the dissolution of a corporation
29 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 chapter a fixed
4 fee in place of the fees specified in this chapter and for routine administrative services rendered
5 to the corporation by the department.

6 Sec. 10.41.745. CANCELLATION OF CERTIFICATES ISSUED AND FILINGS
7 ACCEPTED. The commissioner may within one year after a filing, and after written notice to
8 the corporation or individual making a filing, cancel a certificate issued or filing accepted under
9 this chapter, on any ground existing at the time of issuance or filing for which the commissioner
10 could have originally refused to issue the certificate or accept the filing. The notice of
11 cancellation shall state the reason for the cancellation. A corporation or individual may request
12 a hearing within 90 days after receipt of the notice. Cancellation becomes final if the corporation
13 or individual does not request a hearing within 90 days after receipt of notice. Notice of
14 cancellation shall be sent by certified mail with return receipt requested. If the return receipt is
15 not received by the department within a reasonable time and the department has made diligent
16 inquiry as to the address of the corporation, notice may be made by publication in a newspaper
17 of general circulation in the vicinity of the registered office of the corporation or the address of
18 the individual who made the filing. Cancellation becomes final 60 days after publication of the
19 notice if the person or corporation does not request a hearing.

20 Sec. 10.41.750. FORMS TO BE FURNISHED BY THE COMMISSIONER. Reports
21 required by this chapter to be filed with the department or the commissioner shall be on forms
22 prescribed and furnished by the commissioner. Forms for other documents to be filed in the
23 office of the department or the commissioner shall be furnished by the commissioner on request,
24 but the use of these forms, unless required in this chapter, is not mandatory.

25 ARTICLE 10. MISCELLANEOUS PROVISIONS.

26 Sec. 10.41.800. PROCESSING OF WRITINGS FILED WITH THE COMMISSIONER.
27 If a writing delivered to the commissioner for filing conforms to law and all fees prescribed in
28 this chapter have been paid. The commissioner shall

- 29 (1) endorse on each duplicate original the word "filed" and the date of the filing;
30 (2) file one duplicate original in the office of the commissioner;
31 (3) return a duplicate original of the writing, together with any writing issued by

1 the commissioner attached to the original, to the corporation or its representative.

2 **Sec. 10.41.810. APPEAL FROM DISAPPROVAL OF DOCUMENT.** If the
3 commissioner fails to approve articles of incorporation, amendment, merger, consolidation, or
4 dissolution, or any other document required by this chapter to be approved by the commissioner,
5 the commissioner shall, within 10 days after the receipt of the document, give written notice of
6 disapproval to the person or corporation delivering the document, specifying the reasons for
7 disapproval. The person or corporation may appeal from the disapproval to the superior court
8 by filing with the clerk of the court a petition setting out a copy of the document sought to be
9 filed and a copy of the written disapproval. The matter shall be tried de novo by the superior
10 court, which shall either sustain the action of the commissioner or direct the commissioner to
11 take action the court considers proper.

12 **Sec. 10.41.815. WRITINGS; CORRECTIONS.** A writing relating to a corporation
13 organized under this chapter filed by the commissioner may be corrected if it contains an error
14 apparent on the face or defect in the execution of the writing including the deletion of a matter
15 not permitted to be stated in the writing. A certificate, entitled "Certificate of Correction of . .
16 . (correct title of writing and name of corporation)," shall be signed, verified, or acknowledged
17 in the same manner as the original writing and shall be delivered to the commissioner. The
18 certificate must set out the name of the corporation, the date the writing to be corrected was filed
19 by the commissioner, the provision in the writing corrected or eliminated and, if the execution
20 was defective, the proper execution. The filing of the certificate by the commissioner does not
21 alter the effective time of the writing being corrected and does not affect a right or liability
22 accrued or incurred before the filing. A corporate name may not be changed or corrected under
23 this section.

24 **Sec. 10.41.820. WRITINGS AS EVIDENCE.** (a) A writing filed by the commissioner
25 relating to a corporation organized under this chapter and containing statements of fact required
26 or permitted by law and a certification by the commissioner of the absence of a filing shall be
27 received in all courts, public offices, and official bodies as prima facie evidence of these facts
28 and of the execution of the writing.

29 (b) If under the laws of a jurisdiction other than this state a writing by an officer in that
30 jurisdiction or a copy of a writing certified or exemplified by an officer may be received as prima
31 facie evidence of the incorporation, existence, or capacity of a foreign corporation incorporated

1 in that jurisdiction, the writing when exemplified shall be received in all courts, public offices,
2 and official bodies of this state, as prima facie evidence with the same force as in that
3 jurisdiction. The writing or certified copy of the writing shall be received without being
4 exemplified if it is certified by the secretary of state or official performing the equivalent function
5 as to corporate records of that jurisdiction.

6 Sec. 10.41.830. CORPORATE SEAL AS EVIDENCE. The presence of a corporate seal
7 on a writing purporting to be executed by authority of a corporation organized under this chapter
8 shall be prima facie evidence that the writing was executed with the authority of the corporation.

9 Sec. 10.41.840. WAIVER OF NOTICE. If notice is required to be given to a trustee,
10 officer, or member of a corporation organized under this chapter or under the provisions of the
11 articles or bylaws of the corporation, a waiver of the notice in writing signed by the person
12 entitled to notice, whether before or after the time stated for notice, is equivalent to the giving
13 of notice.

14 ARTICLE 11. GENERAL PROVISIONS.

15 Sec. 10.41.900. POWERS OF COMMISSIONER. The commissioner has the power and
16 authority reasonably necessary to enable the commissioner to administer this chapter efficiently
17 and to perform the duties imposed by this chapter.

18 Sec. 10.41.910. REGULATIONS. To the extent provided by explicit reference in this
19 chapter, the department shall adopt regulations referred to in this chapter in accordance with the
20 Administrative Procedure Act (AS 44.62).

21 Sec. 10.41.920. RESERVATION OF POWER. The legislature reserves the right, at
22 pleasure, to alter, amend, suspend, or repeal in whole or in part this chapter, or a certificate of
23 incorporation or the authority to conduct affairs in this state, of a domestic or foreign corporation.

24 Sec. 10.41.930. SIGNATURE. "Signature" includes a mark when the signer cannot
25 write. The signer's name shall be written near the mark by a witness who shall write the
26 witness's own name near the signer's name. A signature by mark can be acknowledged or can
27 serve as a signature to a sworn statement.

28 Sec. 10.41.940. RULES OF CONSTRUCTION GOVERNING. (a) Unless a provision
29 or the context otherwise requires, the general provisions and rules of construction in this section
30 govern this chapter.

31 (b) When, by the provisions of this chapter, a power is granted to, or a duty imposed

1 upon a public officer, the power may be exercised or the duty performed by a deputy of the
2 officer or by a person authorized, under law, by the officer, unless this chapter expressly provides
3 otherwise.

4 (c) When a notice, report, statement, or record is required or authorized by this chapter,
5 it shall be made in writing in a manner reasonably calculated to communicate the notice, report,
6 statement, or record to the recipient.

7 (d) A reference in this chapter to mailing means first-class mail, postage prepaid, unless
8 certified mail is specified.

9 (e) Subject to any specific accounting treatment required by a particular section of this
10 chapter,

11 (1) references in this chapter to financial statements, balance sheets, and
12 references to assets, liabilities, and similar accounting items of a corporation mean financial
13 statements or accounting items prepared or determined fairly and reasonably to present the
14 purported matters;

15 (2) financial statements prepared or determined in accordance with generally
16 accepted accounting principles then applicable are fair and reasonable.

17 (f) A reference in this chapter to the time a notice is given or sent means the time a
18 written notice by mail is deposited in the United States mail, postage prepaid, the time any other
19 written notice is personally delivered to the recipient or is delivered to a common carrier for
20 transmission, or is actually transmitted by electronic means to the recipient by the person giving
21 the notice, or the time a notice is communicated in person or by electronic means to the recipient
22 or to a person at the office of the recipient who the person giving the notice has reason to believe
23 will promptly communicate it to the recipient.

24 (g) Since there are fundamental differences between for-profit corporations, nonprofit
25 corporations, and corporations organized under this chapter, it is not necessary to construe
26 language in this chapter to have the same meaning as similar or identical language in AS 10.06
27 or AS 10.21.

28 Sec. 10.41.990. DEFINITIONS. In this chapter, unless the context otherwise requires,

29 (1) "acknowledged" means that a document is accompanied by a certificate of its
30 acknowledgement as provided in AS 09.63.010 - 09.63.130;

31 (2) "approved by all the trustees" or "approval of all of the trustees" means

1 approval by the affirmative vote of the entire number of trustees provided in the articles or
2 bylaws when there are no vacancies;

3 (3) "approved by a majority of all members" or "approval of a majority of all
4 members" means approval by an affirmative vote or written ballot of a majority of the votes
5 entitled to be cast, including the affirmative vote of

6 (A) a majority of the outstanding memberships of each class, unit, or
7 grouping of members entitled by the articles or the bylaws to vote as a class, unit, or
8 grouping of members on the subject matter, and

9 (B) includes the affirmative vote of a greater proportion, including all of
10 the memberships of a class, unit, or grouping of members, if a greater proportion is
11 required by this chapter or the articles;

12 (4) "approved by the members" or "approval of the members" means approved
13 or ratified by the affirmative vote of a majority of the memberships entitled to vote represented
14 at a duly held meeting at which a quorum is present, unless the vote of a greater proportion,
15 including all, of the memberships of a class if a greater proportion is required by this chapter or
16 the articles for all or any specified member action;

17 (5) "approved by the trustees" or "approval of the trustees" means approved or
18 ratified by the vote of the trustees of a trustee corporation or by a committee authorized to
19 exercise the powers of the trustees, except as to matters not within the competence of the
20 committee;

21 (6) "articles" or "articles of incorporation" means the original or restated articles
22 of incorporation and all amendments;

23 (7) "bylaws" means a code of rules adopted for the regulation or management of
24 the affairs of the corporation irrespective of the name by which these rules are known;

25 (8) "certified mail" includes registered mail;

26 (9) "commissioner" means the commissioner of commerce and economic
27 development or a designee of the commissioner;

28 (10) "corporation" or "domestic corporation" means a corporation subject to the
29 provisions of this chapter, but does not include a foreign corporation;

30 (11) "corporation sole" means a corporation formed under AS 10.41.100(a) that
31 has conformed its articles to AS 10.41.105(a)(6)(A) and the incumbent who occupies the

1 designation as corporation sole;

2 (12) "department" means the Department of Commerce and Economic
3 Development;

4 (13) "donation" includes the transfer of any legal consideration if the transferor
5 becomes entitled to a charitable tax deduction upon transfer; "donation" does not include a grant
6 or other transfer from or by a state, federal, municipal, or other governmental agency or body;

7 (14) "filed" means filed in the office of the commissioner unless otherwise
8 expressly provided;

9 (15) "foreign corporation" means a corporation organized under laws other than
10 the laws of this state that would, if formed in this state, be a religious corporation under this
11 chapter;

12 (16) "insolvent" means the inability of a corporation to pay its debts as they
13 become due in the regular course of business;

14 (17) "member" means a person having membership rights in a membership
15 corporation in accordance with the provisions of its articles of incorporation;

16 (18) "membership corporation" means a corporation formed under AS 10.41.100(f)
17 that has conformed its articles to AS 10.41.105(a)(6)(C);

18 (19) "organic change" means a merger, consolidation, or sale of assets other than
19 in the regular course of business;

20 (20) "resulting corporation" means a new corporation organized under this chapter
21 as a result of a consolidation of two or more religious corporations;

22 (21) "state" means any of the United States, the District of Columbia, the
23 Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands,
24 American Samoa, the Trust Territory of the Pacific Islands, or any other territory or possession
25 of the United States;

26 (22) "trustee" means any person elected, appointed, or designated a trustee of a
27 trustee corporation organized under AS 10.41.100(b) - (e);

28 (23) "trustee corporation" means a corporation formed under AS 10.41.100(b)
29 that has conformed its articles to AS 10.41.105(a)(6)(B);

30 (24) "surviving corporation" means a corporation into which one or more other
31 corporations are merged;

1 (25) "vacancy" when used with respect to the body of trustees means any au-
2 thorized position of trustee that is not then filled by a duly elected, appointed, or designated
3 trustee, whether caused by death, resignation, removal, change in the authorized number of
4 trustees, or other event;

5 (26) "verified" means certified as true under AS 09.63.040;

6 (27) "vote" includes authorization by written consent;

7 (28) "writing" includes any form of recorded message capable of comprehension
8 by ordinary visual means.

9 * Sec. 3. AS 10.20 and AS 10.40 are repealed.

10 * Sec. 4. In the following statutes, the revisor of statutes is directed to replace references to AS 10.20
11 with references to AS 10.21: AS 04.11.240(a); AS 10.06.828, 10.06.845(c), 10.06.850; AS 10.30.055;
12 AS 13.16.705(f); AS 16.10.380(c), 16.10.400(a), 16.10.400(e); AS 29.35.130(a); AS 44.33.135(a);
13 AS 47.10.310(b); and AS 47.40.091.

14 * Sec. 5. EXERCISE OF RESERVE POWER. It is the intent of the legislature in enacting
15 AS 10.21.450(a) and AS 10.41.220 in secs. 1 - 2 of this Act to exercise to the fullest extent the reserve
16 power of the state over corporations and to authorize any amendments of the articles permitted under
17 AS 10.21.450(a) or AS 10.41.220 regardless of whether a provision contained in the amendment was
18 permissible at the time of the original incorporation of the corporation.

19 * Sec. 6. GENERAL APPLICATION PROVISIONS. (a) Except as otherwise expressly provided
20 by this Act, AS 10.21, enacted by sec. 1 of this Act, applies on and after July 1, 1992, to

21 (1) a corporation organized under former AS 10.20 and existing on July 1, 1992;

22 (2) a foreign corporation that is authorized immediately before July 1, 1992, under former
23 AS 10.20 to conduct affairs in the state;

24 (3) a foreign corporation that conducts affairs in the state on or after July 1, 1992;

25 (4) actions by a director, officer, or member of a corporation described in (1) - (3) of this
26 subsection on and after July 1, 1992.

27 (b) Except as otherwise expressly provided by this Act, a section of AS 10.21., enacted by sec. 1
28 of this Act, governing acts, contracts, or other transactions by a corporation or its directors, officers, or
29 shareholders applies only to acts, contracts, or transactions occurring on or after July 1, 1992, and the
30 provisions of former AS 10.20 govern acts, contracts, or transactions occurring before July 1, 1992.

31 (c) Except as otherwise expressly provided by this Act, a vote or consent by the directors or

1 members of a corporation before July 1, 1992, under the provisions of former AS 10.20 is effective, and
2 if a certificate or document is required to be filed in a public office of the state relating to the action,
3 the certificate or document may be filed after July 1, 1992, under the provisions of former AS 10.20.

4 (d) Except as otherwise expressly provided by this Act, AS 10.41, enacted by sec. 2 of this Act,
5 applies on and after July 1, 1992, to

6 (1) a corporation organized under former AS 10.40 and existing on July 1, 1992;

7 (2) actions by an officer, body, or member of a corporation described in (1) of this
8 subsection on and after July 1, 1992.

9 (e) Except as otherwise expressly provided by this Act, a section of AS 10.40 governing acts,
10 contracts, or other transactions by a corporation or by an officer, body, or member of a corporation
11 applies only to acts, contracts, or transactions occurring before July 1, 1992.

12 (f) Except as otherwise expressly provided by this Act, a vote or consent by an officer, body,
13 or member of a corporation before July 1, 1992, under the provisions of former AS 10.40 is effective,
14 and if a certificate or document is required to be filed in a public office of the state relating to the
15 action, the certificate or document may be filed after July 1, 1992, in accordance with the provisions of
16 former AS 10.40.

17 (g) If a domestic corporation organized under former AS 10.20 and existing on July 1, 1992, is
18 formed for the purposes identified under AS 10.41.005, enacted by sec. 2 of this Act, the corporation
19 shall on or before July 1, 1997, amend its articles to conform to AS 10.41.105 and 10.41.110 and shall
20 be governed by AS 10.41 from the date the amended articles are filed with the Department of Commerce
21 and Economic Development. If the corporation does not make the amendments as required by this
22 subsection, the corporation shall be considered on and after July 1, 1997, to be a membership corporation
23 organized under and subject to AS 10.41. In this subsection, "membership corporation" has the meaning
24 given in AS 10.41.680.

25 (h) If a foreign corporation that is existing on July 1, 1992, and that has received a certificate
26 of authority under former AS 10.20 is formed for the purposes identified under AS 10.41.005, enacted
27 by sec. 2 of this Act, the corporation shall, on or before July 1, 1997, amend its certificate of authority
28 to conform to AS 10.41.550 and shall be governed by AS 10.41 from the date the application for an
29 amended certificate is filed with the Department of Commerce and Economic Development. If the
30 corporation does not file the amended certificate of authority as required by this subsection, the
31 corporation shall be considered on and after July 1, 1997, to be a membership corporation subject to

1 AS 10.41. In this subsection, "membership corporation" has the meaning given in AS 10.41.990.

2 (i) If a corporation organized under former AS 10.40 and existing on July 1, 1992, is not formed
3 for the purposes identified under AS 10.41.005, enacted by sec. 2 of this Act, the corporation shall on
4 or before July 1, 1997, amend its articles to conform to AS 10.21.105 and 10.21.110 and shall be
5 governed by AS 10.21 from the date the amended articles are filed with the Department of Commerce
6 and Economic Development. If the corporation does not make the amendments as required by this
7 subsection, the corporation shall be considered on and after July 1, 1997, to be a public benefit
8 corporation organized under and subject to AS 10.41. In this subsection, "public benefit corporation"
9 has the meaning given in AS 10.21.990.

10 (j) Except as otherwise expressly provided by this Act, the provisions of AS 10.21.105 and
11 10.21.110, enacted by sec. 1 of this Act, relating to the contents of articles of incorporation do not apply
12 to corporations organized under former AS 10.20 and existing on July 1, 1992, unless and until an
13 amendment of the articles is filed stating that the corporation elects to be governed by all of the
14 provisions of AS 10.21 not otherwise applicable to it under this Act. If an amendment does not change
15 the articles of incorporation other than conforming the statement of purposes and powers to
16 AS 10.21.105(a)(2) or 10.21.110(1)(E), enacted by sec. 1, of this Act, or deletes references to the
17 location of the principal office, it may be adopted by approval of the board of directors of the
18 corporation alone; otherwise, it shall be approved as provided in AS 10.21.450 - 10.21.453, enacted by
19 sec. 1 of this Act. This subsection may not be interpreted to mean that a corporation is not bound by
20 its articles of incorporation existing on July 1, 1992.

21 (k) Except as otherwise expressly provided by this Act, a corporation organized under former
22 AS 10.20 and existing on July 1, 1992, shall comply with AS 10.21.105 and 10.21.110, enacted by sec. 1
23 of this Act, on or before July 1, 1997.

24 (l) Except as otherwise expressly provided by this Act, the provisions of AS 10.41.105 and
25 10.41.110, enacted by sec. 2 of this Act, relating to the contents of articles of incorporation, do not apply
26 to corporations organized under former AS 10.40 and existing on July 1, 1992, unless and until an
27 amendment of the articles is filed stating that the corporation elects to be governed by all of the
28 provisions of AS 10.41 not otherwise applicable to it under this Act. This subsection may not be
29 interpreted to mean that a corporation is not bound by its articles existing on July 1, 1992.

30 (m) Except as otherwise expressly provided by this Act, a corporation organized and existing
31 under the provisions of former AS 10.40 shall comply with AS 10.41.105 and 10.41.110, enacted by

1 sec. 2 of this Act, on or before July 1, 1997.

2 * **Sec. 7. APPLICABILITY TO CERTAIN CORPORATIONS WITH CLASSIFIED DIRECTORS.**

3 (a) Notwithstanding AS 10.21.355(e) and 10.21.365, if a corporation is organized under 43 U.S.C.
4 1601 - 1629e and if the corporation's bylaws, as the bylaws exist immediately before July 1, 1992,
5 contain a provision that complies with former AS 10.20 and provides for a board of directors consisting
6 of three or fewer classes of directors with terms of office extending not longer than the third annual
7 meeting after the directors' election, the corporation may continue to elect directors in the classes and
8 for the terms provided under the bylaws.

9 (b) The application of (a) of this section terminates if on or after July 1, 1992, the corporation
10 modifies or eliminates the provisions of the corporation's bylaws on the classification and terms of office
11 of the corporation's directors.

12 (c) Notwithstanding AS 10.21.355(e) and 10.21.365, if a corporation is not covered by (a) of this
13 section, if the corporation is organized under former AS 10.20, and if the corporation's bylaws, as the
14 bylaws exist immediately before July 1, 1992, contain a provision that complies with former AS 10.20
15 and provides for a classified board of directors, the corporation may continue to elect directors in the
16 classes and for the terms provided under the bylaws until July 1, 1997.

17 * **Sec. 8. TENURE OF OFFICERS PRESERVED.** If a person holds an office under a law repealed
18 by this Act, the person shall continue to hold the office according to its former tenure if the office is
19 continued by this Act.

20 * **Sec. 9. INDEMNIFICATION BY A CORPORATION.** AS 10.21.440, as enacted by sec. 1 of this
21 Act, governs a proposed indemnification by a corporation after July 1, 1992, whether the events upon
22 which the indemnification is based occurred before or after the effective date of this Act. A statement
23 relating to indemnification contained in the articles or bylaws of a corporation on the effective date of
24 this Act may limit the indemnification permitted by AS 10.21.440 unless the statement expressly states
25 that indemnification is limited.

26 * **Sec. 10. EXISTING ACTIONS, LIABILITIES, PENALTIES, AND SPECIAL PROCEEDINGS.**
27 The enactment of AS 10.21 and AS 10.41 by secs. 1 - 2 of this Act does not affect a cause of action,
28 liability, penalty, or special proceeding existing, incurred, or accrued on July 1, 1992.

29 * **Sec. 11. COURT RULES AMENDED BY AS 10.21.** (a) AS 10.21.015(b)(1), enacted by sec. 1
30 of this Act, amends Alaska Rule of Civil Procedure 19 by making all parties to a contract covered by
31 AS 10.21.015(b)(1) indispensable parties to certain actions under AS 10.21.015(b)(1).

1 (b) AS 10.21.190(c), enacted by sec. 1 of this Act, amends

2 (1) Alaska Rule of Civil Procedure 79(b) by including all discovery costs in the costs that
3 are to be awarded to certain successful plaintiffs;

4 (2) Alaska Rule of Civil Procedure 82 by requiring that certain successful plaintiffs be
5 awarded reasonable attorney fees.

6 (c) AS 10.21.305(d), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
7 by allowing the court to award reasonable attorney fees.

8 (d) AS 10.21.308(d), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
9 by allowing the court to award reasonable attorney fees.

10 (e) AS 10.21.315(b), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
11 by allowing the court to award reasonable attorney fees.

12 (f) AS 10.21.318(j), enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 82
13 by

14 (1) changing the criteria for awarding attorney fees; and

15 (2) allowing the court to award reasonable attorney fees.

16 (g) AS 10.21.540, enacted by sec. 1 of this Act, amends

17 (1) Alaska Rule of Civil Procedure 3 by establishing a different criteria for determining
18 the venue of the action allowed under AS 10.21.540;

19 (2) Alaska Rule of Civil Procedure 4 by establishing how service of process shall be
20 made on nonresidents and requiring service by publication without satisfying the criteria established by
21 the rule;

22 (3) Alaska Rule of Civil Procedure 19 by making all dissenting members indispensable
23 parties to the action allowed under AS 10.21.540;

24 (4) Alaska Rule of Civil Procedure 79 by prohibiting the court from awarding the fees
25 and expenses of experts in an action under this section;

26 (5) Alaska Rule of Civil Procedure 79 by excluding the fees and expenses of experts from
27 the costs to be awarded, except in the circumstances covered by AS 10.21.548(d);

28 (6) Alaska Rule of Civil Procedure 82 by prohibiting the court from awarding attorney
29 fees in an action under this section.

30 (h) AS 10.21.573, enacted by sec. 1 of this Act, amends

31 (1) Alaska Rule of Civil Procedure 19 by making the commissioner of commerce and

1 economic development an indispensable party in an action for involuntary dissolution without the
2 necessity of complying with the criteria in the rule.

3 (2) Alaska Rule of Civil Procedure 24 by allowing a creditor to intervene without the
4 necessity of complying with the criteria of the rule and by removing the court's discretion to decide if
5 the intervention is timely.

6 (i) AS 10.21.578, enacted by sec. 1 of this Act, amends

7 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
8 in order to begin an appeal from a decision under AS 10.21.578 of the commissioner of commerce and
9 economic development;

10 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
11 by the superior court;

12 (3) Alaska Rule of Civil Procedure 17 by allowing an assignee to bring a contract action
13 under AS 10.21.578(g) without the necessity of satisfying the real-party-in-interest criteria of the rule;

14 (4) Alaska Rule of Civil Procedure 8 by requiring that certain information be set out in
15 the complaint when an assignee brings a complaint under AS 10.21.578(g);

16 (5) Alaska Rule of Civil Procedure 4 by directing that service of process is to be made
17 as the rule requires for corporations even though the corporation is dissolved.

18 (j) AS 10.21.623, enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 19 by
19 allowing a person who received an improper distribution to be joined as a party without the necessity
20 of complying with the rule's criteria for the permissive joinder of parties.

21 (k) AS 10.21.628, enacted by sec. 1 of this Act, amends

22 (1) Alaska Rule of Civil Procedure 4 by changing the rules of service for a corporation;

23 (2) Alaska Rule of Civil Procedure 24 by allowing a member, creditor, or the
24 commissioner of commerce and economic development to intervene in an action brought under
25 AS 10.21.628 without the necessity of complying with the criteria for intervening parties in the rule.

26 (l) AS 10.21.653, enacted by sec. 1 of this Act, amends

27 (1) Alaska Rule of Civil Procedure 19 by making the commissioner of commerce and
28 economic development an indispensable party in an action under the section without the necessity of
29 complying with the criteria in the rule;

30 (2) Alaska Rule of Civil Procedure 24 by allowing a member, a creditor, or the
31 commissioner of commerce and economic development to intervene without the necessity of complying

1 with the criteria of the rule.

2 (m) AS 10.21.658, enacted by sec. 1 of this Act, amends

3 (1) Alaska rule of Civil Procedure 4 by directing that service of process is to be made
4 as the rule requires for corporations even though the corporation is dissolved;

5 (2) Alaska Rule of Civil Procedure 8 by requiring that certain information be set out in
6 the complaint when an assignee brings a complaint under AS 10.21.658(g);

7 (3) Alaska Rule of Civil Procedure 17 by allowing an assignee to bring a contract action
8 under AS 10.21.658(g) without the necessity of satisfying the real-party-in-interest criteria of the rule;

9 (4) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
10 in order to begin an appeal from a decision under AS 10.21.658 of the commissioner of commerce and
11 economic development;

12 (5) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
13 by the superior court.

14 (n) AS 10.21.705, enacted by sec. 1 of this Act, amends Alaska Rule of Civil Procedure 19 by
15 allowing a person who received an improper distribution to be joined as a party without the necessity
16 of complying with the rule's criteria for the permissive joinder of parties.

17 (o) AS 10.21.710, enacted by sec. 1 of this Act, amends

18 (1) Alaska Rule of Civil Procedure 4 by changing the rules of service for a corporation;

19 (2) Alaska Rule of Civil Procedure 24 by allowing the commissioner of commerce and
20 economic development to intervene in an action brought under AS 10.21.710 without the necessity of
21 complying with the criteria for intervening parties in the rule.

22 (p) AS 10.21.894, enacted by sec. 1 of this Act, amends

23 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
24 in order to begin an appeal from a revocation under AS 10.21.894 of the commissioner of commerce
25 and economic development;

26 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
27 by the superior court.

28 (q) AS 10.21.910, enacted by sec. 1, of this Act, amends

29 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
30 in order to begin an appeal from a disapproval under AS 10.21.910 of the commissioner of commerce
31 and economic development;

1 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
2 by the superior court.

3 (r) AS 10.21.920, enacted by sec. 1 of this Act, amends Alaska Rule of Evidence 803 by
4 requiring the court to receive as evidence certain documents dealing with corporations.

5 * Sec. 12. COURT RULES AMENDED BY AS 10.41. (a) AS 10.41.175, enacted by sec. 2 of this
6 Act, amends Alaska Rule of Civil Procedure 24 by allowing the commissioner of commerce and
7 economic development to intervene in an action under AS 10.41.175 without the necessity of complying
8 with the criteria for intervention established by the rule.

9 (b) AS 10.41.360, enacted by sec. 2 of this Act, amends

10 (1) Alaska Rule of Civil Procedure 17 by allowing an assignee to bring a contract action
11 under AS 10.41.360(b) without the necessity of satisfying the real-party-in-interest criteria of the rule;

12 (2) Alaska Rule of Civil Procedure 8 by requiring that certain information be set out in
13 the complaint when an assignee brings a complaint under AS 10.41.360(b)

14 (c) AS 10.41.810, enacted by sec. 2 of this Act, amends

15 (1) Alaska Rule of Appellate Procedure 602 by changing what the corporation must file
16 in order to begin an appeal from a disapproval under AS 10.41.605 of the commissioner of commerce
17 and economic development;

18 (2) Alaska Rule of Appellate Procedure 609 by requiring that the appeal be tried de novo
19 by the superior court.

20 (d) AS 10.41.820, enacted by sec. 2 of this Act, amends Alaska Rule of Evidence 803 by
21 requiring the court to receive as evidence certain documents dealing with corporations.

22 * Sec. 13. This Act takes effect July 1, 1992.