

HB200 ENROLLED



1 HB200
2 1NWI3LZ-2
3 By Representative Almond
4 RFD: Judiciary
5 First Read: 05-Feb-25



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Enrolled, An Act,

Relating to the Alabama Business Corporation Law, the Alabama Nonprofit Corporation Law, the Alabama Professional Corporation Law, the Alabama Limited Liability Company Law, the Alabama Partnership Law, and the Alabama Limited Partnership Law; to amend Sections 10A-1-1.02, 10A-1-1.08, as amended by Act 2024-413, 2024 Regular Session, 10A-1-2.11, 10A-1-3.08, 10A-1-5.08, 10A-1-5.09, 10A-1-5.10, 10A-1-5.32, 10A-1-5.33, 10A-1-5.34, 10A-1-7.01, 10A-1-7.04, 10A-1-8.01, 10A-1-8.02, 10A-2A-7.40, 10A-2A-9.11, 10A-2A-11.01, 10A-2A-11.02, 10A-2A-11.03, 10A-3A-12.01, 10A-3A-12.02, 10A-3A-13.02, 10A-4-3.02, as amended by Act 2024-413, 2024 Regular Session, 10A-5A-1.02, 10A-5A-1.06, 10A-5A-2.02, as amended by Act 2024-413, 2024 Regular Session, 10A-5A-5.02, 10A-5A-5.04, 10A-5A-8.02, 10A-5A-10.01, 10A-5A-10.05, 10A-8A-1.07, 10A-8A-2.02, 10A-8A-3.03, 10A-8A-3.04, 10A-8A-5.02, 10A-8A-5.04, 10A-8A-8.02, 10A-8A-8.03, 10A-8A-8.11, 10A-8A-9.01, 10A-8A-9.02, 10A-8A-9.06, 10A-8A-10.01, and 10A-8A-10.03, 10A-9A-1.07, 10A-9A-2.06, 10A-9A-7.02, 10A-9A-7.04, 10A-9A-9.02, 10A-9A-10.01, 10A-9A-10.02, 10A-9A-10.06, Code of Alabama 1975, and to add Sections 10A-2A-3.05, 10A-2A-8.27, 10A-3A-3.05, and 10A-3A-8.26 to the Code of Alabama 1975; to make technical corrections and to codify issues regarding electronic filing issues and name reservation issues; to clarify the current practice of providing certain termination fees and other consequences in merger agreements; to clarify the current



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practice of approving merger agreements; to clarify the current practice of naming of merger agreements; to codify the common law doctrine of independent legal significance; to codify the current practice of approving and authorizing agreements, including conversion, merger, and exchange agreements, and providing a ratification process for documents that were not properly approved; to provide a simplified purchase process upon the death or disqualification of a stockholder or member of an Alabama professional corporation; to provide that a limited liability company agreement may allow for the transfer of a transferable interest upon the death of a transferable interest holder, with or without consideration, subject to outstanding charging orders and subject to the rights of creditors; to provide a simplified purchase process upon the death or disqualification of a member of an Alabama limited liability company; to provide that a partnership agreement may allow for the transfer of a transferable interest upon the death of a transferable interest holder, with or without consideration, subject to outstanding charging orders and subject to the rights of creditors; to provide a simplified purchase process upon the death or disqualification of a member of an Alabama partnership; to provide that a limited partnership agreement may allow for the transfer of a transferable interest upon the death of a transferable interest holder, with or without consideration, subject to outstanding charging orders and subject to the rights of creditors; and to provide an effective date.



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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 10A-1-1.02, 10A-1-1.08, as amended by Act 2024-413, 2024 Regular Session, 10A-1-2.11, 10A-1-3.08, 10A-1-5.08, 10A-1-5.09, 10A-1-5.10, 10A-1-5.32, 10A-1-5.33, 10A-1-5.34, 10A-1-7.01, 10A-1-7.04, 10A-1-8.01, and 10A-1-8.02, Code of Alabama 1975, are amended to read as follows:

"§10A-1-1.02

(a) All provisions of this chapter shall apply to all entities formed pursuant to or governed by Chapters 2A to 11, inclusive, and ~~Chapter~~ Chapters 17 and 18, except as set forth in this chapter and except as set forth in subsections (c), (d), and (e).

(b) The provisions of this chapter shall apply to entities formed pursuant to or governed by Chapter 16, Chapter 20, and Chapter 30 only as provided therein or expressly provided in this chapter.

(c) If a provision of this chapter conflicts with a provision in another chapter of this title, the provision of the other chapter, to the extent of the conflict, supersedes the provision of this chapter.

(d) Provisions in another chapter may provide that the provisions of this chapter do not apply by specifically providing which provisions in this chapter do not apply.

(e) Provisions in another chapter may provide that the governing documents of an entity governed by that other chapter may supersede the provisions of this chapter by specifically providing which provisions in this chapter may be



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superseded by those governing documents."

"§10A-1-1.08

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

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

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

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

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

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

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

(h) Chapter 10 and the provisions of Chapter 1 to the extent applicable to real estate investment trusts may be cited as the Alabama Real Estate Investment Trust Law.

(i) Chapter 11 and the provisions of Chapter 1 and Chapter 2A to the extent applicable to employee cooperative corporations may be cited as the Alabama Employee Cooperative



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Corporations Law.

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

(k) Chapter 18 and the provisions of Chapter 1 to the extent applicable to Alabama statewide trade associations may be cited as the Alabama Statewide Trade Association Law."

"§10A-1-2.11

Except as otherwise provided by this title, and whether or not expressly stated in its governing documents, a domestic entity has the same powers as an individual to take action necessary or convenient to carry out its business and affairs. Except as otherwise provided by this title or the governing documents of the entity, the powers of a domestic entity include the power to:

(1) sue, be sued, complain and defend suit in its entity name;

(2) have and alter a seal and use the seal or a facsimile of it by impressing, affixing, or reproducing it;

(3) purchase, lease, or otherwise acquire, receive, own, hold, improve, use, and deal in and with property or an interest in property;

(4) sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of property;

(5) make contracts and guaranties;

(6) incur liabilities, borrow money, issue notes, bonds, and other obligations which may be convertible into or



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141 include the option to purchase other securities or ownership
142 interests in the entity, and secure any obligations, or the
143 obligations of others for whom it can make guarantees, whether
144 or not a guarantee is made, by mortgaging or pledging its
145 property, franchises, or income;

146 (7) lend money, invest its funds, and receive and hold
147 property as security for repayment;

148 (8) acquire its own bonds, debentures, or other
149 evidences of indebtedness or obligations;

150 (9) acquire its own ownership interests, regardless of
151 whether redeemable, and hold the ownership interests as
152 treasury ownership interests or cancel or dispose of the
153 ownership interests;

154 (10) be a promoter, organizer, owner, partner, member,
155 associate, or manager of an organization;

156 (11) acquire, receive, own, hold, vote, use, pledge,
157 and dispose of ownership interests in or securities issued by
158 another person;

159 (12) conduct its business, locate its offices, and
160 exercise the powers granted by this title to further its
161 purposes, in or out of this state;

162 (13) lend money to, and otherwise assist, its
163 managerial officials, owners, members, or employees as
164 necessary or appropriate, provided, however, a nonprofit
165 entity shall not have the power to lend money to its officers
166 or directors;

167 (14) elect or appoint governing persons, officers, and
168 agents of the entity, establish the length of their terms,



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define their duties, and fix their compensation;

(15) pay pensions and establish pension plans, pension trusts, profit sharing plans, share bonus plans, and incentive plans for managerial officials, owners, members, or employees or former managerial officials, owners, members, or employees;

(16) indemnify and maintain liability insurance for managerial officials, owners, members, employees, and agents of the entity or the entity's affiliate;

(17) adopt and amend governing documents for managing the affairs of the entity subject to applicable law;

(18) make donations for the public welfare or for charitable, scientific, or educational purposes;

(19) voluntarily wind up its business and activities and terminate its existence;

(20) transact business or take action that will aid governmental policy;~~and~~

(21) make payments or donations, or do any other act, not inconsistent with law, that furthers the business and affairs of the entity; and

~~(21)~~(22) take other action necessary or appropriate to further the purposes of the entity."

"§10A-1-3.08

(a) Filing instruments that (i) were required or permitted to be delivered for filing to a filing officer other than the Secretary of State prior to January 1, 2021, (ii) were delivered for filing to a filing officer other than the Secretary of State prior to January 1, 2021, (iii) were accepted by that filing officer and filed by that filing



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officer prior to January 1, 2021, and (iv) would, if they were delivered for filing on or after January 1, 2021, be required or permitted to be delivered to the Secretary of State for filing shall:

(1) remain in full force and effect until amended, restated, revoked, or otherwise altered by a filing instrument filed with the Secretary of State for that purpose; and

(2) not be affected as to their validity on or after January 1, 2021, solely by reason of the change of location of filings for similar filing instruments on or after January 1, 2021, to the office of the Secretary of State.

(b) A filing entity that has one or more filing instruments that are described in clauses (i) through (iv) of subsection (a) and that are not in the records of the Secretary of State, may, but is not required to, deliver to the Secretary of State for filing on or after January 1, 2021, a certificate of information ~~listing and attaching certified copies of all of the above-described filing instruments of that entity.~~ The certificate of information shall include the following information:

(1) the name of the entity;

(2) the type of entity;

(3) the date of formation of the entity;

(4) the unique identifying number or other designation assigned by the Secretary of State, if any;

(5) a list of all of the filing instruments known to the entity that are described in clauses (i) through (iv) of subsection (a) that are not in the records of the Secretary of



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State, which list must include the title of each filing instrument, the date of the filing of each filing instrument, and the filing officer with whom each filing instrument was delivered for filing;

(6) an attached certified copy of the certificate of formation then in effect if not in the records of the Secretary of State; and

(7) an attached certified copy of any other filing instruments of that entity then in effect that are not in the records of the Secretary of State that the entity determines to have in the records of the Secretary of State."

"§10A-1-5.08

(a) The name of a domestic professional corporation or of a foreign professional corporation registered to transact business in this state must contain the words "professional corporation" or the abbreviation "P.C." or "PC" and shall otherwise conform to any rule promulgated by a licensing authority having jurisdiction of a professional service described in the certificate of formation of the professional corporation.

(b) The name of a professional entity must be consistent with a statute or regulation that governs a person that provides a professional service through the professional entity, including a rule of professional ethics."

"§10A-1-5.09

~~The name of a professional entity must be consistent with a statute or regulation that governs a person that provides a professional service through the professional~~



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entity, ~~including a rule of professional ethics.~~ (a) The name of a general partnership that has filed a statement of partnership in accordance with Section 10A-8A-2.02 must include the words "general partnership" or the abbreviation "G.P." or "GP."

(b) The name of a general partnership that has filed a statement of not for profit partnership in accordance with Section 10A-8A-2.02 must include the words "not for profit general partnership" or the abbreviation "N.G.P." or "NGP."

"§10A-1-5.10

~~(a) The name of a general partnership that has filed a statement of partnership in accordance with Section 10A-8A-2.02 must include the words "general partnership" or the abbreviation "G.P." or "GP."~~

~~(b) The name of a general partnership that has filed a statement of not for profit partnership in accordance with Section 10A-8A-2.02 must include the words "not for profit general partnership" or the abbreviation "N.G.P." or "NGP."~~

(a) (i) All filing entities and (ii) all general partnerships that are filing a statement of partnership, a statement of not for profit general partnership, or a statement of limited liability partnership, must reserve a name with the Secretary of State in accordance with this Article 5.

(b) When a filing entity delivers its certificate of formation or certificate of incorporation, as applicable, to the Secretary of State for filing, that filing entity must attach its name reservation certificate to its certificate of



formation or the certificate of incorporation, as applicable;
provided, that the name reservation certificate shall not be
part of the certificate of formation or certificate of
incorporation, as applicable.

(c) When a general partnership delivers its statement
of partnership, statement of not for profit general
partnership, or statement of limited liability partnership, as
applicable, to the Secretary of State for filing, that general
partnership must attach its name reservation certificate to
its statement of partnership, statement of not for profit
general partnership, or statement of limited liability
partnership, as applicable; provided, that the name
reservation certificate shall not be part of the statement of
partnership, the statement of not for profit general
partnership, or the statement of limited liability
partnership, as applicable."

"§10A-1-5.32

(a) An entity required to maintain a registered office
and registered agent under Section 10A-1-5.31 may change its
registered office, its registered agent, or both, by
delivering to the Secretary of State for filing a statement of
the change in accordance with the procedures in Article 4.

(b) The statement of change must contain:

(1) the name of the entity;

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

~~(2)~~ (3) the name of the entity's registered agent;

~~(3)~~ (4) the street address of the entity's registered



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309 agent;

310 ~~(4)~~ (5) if the change relates to the registered agent,
311 the name of the entity's new registered agent and the new
312 registered agent's written consent to the appointment, either
313 on the statement or attached to it;

314 ~~(5)~~ (6) if the change relates to the registered office,
315 the street address of the entity's new registered office;

316 ~~(6)~~ (7) a recitation that the change specified in the
317 statement is authorized by the entity; and

318 ~~(7)~~ (8) a recitation that the street address of the
319 registered office and the street address of the registered
320 agent's business are the same.

321 (c) On acceptance of the statement by the Secretary of
322 State, the statement is:

323 (1) in the case of a domestic filing entity, effective
324 to change the designation of the entity's registered agent or
325 registered office, or both, without the necessity of amending
326 the entity's certificate of formation;

327 (2) in the case of a general partnership with an
328 effective statement of partnership, statement of not for
329 profit partnership, or statement of limited liability
330 partnership on file with the Secretary of State under Chapter
331 8A, effective to change its registered agent or registered
332 office, or both, without the necessity of amending its
333 statement of partnership, statement of not for profit
334 partnership, or statement of limited liability partnership
335 under Chapter 8A;

336 (3) in the case of a foreign filing entity other than a



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foreign limited liability partnership, effective to change the designation of the entity's registered agent or registered office, or both, and effective as an amendment of its application for registration as a foreign entity under Article 7; or

(4) in the case of a foreign limited liability partnership, effective to change the designation of its registered agent or registered office, or both, without the necessity of amending its statement of foreign limited liability partnership under Article 7."

"§10A-1-5.33

(a) The registered agent of any entity required by Section 10A-1-5.31 to designate and maintain a registered agent or registered office may give notice of a change of its name, or a change of its street address as the street address of the entity's registered office, or both, by delivering a statement of change containing the information required by this section to the Secretary of State for filing ~~a statement of the change~~ in accordance with the procedures in Article 4.

(b) The statement of change must be signed by the registered agent, or a person authorized to sign the statement on behalf of the registered agent, and ~~must contain~~ include:

(1) the name of the entity represented by the registered agent;

(2) the unique identifying number of the entity assigned by the Secretary of State;

~~(2)~~ (3) the name of the entity's registered agent and the street address at which the registered agent maintained



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365 the entity's registered office;

366 ~~(3)~~ (4) if the change relates to the name of the
367 registered agent, the new name of that agent;

368 ~~(4)~~ (5) if the change relates to the street address of
369 the registered office, the new street address of ~~that the~~
370 registered office; and

371 ~~(5)~~ (6) a recitation that written notice of the change
372 was given to the entity by the registered agent at least 10
373 days before the date the statement of change is ~~filed~~
374 delivered to the Secretary of State for filing.

375 (c) On acceptance of the statement of change by the
376 Secretary of State, the statement of change is:

377 (1) in the case of a domestic filing entity, effective
378 to make the change or changes set forth in the statement of
379 change without the necessity of amending the entity's
380 certificate of formation;

381 (2) in the case of a general partnership with an
382 effective statement of partnership, statement of not for
383 profit partnership, or statement of limited liability
384 partnership on file with the Secretary of State, effective to
385 make the change ~~its registered agent or registered office, or~~
386 ~~both,~~ or changes set forth in the statement of change without
387 the necessity of amending its statement of partnership,
388 statement of not for profit partnership, or statement of
389 limited liability partnership under Chapter 8A;

390 (3) in the case of a foreign filing entity with an
391 effective application for registration, effective to make the
392 change or changes set forth in the statement, ~~and effective as~~



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393 ~~an amendment of~~ of change, without the necessity of amending
394 its application for registration as a foreign entity under
395 Article 7; or

396 (4) in the case of a foreign limited liability
397 partnership with an effective statement of limited liability
398 partnership, effective to make the change or changes set forth
399 in the statement, ~~and effective as an amendment to~~ of change,
400 without the necessity of amending or restating its statement
401 of foreign limited liability partnership under Article 7.

402 (d) A registered agent may ~~file~~ deliver a statement of
403 change to the Secretary of State for filing under this section
404 that applies to more than one entity, and if the registered
405 agent does so, the registered agent must include the unique
406 identifying number assigned by the Secretary of State to each
407 entity in the statement of change."

408 "§10A-1-5.34

409 (a) A registered agent of any entity required by
410 Section 10A-1-5.31 to designate and maintain a registered
411 agent or registered office may resign as the registered agent
412 by giving written notice to that entity and delivering a
413 statement of resignation to the Secretary of State for filing.

414 (b) ~~Notice~~ Written notice to the entity must be given
415 to the entity at the address of the entity most recently known
416 by the agent prior to the delivery of the statement of
417 resignation to the Secretary of State for filing.

418 (c) ~~Notice~~ The statement of resignation shall be
419 delivered to the Secretary of State ~~must be given before the~~
420 ~~11th day after the date notice under subsection (b) is mailed~~



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421 ~~or delivered for filing~~ and must include:

422 ~~(1) the address of the entity most recently known by~~
423 ~~the agent;~~

424 ~~(2) a statement that written notice of the resignation~~
425 ~~has been given to the entity; and~~

426 ~~(3) the date on which that written notice of~~
427 ~~resignation was given.~~

428 ~~(d) On compliance with subsections (b) and (c), the~~
429 ~~appointment of the registered agent terminates. The~~
430 ~~termination is effective on the 31st day after the date the~~
431 ~~Secretary of State receives the notice.~~

432 (1) the name of the entity;

433 (2) the unique identifying number of the entity
434 assigned by the Secretary of State;

435 (3) the name of the agent;

436 (4) that the agent resigns from serving as registered
437 agent for the entity; and

438 (5) the address of the entity to which the agent
439 delivered the written notice required by subsection (b).

440 (d) A statement of resignation takes effect on the
441 earlier of:

442 (1) 12:01 a.m. on the 31st day after the day on which
443 it is delivered to the Secretary of State for filing; or

444 (2) the designation of a new registered agent by the
445 entity.

446 (e) When a statement of resignation takes effect, the
447 person that resigned ceases to have responsibility under this
448 title for any matter thereafter tendered to it as registered



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agent for the entity. The resignation does not affect any contractual rights the entity has against the registered agent or that the registered agent has against the entity.

(f) A registered agent may resign with respect to an entity regardless of whether the entity is in good standing.

~~(e) If (g) Upon the receipt of the statement of resignation by the Secretary of State finds that a notice of resignation received by the filing officer conforms to subsections (b) and (c), the Secretary of State shall:~~

(1) notify the entity of the registered agent's resignation; and

(2) file the statement of resignation in accordance with Article 4, except that a fee is not required to file the statement of resignation."

"§10A-1-7.01

(a) (1) For purposes of this Article 7, the terms register, registering, and registered include (i) a foreign entity other than a foreign limited liability partnership delivering to the Secretary of State for filing an application for registration and the Secretary of State filing the application for registration, and (ii) a foreign limited liability partnership delivering to the Secretary of State for filing a statement of foreign limited liability partnership and the Secretary of State filing the statement of foreign limited liability partnership.

(2) For purposes of this Article 7, the term registration includes (i) a filed application for registration and (ii) a filed statement of foreign limited liability



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477 partnership.

478 (b) For purposes of this Article 7, the terms transact
479 business and transacting business shall include conducting a
480 business, activity, not for profit activity, and any other
481 activity, whether or not for profit.

482 (c) To transact business in this state, a foreign
483 entity must register under this chapter if the foreign entity:

484 (1) is a foreign entity, the formation of which, if
485 formed in this state, would require the filing under Article 3
486 of a certificate of formation;

487 (2) is a foreign limited liability partnership; or

488 (3) affords limited liability under the law of its
489 jurisdiction of formation for any owner or member.

490 (d) A foreign entity described by subsection (b) must
491 maintain the foreign entity's registration while transacting
492 business in this state.

493 (e) For purposes of this Article 7, a foreign entity
494 must reserve a name with the Secretary of State in accordance
495 with Article 5 and when a foreign entity delivers its
496 application for registration to the Secretary of State for
497 filing, that foreign entity must attach its name reservation
498 certificate to its application for registration."

499 "§10A-1-7.04

500 (a) (1) A foreign entity described in Section
501 10A-1-7.01(c), other than a foreign limited liability
502 partnership, registers by delivering to the Secretary of State
503 for filing an application for registration in accordance with
504 the procedures in Article 4.



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(2) A foreign limited liability partnership registers by delivering to the Secretary of State for filing a statement of foreign limited liability partnership in accordance with the procedures in Article 4.

(b) The application for registration of a foreign entity described in Section 10A-1-7.01(c) other than a foreign limited liability partnership must state:

(1) the foreign entity's name or, if that name is not available for use in this state or otherwise would not comply with Article 5, a name that satisfies the requirements of Section 10A-1-7.07 under which the foreign entity will transact business in this state;

(2) the foreign entity's type;

(3) the foreign entity's jurisdiction of formation;

(4) the date of the foreign entity's formation;

(5) that the foreign entity exists as a valid foreign entity of the stated type under the laws of the foreign entity's jurisdiction of formation;

(6) the date the foreign entity began or will begin to transact business in this state;

(7) the street address and mailing address, if different, of the principal office of the foreign entity; and

(8) the street address and mailing address, if different, of the initial registered office and the name of the initial registered agent for service of process which Article 5 requires to be maintained at that office.

(c) The statement of foreign limited liability partnership must state:



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(1) the foreign limited liability partnership's name or, if that name is not available for use in this state or otherwise would not comply with Article 5, a name that satisfies the requirements of Section 10A-1-7.07 under which the foreign entity will transact business in this state;

(2) the jurisdiction which governs the foreign limited liability partnership's partnership agreement and under which it is a limited liability partnership;

(3) the date of the foreign limited liability partnership's formation;

(4) that the foreign limited liability partnership exists as a valid foreign limited liability partnership under the laws of the jurisdiction which governs the foreign limited liability partnership's partnership agreement and under which it is a limited liability partnership;

(5) the date the foreign limited liability partnership will begin to transact business in this state;

(6) the street address and mailing address, if different, of the principal office of the foreign limited liability partnership;

(7) the street address and mailing address, if different, of the initial registered office and the name of the initial registered agent for service of process which Article 5 requires to be maintained at that office~~+~~.

(d) The application for registration of a foreign entity described in Section 10A-1-7.01(c) other than a foreign limited liability partnership shall be executed by one or more persons authorized to execute an application for registration.



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The statement of foreign limited liability partnership shall be executed by one or more partners authorized to execute a statement of foreign limited liability partnership.

(e) The status of the foreign entity after registration and the liability of its owners, managers, members, or managerial officials shall not be adversely affected by error or subsequent changes in the information stated in the application for registration or statement of foreign limited liability partnership, as applicable.

(f) The fact that an application for registration or a statement of foreign limited liability partnership, as applicable, is on file with the Secretary of State is notice that the foreign entity is authorized to transact business in this state and as notice of all facts required to be set forth in the application for registration or the statement of foreign limited liability partnership, as applicable.

(g) A foreign entity may register regardless of any differences between the law of the foreign entity's jurisdiction and of this state applicable to the governing of the internal affairs or to the liability of an owner, member, or managerial official. Notwithstanding the foregoing, no foreign entity may carry on in this state any business of a character that may not lawfully be carried on by a domestic entity of the same type.

(h) A statement of foreign limited liability partnership is a filing instrument."

"§10A-1-8.01

A conversion of an entity may be accomplished as



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provided in this section:

(a) The plan of conversion must be in writing, and:

(1) must include the following:

(A) the name, type of entity, and mailing address of the principal office of the converting entity, and its unique identifying number or other designation as assigned by the Secretary of State, if any, before conversion;

(B) the name, type of entity, and mailing address of the principal office of the converted entity after conversion;

(C) the terms and conditions of the conversion, including the manner and basis for converting interests in the converting entity into any combination of money, interests in the converted entity, and other consideration allowed in subsection (b); and

(D) the organizational documents of the converted entity;~~and~~

(2) may include other provisions relating to the conversion not prohibited by law~~;~~ and

(3) at the time of the approval of the plan of conversion in accordance with subsection (c), the plan of conversion is not required to contain or have attached thereto any disclosure letter, disclosure schedules, or similar documents or instruments contemplated by the plan of conversion that modify, supplement, qualify, or make exceptions to representations, warranties, covenants, or conditions contained in the plan of conversion.

(b) In connection with a conversion, rights or securities of or interests in a converting entity may be



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exchanged for or converted into cash, property, or rights or securities of or interests in the converted entity, or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or rights or securities of or interests in another entity, or may be cancelled.

(c) The plan of conversion of an entity must be approved as follows:

(1) CORPORATIONS.

(A) If a corporation is governed by Chapter 2A and that corporation is a converting entity, the plan of conversion under subsection (a) must be approved in accordance with ~~Article 9 of~~ Chapter 2A. If the conversion is a corporate action as described in Section 10A-2A-13.02, then the rights, obligations, and procedures under Article 13 of Chapter 2A shall be applicable to that conversion.

(B) If a corporation is governed by Chapter 3A and that corporation is a converting entity, the plan of conversion under subsection (a) must be approved in accordance with ~~Article 13 of~~ Chapter 3A.

(C) If a corporation is not governed by Chapter 2A or Chapter 3A and that corporation is a converting entity, the plan of conversion under subsection (a) must be approved in accordance with the law of the jurisdiction of formation of that corporation.

(2) LIMITED PARTNERSHIPS, INCLUDING LIMITED LIABILITY LIMITED PARTNERSHIPS. If a limited partnership is a converting entity, the plan of conversion under subsection (a) must be approved in accordance with ~~Article 10 of~~ Chapter 9A.



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(3) LIMITED LIABILITY COMPANIES. If a limited liability company is a converting entity, the plan of conversion under subsection (a) must be approved in accordance with ~~Article 10~~ of Chapter 5A.

(4) GENERAL PARTNERSHIPS, INCLUDING LIMITED LIABILITY PARTNERSHIPS. If a general partnership is a converting entity, the plan of conversion under subsection (a) must be approved in accordance with ~~Article 9~~ of Chapter 8A. If a general partnership is the converting entity and that general partnership does not have an effective statement of partnership, statement of not for profit partnership, or statement of limited liability partnership on file with the Secretary of State, then that general partnership must, before proceeding with a conversion deliver to the Secretary of State for filing, a statement of partnership, statement of not for profit partnership, or statement of limited liability partnership simultaneously with the delivery to the Secretary of State for filing, of a statement of conversion.

(5) REAL ESTATE INVESTMENT TRUST. The terms and conditions of the plan of conversion under subsection (a) of a real estate investment trust must be approved by all of the trust's shareholders or as otherwise provided in the trust's declaration of trust; but in no case may the vote required for shareholder approval be set at less than a majority of all the votes entitled to be cast. No conversion of a real estate investment trust to a general or limited partnership may be effected without the consent in writing of each shareholder who will have personal liability with respect to the converted



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entity, notwithstanding any provision in the declaration of trust of the converting real estate investment trust providing for less than unanimous shareholder approval for the conversion.

(6) OTHER ENTITY. In the case of an entity not specified in subdivisions (1) through (5), a plan of conversion under subsection (a) must be approved in writing by all owners of that entity or, if the entity has no owners, then by all members of the governing authority of that entity.

(d) After the plan of conversion is approved pursuant to subsection (c):

(1) if the converting entity is a filing entity, the converting entity shall deliver to the Secretary of State for filing, a statement of conversion, which must include:

(A) the name, type of entity, and mailing address of the principal office of the converting entity, and its unique identifying number or other designation as assigned by the Secretary of State, if any, before conversion;

(B) a statement that the converting entity has been converted into the converted entity;

(C) the name and type of entity of the converted entity and the jurisdiction of its governing statute;

(D) the street and mailing address of the principal office of the converted entity;

(E) the date the conversion is effective under the governing statute of the converted entity;

(F) a statement that the conversion was approved as required by this chapter;



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701 (G) a statement that the conversion was approved as
702 required by the governing statute of the converted entity;

703 (H) a statement that a copy of the plan of conversion
704 will be furnished by the converted entity, on request and
705 without cost, to any owner of the converted or converting
706 entity; and

707 (I) if the converted entity is a foreign entity not
708 authorized to conduct activities and affairs in this state,
709 the street and mailing address of an office for the purposes
710 of Section 10A-1-8.04(b); and

711 (2) if the converted entity is (I) a filing entity, the
712 converting entity shall deliver to the Secretary of State for
713 filing a certificate of formation or (II) a general
714 partnership, the converting entity shall deliver to the
715 Secretary of State for filing a statement of partnership, a
716 statement of not for profit partnership, or a statement of
717 limited liability partnership, as applicable, which
718 certificate of formation or statement of partnership,
719 statement of not for profit partnership, or statement of
720 limited liability partnership, as applicable, must include, in
721 addition to the information required in the chapter governing
722 the certificate of formation of the converted entity, the
723 following:

724 (A) The name, mailing address of the principal office
725 of, type of entity, and the jurisdiction of the governing
726 statute of the converting entity and its unique identifying
727 number or other designation as assigned by the Secretary of
728 State, if any, before conversion;



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(B) A statement that the converting entity has been converted into the converted entity;

(C) The filing office where the certificate of formation, if any, of the converting entity is filed and the date of the filing thereof;

(D) If the converted entity is one in which one or more owners lack limited liability protection, a statement that each owner of the converting entity who is to become an owner without limited liability protection of the converted entity has consented in writing to the conversion as required by this section; and

(E) A statement that the conversion was approved pursuant to this section and, if the converting entity is a foreign entity, that the conversion was approved as required by the governing statute of such foreign entity;

(3) if the converting entity is required pursuant to subdivisions (1) and (2) to deliver to the Secretary of State for filing both (I) a statement of conversion and (II)(A) a certificate of formation, or (B) a statement of partnership, statement of not for profit partnership, or statement of limited liability partnership, as applicable, then the converting entity shall deliver the statement of conversion and the certificate of formation or the statement of partnership, statement of not for profit partnership, or statement of limited liability partnership, as applicable, to the Secretary of State simultaneously; and

(4) if the converting entity is a general partnership and that partnership does not have an effective statement of



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partnership, statement of not for profit partnership, or statement of limited liability partnership on file with the Secretary of State, then the converting entity must deliver to the Secretary of State for filing, a statement of partnership, statement of not for profit partnership, or statement of limited liability partnership simultaneously with the delivery to the Secretary of State for filing, of a statement of conversion.

(e) After a plan of conversion is approved and before the conversion takes effect, the plan may be amended or abandoned as provided in the plan, or if the plan does not provide for amendment or abandonment, in the same manner as required for the approval of the plan of conversion originally.

(f) A conversion becomes effective:

(1) if the converted entity is a filing entity, the effective date determined in accordance with Article 4 of this chapter; and

(2) if the converted entity is not a domestic filing entity, as provided by the governing statute of the converted entity.

(g) When a conversion becomes effective:

(1) all property and contract rights owned by the converting entity remain vested in the converted entity without transfer, reversion, or impairment, and the title to any property vested by deed or otherwise in the converting entity shall not revert or be in any way impaired by reason of the conversion;



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(2) all debts, obligations, or other liabilities of the converting entity continue as debts, obligations, or other liabilities of the converted entity and neither the rights of creditors nor the liens upon the property of the converting entity shall be impaired by the conversion;

(3) an action or proceeding pending by or against the converting entity continues as if the conversion had not occurred and the name of the converted entity may, but need not, be substituted for the name of the converting entity in any pending action or proceeding;

(4) except as prohibited by law other than this chapter, all of the rights, privileges, immunities, powers, and purposes of the converting entity remain vested in the converted entity;

(5) except as otherwise provided in the statement of conversion, the terms and conditions of the statement of conversion take effect;

(6) except as otherwise agreed, for all purposes of the laws of this state, the converting entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of the converting entity;

(7) for all purposes of the laws of this state, the rights, privileges, powers, interests in property, debts, liabilities, and duties of the converting entity, shall be the rights, privileges, powers, interests in property, debts, liabilities, and duties of the converted entity, and shall not be deemed as a consequence of the conversion, to have been



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813 transferred to the converted entity;

814 (8) if the converted entity is a domestic entity, for
815 all purposes of the laws of this state, the converted entity
816 shall be deemed to be the same entity as the converting
817 entity, and the conversion shall constitute a continuation of
818 the existence of the converting entity in the form of the
819 converted entity;

820 (9) if the converting entity is a domestic entity, the
821 existence of the converted entity shall be deemed to have
822 commenced on the date the converting entity commenced its
823 existence in the jurisdiction in which the converting entity
824 was first created, formed, organized, incorporated, or
825 otherwise came into being;

826 (10) the conversion shall not affect the choice of law
827 applicable to matters arising prior to conversion;

828 (11) if the Secretary of State has assigned a unique
829 identifying number or other designation to the converting
830 entity and (i) the converted entity is formed pursuant to the
831 laws of this state, or (ii) the converted entity is, within 30
832 days after the effective date of the conversion, registered to
833 transact business in this state, then that unique identifying
834 number or other designation shall continue to be assigned to
835 the converted entity; and

836 (12) (A) An owner with limited liability protection
837 remains liable, if at all, for an obligation incurred by the
838 converting entity before the conversion takes effect only to
839 the extent, if any, the owner would have been liable if the
840 conversion had not occurred.



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(B) An owner with limited liability protection who becomes an owner without limited liability protection is liable for an obligation of the converted entity incurred after conversion to the extent provided for by the laws applicable to the converted entity.

(13) An owner without limited liability protection who as a result of a conversion becomes an owner of a converted entity with limited liability protection remains liable for an obligation incurred by the converting entity before the conversion takes effect only to the extent, if any, the owner would have been liable if the conversion had not occurred.

(h) If:

(1) the converting entity is a filing entity, a general partnership with an effective statement of partnership, statement of not for profit partnership, or statement of limited liability partnership on file with the Secretary of State, a foreign filing entity registered to transact business or not for profit activity in this state, or a qualified foreign limited liability partnership;

(2) the converted entity will be a filing entity, a general partnership with an effective statement of partnership, statement of not for profit partnership, or statement of limited liability partnership on file with the Secretary of State, a foreign filing entity registered to transact business or not for profit activity in this state, or a qualified foreign limited liability partnership;

(3) the name of the converting entity and the converted entity are to be the same, other than words, phrases, or



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869 abbreviations indicating the type of entity; and

870 (4) the name of the converted entity complies with
871 Division A of Article 5 or Section 10A-1-7.07, as the case may
872 be;

873 then, notwithstanding Division B of Article 5, no name
874 reservation shall be required and the converted entity shall
875 for all purposes of this title be entitled to utilize the name
876 of the converting entity without any further action by the
877 converting entity or the converted entity.

878 (i) A certified copy of the statement of conversion may
879 be delivered to the office of the judge of probate in any
880 county in which the converting entity owned real property, to
881 be recorded without payment and without collection by the
882 judge of probate of any deed or other transfer tax or fee. The
883 judge of probate shall, however, be entitled to collect a
884 filing fee of five dollars (\$5). Any filing shall evidence
885 chain of title, but lack of filing shall not affect the
886 converted entity's title to the real property."

887 "§10A-1-8.02

888 A merger of two or more entities, whether the other
889 entity or entities are the same or another form of entity, may
890 be accomplished as provided in this section.

891 (a) The plan of merger must be in writing, and:

892 (1) must include the following:

893 (A) the name, type of entity, and mailing address of
894 the principal office of each entity that is a party to the
895 merger, the jurisdiction of the governing statute of each
896 entity that is a party to the merger, and the respective



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unique identifying number or other designation as assigned by the Secretary of State, if any, of each entity that is a party to the merger;

(B) the name, type of entity, and mailing address of the principal office of the surviving entity and, if the surviving entity is to be created pursuant to the merger, the surviving entity's organizational documents;

(C) the terms and conditions of the merger, including the manner and basis for converting the interests in each entity that is a party to the merger into any combination of money, interests in the surviving entity, and other consideration as allowed by subsection (b); and

(D) if the surviving entity is not to be created pursuant to the merger, any amendments to be made by the merger to the surviving entity's organizational documents;~~and~~

(2) with respect to all entities other than nonprofit entities, a plan of merger may provide:

(A) that (i) any party to the plan of merger that fails to perform its obligations under the plan of merger in accordance with the terms and conditions of the plan of merger, or that otherwise fails to comply with the terms and conditions of the plan of merger, in each case, required to be performed or complied with prior to the time the merger becomes effective, or that otherwise fails to consummate, or fails to cause the consummation of, the merger (whether prior to a specified date, upon satisfaction or, to the extent permitted by law, waiver of all conditions to consummation set forth in the plan of merger, or otherwise) shall be subject,



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in addition to any other remedies available at law or in equity, to the penalties or consequences as are set forth in the plan of merger (which penalties or consequences may include an obligation to pay to the other party or parties to the plan of merger an amount representing, or based on the loss of, any premium or other economic entitlement the owners of the other party would be entitled to receive pursuant to the terms of the plan of merger if the merger were consummated in accordance with the terms of the plan of merger) and (ii) if, pursuant to the terms of the plan of merger, an entity is entitled to receive payment from another party to the plan of merger of any amount representing a penalty or consequence (as specified in clause (i) of this Section 10A-1-8.02(a)(2)(A)), the entity shall be entitled to enforce the other party's payment obligation and, upon receipt of any payment, shall be entitled to retain the amount of the payment so received;

(B) (i) for the appointment, at or after the time at which the plan of merger is adopted by the owners of a domestic entity that is a party to the merger in accordance with the requirements of the statute governing that party, of one or more persons (which may include the surviving or resulting domestic entity or any officer, manager, representative or agent thereof) as representative of the owners of that domestic entity that is a party to the merger, including those whose ownership interests shall be cancelled, converted, or exchanged in the merger, and for the delegation to that person or persons of the sole and exclusive authority to take action on behalf of the owners pursuant to the plan of



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merger, including taking such actions as the representative determines to enforce (including by entering into settlements with respect to) the rights of the owners under the plan of merger, on the terms and subject to the conditions set forth in the plan of merger, and (ii) that any appointment pursuant to clause (i) of this Section 10A-1-8.02(a)(2)(B) shall be irrevocable and binding on all owners from and after the adoption of the plan of merger by the requisite vote of the owners pursuant to the statute governing that entity; and

(C) that any provision adopted pursuant to Section 10A-1-8.02(a)(2)(B) may not be amended after the merger has become effective or may be amended only with the consent or approval of persons specified in the plan of merger;

(3) a plan of merger may include other provisions relating to the merger not prohibited by law; and

(4) at the time of the approval of the plan of merger in accordance with subsection (c), the plan of merger is not required to contain or have attached thereto any disclosure letter, disclosure schedules, or similar documents or instruments contemplated by the plan of merger that modify, supplement, qualify, or make exceptions to representations, warranties, covenants, or conditions contained in the plan of merger.

(b) In connection with a merger, rights or securities of or interests in a merged entity may be exchanged for or converted into cash, property, or rights or securities of or interests in the surviving entity, or, in addition to or in lieu thereof, may be exchanged for or converted into cash,



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property, or rights or securities of or interests in another entity, or may be cancelled.

(c) The plan of merger of an entity must be approved as follows:

(1) CORPORATIONS.

(A) If a corporation is governed by Chapter 2A and that corporation is a party to a merger, a plan of merger under subsection (a) must be approved in accordance with ~~Article 11 of~~ Chapter 2A. If the merger is a corporate action as described in Section 10A-2A-13.02, then the rights, obligations, and procedures under Article 13 of Chapter 2A shall be applicable to that merger.

(B) If a nonprofit corporation is governed by Chapter 3A and that corporation is a party to a merger, a plan of merger under subsection (a) must be approved in accordance with ~~Article 12 of~~ Chapter 3A.

(C) If a corporation is not governed by Chapter 2A or Chapter 3A and that corporation is a party to a merger, the plan of merger under subsection (a) must be approved in accordance with the law of the jurisdiction of formation of that corporation.

(2) LIMITED PARTNERSHIPS. In the case of a limited partnership that is a party to the merger, a plan of merger under subsection (a) must be approved in accordance with ~~Article 10 of~~ Chapter 9A.

(3) LIMITED LIABILITY COMPANIES. In the case of a limited liability company that is a party to the merger, a plan of merger under subsection (a) must be approved in



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1009 accordance with ~~Article 10~~ of Chapter 5A.

1010 (4) GENERAL PARTNERSHIPS, INCLUDING LIMITED LIABILITY
1011 PARTNERSHIPS. In the case of a general partnership that is a
1012 party to the merger, a plan of merger under subsection (a)
1013 must be approved in accordance with ~~Article 9~~ of Chapter 8A.
1014 All general partnerships, other than a general partnership
1015 that is created pursuant to the merger, that are parties to a
1016 merger must have on file with the Secretary of State a
1017 statement of partnership, statement of not for profit
1018 partnership, or statement of limited liability partnership
1019 prior to delivering the statement of merger to the Secretary
1020 of State for filing.

1021 (5) REAL ESTATE INVESTMENT TRUST. In the case of a real
1022 estate investment trust that is a party to the merger, a plan
1023 of merger under subsection (a) must be approved in writing by
1024 all of the trust's shareholders or as otherwise provided in
1025 the trust's declaration of trust, but in no case may the vote
1026 required for shareholder approval be set at less than a
1027 majority of all the votes entitled to be cast. No merger of a
1028 real estate investment trust with a general or limited
1029 partnership that is to be the surviving entity may be effected
1030 without the consent in writing of each shareholder who will
1031 have personal liability with respect to the surviving entity,
1032 notwithstanding any provision in the declaration of trust of
1033 the converting real estate investment trust providing for less
1034 than unanimous shareholder approval for the merger.

1035 (6) OTHER ENTITY. In the case of an entity not
1036 specified in paragraphs (1) through (5) above, a plan of



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1037 merger under subsection (a) must be approved in writing by all
1038 owners of that entity or, if the entity has no owners, then by
1039 all members of the governing authority of that entity.

1040 (d) After each entity has approved the plan of merger
1041 pursuant to subsection (c), the entities must deliver to the
1042 Secretary of State for filing a statement of merger signed on
1043 behalf of each entity as provided by its governing statute
1044 which must include:

1045 (1) the name, type of entity, and mailing address of
1046 the principal office of each entity that is a party to the
1047 merger, the jurisdiction of the governing statute of each
1048 entity that is a party to the merger, and the respective
1049 unique identifying number or other designation as assigned by
1050 the Secretary of State, if any, of each entity that is a party
1051 to the merger;

1052 (2) the name, type of entity, and mailing address of
1053 the principal office of the surviving entity, the unique
1054 identifying number or other designation as assigned by the
1055 Secretary of State, if any, of the surviving entity, the
1056 jurisdiction of the governing statute of the surviving entity,
1057 and, if the surviving entity is created pursuant to the
1058 merger, a statement to that effect;

1059 (3) for each general partnership, the date of the
1060 filing of the statement of partnership, statement of not for
1061 profit partnership, or statement of limited liability
1062 partnership, if any, and all prior amendments and the filing
1063 office or offices, if any, where such is filed;

1064 (4) the date the merger is effective under the



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1065 governing statute of the surviving entity;

1066 (5) if the surviving entity is to be created pursuant
1067 to the merger, (i) if it will be a filing entity, its
1068 certificate of formation; or (ii) if it will be a non-filing
1069 entity, any document that creates the entity that is required
1070 to be in a public writing or in the case of a general
1071 partnership, its statement of partnership, statement of not
1072 for profit partnership, or statement of limited liability
1073 partnership, as applicable;

1074 (6) if the surviving entity is a domestic entity that
1075 exists before the merger, any amendments provided for in the
1076 plan of merger for the organizational documents that created
1077 the domestic entity that are required to be in a public
1078 writing, or in the case of a general partnership, its
1079 statement of partnership, statement of not for profit
1080 partnership, or statement of limited liability partnership, as
1081 applicable;

1082 (7) a statement as to each entity that the merger was
1083 approved as required by the entity's governing statute;

1084 (8) a statement that a copy of the plan of merger will
1085 be furnished by the surviving entity, on request and without
1086 cost, to any owner of any entity which is a party to the
1087 merger;

1088 (9) if the surviving entity is a foreign entity not
1089 authorized to conduct activities and affairs in this state,
1090 the street and mailing address of an office for the purposes
1091 of Section 10A-1-8.04; and

1092 (10) any additional information required by the



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1093 governing statute of any entity that is a party to the merger.

1094 (e) Prior to the statement of merger being delivered
1095 for filing to the Secretary of State in accordance with
1096 subsection (d), all parties to the merger that are general
1097 partnerships, other than a general partnership that is created
1098 pursuant to the merger, must have on file with the Secretary
1099 of State a statement of partnership, statement of not for
1100 profit partnership, or statement of limited liability
1101 partnership.

1102 (f) After a plan of merger is approved and before the
1103 merger takes effect, the plan may be amended or abandoned as
1104 provided in the plan, or if the plan does not provide for
1105 amendment or abandonment, in the same manner as required for
1106 the approval of the plan of merger originally.

1107 (g) If all of the entities that are parties to the
1108 merger are domestic entities, the merger becomes effective on
1109 the effective date determined in accordance with Article 4. If
1110 one or more parties to the merger is a foreign entity, or a
1111 foreign entity created by the merger is the surviving entity,
1112 the merger shall become effective at the later of:

1113 (1) when all documents required to be filed in foreign
1114 jurisdictions to effect the merger have become effective, or

1115 (2) the effective date determined in accordance with
1116 Article 4.

1117 (h) When a merger becomes effective:

1118 (1) the surviving entity continues or, in the case of a
1119 surviving entity created pursuant to the merger, comes into
1120 existence;



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1121 (2) each entity that merges into the surviving entity
1122 ceases to exist as a separate entity;

1123 (3) except as provided in the plan of merger, all
1124 property owned by, and every contract right possessed by, each
1125 merging entity that ceases to exist vests in the surviving
1126 entity without transfer, reversion, or impairment and the
1127 title to any property and contract rights vested by deed or
1128 otherwise in the surviving entity shall not revert, be in any
1129 way impaired, or be deemed to be a transfer by reason of the
1130 merger;

1131 (4) all debts, obligations, and other liabilities of
1132 each merging entity, other than the surviving entity, are
1133 debts, obligations, and liabilities of the surviving entity,
1134 and neither the rights of creditors, nor any liens upon the
1135 property of any entity that is a party to the merger, shall be
1136 impaired by the merger;

1137 (5) an action or proceeding, pending by or against any
1138 merging entity that ceases to exist continues as if the merger
1139 had not occurred and the name of the surviving entity may, but
1140 need not be substituted in any pending proceeding for the name
1141 of any merging entity whose separate existence ceased in the
1142 merger;

1143 (6) except as prohibited by law other than this chapter
1144 or as provided in the plan of merger, all the rights,
1145 privileges, franchises, immunities, powers, and purposes of
1146 each merging entity, other than the surviving entity, vest in
1147 the surviving entity;

1148 (7) except as otherwise provided in the plan of merger,



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1149 the terms and conditions of the plan of merger take effect;

1150 (8) except as otherwise agreed, if a merged entity
1151 ceases to exist, the merger does not dissolve the merged
1152 entity;

1153 (9) if the surviving entity is created pursuant to the
1154 merger:

1155 (A) if it is a general partnership, the statement of
1156 partnership, statement of not for profit partnership, or
1157 statement of limited liability partnership becomes effective;
1158 or

1159 (B) if it is an entity other than a partnership, the
1160 organizational documents that create the entity become
1161 effective;

1162 (10) the interests in a merging entity that are to be
1163 converted in accordance with the terms of the merger into
1164 interests, obligations, rights to acquire interests, cash,
1165 other property, or any combination of the foregoing, are
1166 converted as provided in the plan of merger, and the former
1167 holders of interests are entitled only to the rights provided
1168 to them by those terms or to any appraisal or dissenters'
1169 rights they may have under the governing statute governing the
1170 merging entity;

1171 (11) if the surviving entity exists before the merger:

1172 (A) except as provided in the plan of merger, all the
1173 property and contract rights of the surviving entity remain
1174 its property and contract rights without transfer, reversion,
1175 or impairment;

1176 (B) the surviving entity remains subject to all its



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1177 debts, obligations, and other liabilities; and

1178 (C) except as provided by law other than this chapter
1179 or the plan of merger, the surviving entity continues to hold
1180 all of its rights, privileges, franchises, immunities, powers,
1181 and purposes.

1182 (12) Service of process in an action or proceeding
1183 against a surviving foreign entity to enforce an obligation of
1184 a domestic entity that is a party to a merger may be made by
1185 registered mail addressed to the surviving entity at the
1186 address set forth in the statement of merger or by any method
1187 provided by the Alabama Rules of Civil Procedure. Any notice
1188 or demand required or permitted by law to be served on a
1189 domestic entity may be served on the surviving foreign entity
1190 by registered mail addressed to the surviving entity at the
1191 address set forth in the statement of merger or in any other
1192 manner similar to the procedure provided by the Alabama Rules
1193 of Civil Procedure for the service of process.

1194 (13) (A) An owner of an entity with limited liability
1195 protection remains liable, if at all, for an obligation
1196 incurred prior to the merger by an entity that ceases to exist
1197 as a result of the merger only to the extent, if any, that the
1198 owner would have been liable under the laws applicable to
1199 owners of the form of entity that ceased to exist if the
1200 merger had not occurred.

1201 (B) An owner with limited liability protection who, as
1202 a result of the merger, becomes an owner without limited
1203 liability protection of the surviving entity is liable for an
1204 obligation of the surviving entity incurred after merger to



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1205 the extent provided for by the laws applicable to the
1206 surviving entity.

1207 (14) An owner without limited liability protection of
1208 an entity that ceases to exist as a result of a merger and who
1209 as a result of the merger becomes an owner of a surviving
1210 entity with limited liability protection remains liable for an
1211 obligation of the entity that ceases to exist incurred before
1212 the merger takes effect only to the extent, if any, that the
1213 owner would have been liable if the merger had not occurred.

1214 (i) A certified copy of the statement of merger
1215 required to be filed under this section may be filed in the
1216 real estate records in the office of the judge of probate in
1217 any county in which any merged entity owned real property,
1218 without payment and without collection by the judge of probate
1219 of any deed or other transfer tax or fee. The judge of
1220 probate, however, shall be entitled to collect a filing fee of
1221 five dollars (\$5). Any such filing shall evidence chain of
1222 title, but lack of filing shall not affect the surviving
1223 entity's title to such real property.

1224 (j) Except as set forth in Section 10A-1-8.02(a)(4),
1225 for purposes of this Section 10A-1-8.02, a plan of merger,
1226 whether referred to as a plan of merger, an agreement of
1227 merger, a merger agreement, a plan and agreement of merger, an
1228 agreement and plan of merger, or otherwise, means a writing
1229 that includes the items required or allowed to be set forth
1230 therein and includes any agreement, instrument, or other
1231 document referenced therein or associated therewith that sets
1232 forth the terms and conditions of the merger."



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1233 Section 2. Sections 10A-2A-7.40, 10A-2A-9.11,
1234 10A-2A-11.01, 10A-2A-11.02, and 10A-2A-11.03, Code of Alabama
1235 1975, are amended to read as follows:

1236 "§10A-2A-7.40

1237 In this division:

1238 (1) COURT means the designated court, and if none, the
1239 circuit court for the county in which the corporation's
1240 principal office is located in this state, and if none in this
1241 state, the circuit court for the county in which the
1242 corporation's most recent registered office is located.

1243 (2) DERIVATIVE ACTION means a civil suit in the right
1244 of a corporation or, to the extent provided in Section
1245 10A-2A-7.48, in the right of a foreign corporation.

1246 (3) STOCKHOLDER means a record stockholder, a
1247 beneficial stockholder, and an unrestricted voting trust
1248 beneficial owner."

1249 "§10A-2A-9.11

1250 (a) An organization other than a corporation may
1251 convert to a corporation, and a corporation may convert to an
1252 organization other than a corporation pursuant to this
1253 article, and a plan of conversion, if:

1254 (1) the governing statute of the organization that is
1255 not a corporation authorizes the conversion;

1256 (2) the law of the jurisdiction governing the
1257 converting organization and the converted organization does
1258 not prohibit the conversion; and

1259 (3) the converting organization and the converted
1260 organization each comply with the governing statute and



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1261 organizational documents applicable to that organization in
1262 effecting the conversion.

1263 (b) A plan of conversion must be in writing and must
1264 include:

1265 (1) the name, type of organization, and mailing address
1266 of the principal office of the converting organization and its
1267 unique identifying number or other designation as assigned by
1268 the Secretary of State, if any, before conversion;

1269 (2) the name, type of organization, and mailing address
1270 of the principal office of the converted organization after
1271 conversion;

1272 (3) the terms and conditions of the conversion,
1273 including the manner and basis for converting interests in the
1274 converting organization into any combination of money,
1275 interests in the converted organization, and other
1276 consideration allowed in Section 10A-9A-10.02(c); and

1277 (4) the organizational documents of the converted
1278 organization.

1279 (c) In connection with a conversion, rights or
1280 securities of or interests in the converting organization may
1281 be exchanged for or converted into cash, property, or rights
1282 or securities of or interests in the converted organization,
1283 or, in addition to or in lieu thereof, may be exchanged for or
1284 converted into cash, property, or rights or securities of or
1285 interests in another organization or may be cancelled.

1286 (d) In addition to the requirements of subsection (a),
1287 a plan of conversion may contain any other provision not
1288 prohibited by law.



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1289 (e) The terms of a plan of conversion may be made
1290 dependent upon facts objectively ascertainable outside the
1291 plan in accordance with Section 10A-2A-1.20(c).

1292 (f) At the time of the approval of the plan of
1293 conversion in accordance with this chapter, the plan of
1294 conversion is not required to contain or have attached thereto
1295 any disclosure letter, disclosure schedules, or similar
1296 documents or instruments contemplated by the plan of
1297 conversion that modify, supplement, qualify, or make
1298 exceptions to representations, warranties, covenants, or
1299 conditions contained in the plan of conversion."

1300 "§10A-2A-11.01

1301 As used in this article, unless the context otherwise
1302 requires, the following terms mean:

1303 (1) ACQUIRED ENTITY means the corporation or foreign
1304 corporation that will have all of one or more classes or
1305 series of its stock acquired in a stock exchange.

1306 (2) ACQUIRING ENTITY means the corporation or foreign
1307 corporation that will acquire all of one or more classes or
1308 series of stock of the acquired entity in a stock exchange.

1309 (3) CONSTITUENT CORPORATION means a constituent
1310 organization that is a corporation.

1311 (4) CONSTITUENT ORGANIZATION means an organization that
1312 is party to a merger under this article.

1313 (5) GOVERNING STATUTE of an organization means the
1314 statute that governs the organization's internal affairs.

1315 (6) ORGANIZATION means a general partnership, including
1316 a limited liability partnership; limited partnership,



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1317 including a limited liability limited partnership; limited
1318 liability company; business trust; corporation; nonprofit
1319 corporation; professional corporation; or any other person
1320 having a governing statute. The term includes domestic and
1321 foreign organizations whether or not organized for profit.

1322 (7) ORGANIZATIONAL DOCUMENTS means:

1323 (A) for a general partnership or foreign general
1324 partnership, its partnership agreement and if applicable, its
1325 registration as a limited liability partnership or a foreign
1326 limited liability partnership;

1327 (B) for a limited partnership or foreign limited
1328 partnership, its certificate of formation and partnership
1329 agreement, or comparable writings as provided in its governing
1330 statute;

1331 (C) for a limited liability company or foreign limited
1332 liability company, its certificate of formation and limited
1333 liability company agreement, or comparable writings as
1334 provided in its governing statute;

1335 (D) for a business or statutory trust or foreign
1336 business or statutory trust its agreement of trust and
1337 declaration of trust, or comparable writings as provided in
1338 its governing statute;

1339 (E) for a corporation or foreign corporation, its
1340 certificate of incorporation, bylaws, and other agreements
1341 among its stockholders that are authorized by its governing
1342 statute, or comparable writings as provided in its governing
1343 statute;

1344 (F) for a nonprofit corporation or foreign nonprofit



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1345 corporation, its certificate of incorporation, bylaws, and
1346 other agreements that are authorized by its governing statute,
1347 or comparable writings as provided in its governing statute;

1348 (G) for a professional corporation or foreign
1349 professional corporation, its certificate of incorporation,
1350 bylaws, and other agreements among its stockholders that are
1351 authorized by its governing statute, or comparable writings as
1352 provided in its governing statute; and

1353 (H) for any other organization, the basic writings that
1354 create the organization and determine its internal governance
1355 and the relations among the persons that own it, have an
1356 interest in it, or are members of it.

1357 (8) NEW PERSONAL LIABILITY means personal liability of
1358 a person, resulting from a merger or stock exchange, that is
1359 (i)–(A) in respect of an entity which is different from the
1360 entity in which the person held stock or eligible interests
1361 immediately before the merger became effective, or (B) in
1362 respect of an entity which is different from the entity in
1363 which the person held stock immediately before the stock
1364 exchange became effective; or (ii) in respect of the same
1365 entity as the one in which the person held stock or eligible
1366 interests immediately before the merger became effective if
1367 (A) the person did not have personal liability immediately
1368 before the merger became effective, or (B) the person had
1369 personal liability immediately before the merger became
1370 effective, the terms and conditions of which were changed when
1371 the merger became effective; or (iii) in respect of the same
1372 entity as the one in which the person held stock immediately



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1373 before the stock exchange became effective if (A) the person
1374 did not have personal liability immediately before the stock
1375 exchange became effective, or (B) the person had personal
1376 liability immediately before the stock exchange became
1377 effective, the terms and conditions of which were changed when
1378 the stock exchange became effective.

1379 (9) PLAN OF MERGER. Except as set forth in Section
1380 10A-2A-11.02(g), a plan of merger, whether referred to as a
1381 plan of merger, an agreement of merger, a merger agreement, a
1382 plan and agreement of merger, an agreement and plan of merger,
1383 or otherwise, means a writing described in Section
1384 10A-2A-11.02 and includes any agreement, instrument, or other
1385 document referenced therein or associated therewith that sets
1386 forth the terms and conditions of the merger.

1387 ~~(9)~~ (10) SURVIVING ORGANIZATION means an organization
1388 into which one or more other organizations are merged under
1389 this article, whether the organization pre-existed the merger
1390 or was created pursuant to the merger."

1391 "§10A-2A-11.02

1392 (a) A corporation may merge with one or more other
1393 constituent organizations pursuant to this article, and a plan
1394 of merger, if:

1395 (1) the governing statute of each of the other
1396 organizations authorizes the merger;

1397 (2) the merger is not prohibited by the law of a
1398 jurisdiction that enacted any of those governing statutes; and

1399 (3) each of the other organizations complies with its
1400 governing statute in effecting the merger.



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1401 (b) A plan of merger must be in writing and must
1402 include:

1403 (1) the name, type of organization, and mailing address
1404 of the principal office of each constituent organization, the
1405 jurisdiction of the governing statute of each constituent
1406 organization, and the respective unique identifying number or
1407 other designation as assigned by the Secretary of State, if
1408 any, of each constituent organization;

1409 (2) the name, type of organization, and mailing address
1410 of the principal office of the surviving organization, the
1411 unique identifying number or other designation as assigned by
1412 the Secretary of State, if any, of the surviving organization,
1413 the jurisdiction of the governing statute of the surviving
1414 organization, and, if the surviving organization is created
1415 pursuant to the merger, a statement to that effect;

1416 (3) the terms and conditions of the merger, including
1417 the manner and basis for converting the stock or eligible
1418 interests in each constituent organization into any
1419 combination of money, stock, eligible interests in the
1420 surviving organization, and other consideration as allowed by
1421 subsection (c);

1422 (4) if the surviving organization is to be created
1423 pursuant to the merger, the surviving organization's
1424 organizational documents; and

1425 (5) if the surviving organization is not to be created
1426 pursuant to the merger, any amendments to be made by the
1427 merger to the surviving organization's organizational
1428 documents.



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1429 (c) In connection with a merger, rights, securities,
1430 stock, or eligible interests, if any, in a constituent
1431 organization may be exchanged for or converted into cash,
1432 property, rights, securities, stock, or eligible interests, if
1433 any, in the surviving organization, or, in addition to or in
1434 lieu thereof, may be exchanged for or converted into cash,
1435 property, rights, securities, stock, or eligible interests, if
1436 any, in another organization, or may be cancelled.

1437 (d) In addition to the requirements of subsection (b),
1438 a plan of merger may:

1439 (1) provide that (i) a constituent organization or any
1440 other party to the plan of merger that fails to perform its
1441 obligations under the plan of merger in accordance with the
1442 terms and conditions of the plan of merger, or that otherwise
1443 fails to comply with the terms and conditions of the plan of
1444 merger, in each case, required to be performed or complied
1445 with prior to the time the merger becomes effective, or that
1446 otherwise fails to consummate, or fails to cause the
1447 consummation of, the merger (whether prior to a specified
1448 date, upon satisfaction or, to the extent permitted by law,
1449 waiver of all conditions to consummation set forth in the plan
1450 of merger, or otherwise) shall be subject, in addition to any
1451 other remedies available at law or in equity, to the penalties
1452 or consequences as are set forth in the plan of merger (which
1453 penalties or consequences may include an obligation to pay to
1454 the other party or parties to the plan of merger an amount
1455 representing, or based on the loss of, any premium or other
1456 economic entitlement the stockholders or owners, as the case



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1457 may be, of the other party would be entitled to receive
1458 pursuant to the terms of the plan of merger if the merger were
1459 consummated in accordance with the terms of the plan of
1460 merger) and (ii) if, pursuant to the terms of the plan of
1461 merger, a corporation is entitled to receive payment from
1462 another party to the plan of merger of any amount representing
1463 a penalty or consequence (as specified in clause (i) of this
1464 Section 10A-2A-11.02(d)(1)), the corporation shall be entitled
1465 to enforce the other party's payment obligation and, upon
1466 receipt of any payment, shall be entitled to retain the amount
1467 of the payment so received;

1468 (2) provide (i) for the appointment, at or after the
1469 time at which the plan of merger is adopted by the
1470 stockholders of a constituent corporation in accordance with
1471 the requirements of Section 10A-2A-11.04, of one or more
1472 persons (which may include the surviving or resulting entity
1473 or any officer, manager, representative or agent thereof) as
1474 representative of the stockholders of a constituent
1475 corporation of this state, including those whose shares of
1476 capital stock shall be cancelled, converted, or exchanged in
1477 the merger, and for the delegation to that person or persons
1478 of the sole and exclusive authority to take action on behalf
1479 of the stockholders pursuant to the plan of merger, including
1480 taking such actions as the representative determines to
1481 enforce (including by entering into settlements with respect
1482 to) the rights of the stockholders under the plan of merger,
1483 on the terms and subject to the conditions set forth in the
1484 plan of merger, (ii) that any appointment pursuant to clause



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1485 (i) of this Section 10A-2A-11.02(d)(2) shall be irrevocable
1486 and binding on all stockholders from and after the adoption of
1487 the plan of merger by the requisite vote of the stockholders
1488 pursuant to Section 10A-2A-11.04, and (iii) that any provision
1489 adopted pursuant to this Section 10A-2A-11.02(d)(2) may not be
1490 amended after the merger has become effective or may be
1491 amended only with the consent or approval of persons specified
1492 in the plan of merger; and

1493 (3) contain any other provision not prohibited by law.

1494 (e) Terms of a plan of merger may be made dependent on
1495 facts objectively ascertainable outside the plan in accordance
1496 with Section 10A-2A-1.20(c).

1497 (f) A plan of merger may be amended only with the
1498 consent of each constituent organization, except as provided
1499 in the plan. A domestic constituent organization may approve
1500 an amendment to a plan:

1501 (1) in the same manner as the plan was approved, if the
1502 plan does not provide for the manner in which it may be
1503 amended; or

1504 (2) in the manner provided in the plan, except that if
1505 the plan has been approved by the stockholders, members, or
1506 interest holders that were entitled to vote on, consent to, or
1507 approve of, the plan, then those stockholders, members, or
1508 interest holders are entitled to vote on, consent to, or
1509 approve of any amendment of the plan that will change:

1510 (i) the amount or kind of stock or other securities,
1511 eligible interests, obligations, rights to acquire stock,
1512 other securities or eligible interests, cash, or other



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property to be received under the plan by the stockholders, members, or interest holders of a constituent organization;

(ii) the certificate of incorporation of any corporation, foreign corporation, nonprofit corporation, foreign nonprofit corporation or the organizational documents of any unincorporated entity or foreign unincorporated entity, that will be the surviving organization, except for changes permitted by Section 10A-2A-10.05 or by comparable provisions of the governing statute of the foreign corporation, nonprofit corporation, foreign nonprofit corporation, unincorporated entity, or foreign unincorporated entity; or

(iii) any of the other terms or conditions of the plan if the change would adversely affect the stockholders, members, or interest holders in any material respect.

(g) At the time of the approval of the plan of merger in accordance with this chapter, the plan of merger is not required to contain or have attached thereto any disclosure letter, disclosure schedules, or similar documents or instruments contemplated by the plan of merger that modify, supplement, qualify, or make exceptions to representations, warranties, covenants, or conditions contained in the plan of merger."

"§10A-2A-11.03

(a) By complying with this Article 11:

(1) a corporation may acquire all of the stock of one or more classes or series of stock, of another corporation or foreign corporation, in exchange for stock or other securities, obligations, rights to acquire stock or other



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1541 securities, cash, other property, or any combination of the
1542 foregoing, pursuant to a plan of stock exchange; or

1543 (2) all of the stock of one or more classes or series
1544 of stock of a corporation may be acquired by another
1545 corporation or foreign corporation, in exchange for stock or
1546 other securities, obligations, rights to acquire stock or
1547 other securities, cash, other property, or any combination of
1548 the foregoing, pursuant to a plan of stock exchange.

1549 (b) A foreign corporation may be the acquired entity in
1550 a stock exchange only if the stock exchange is permitted by
1551 the governing statute of that foreign corporation.

1552 (c) The plan of stock exchange must include:

1553 (1) the name of each corporation or foreign corporation
1554 the stock of which will be acquired, the name of the
1555 corporation or foreign corporation that will acquire that
1556 stock, and the respective unique identifying numbers or other
1557 designations as assigned by the Secretary of State, if any, of
1558 the corporation or foreign corporation;

1559 (2) the terms and conditions of the stock exchange;

1560 (3) the manner and basis of exchanging stock of a
1561 corporation or foreign corporation, the stock of which will be
1562 acquired under the stock exchange for stock or other
1563 securities, obligations, rights to acquire stock, other
1564 securities, cash, other property, or any combination of the
1565 foregoing; and

1566 (4) any other provisions required by the governing
1567 statute governing the acquired entity or its certificate of
1568 incorporation or organizational documents.



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1569 (d) Terms of a plan of stock exchange may be made
1570 dependent on facts objectively ascertainable outside the plan
1571 in accordance with Section 10A-2A-1.20(c).

1572 (e) A plan of stock exchange may be amended only with
1573 the consent of each party to the stock exchange, except as
1574 provided in the plan. A corporation may approve an amendment
1575 to a plan:

1576 (1) in the same manner as the plan was approved, if the
1577 plan does not provide for the manner in which it may be
1578 amended; or

1579 (2) in the manner provided in the plan, except that if
1580 the plan has been approved by the stockholders that were
1581 entitled to vote on, consent to, or approve of the plan then
1582 those stockholders are entitled to vote on, consent to, or
1583 approve of any amendment of the plan that will change:

1584 (i) the amount or kind of stock or other securities,
1585 obligations, rights to acquire stock, other securities, cash,
1586 or other property to be received under the plan by the
1587 stockholders of the acquired entity; or

1588 (ii) any of the other terms or conditions of the plan
1589 if the change would adversely affect the stockholders in any
1590 material respect.

1591 (f) At the time of the approval of the plan of stock
1592 exchange in accordance with this chapter, the plan of stock
1593 exchange is not required to contain or have attached thereto
1594 any disclosure letter, disclosure schedules, or similar
1595 documents or instruments contemplated by the plan of stock
1596 exchange that modify, supplement, qualify, or make exceptions



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1597 to representations, warranties, covenants, or conditions
1598 contained in the plan of stock exchange."

1599 Section 3. Sections 10A-3A-12.01, 10A-3A-12.02, and
1600 10A-3A-13.02, Code of Alabama 1975, are amended to read as
1601 follows:

1602 "§10A-3A-12.01

1603 As used in this article, unless the context otherwise
1604 requires, the following terms mean:

1605 (1) CONSTITUENT CORPORATION means a constituent
1606 organization that is a nonprofit corporation.

1607 (2) CONSTITUENT ORGANIZATION means an organization that
1608 is party to a merger under this article.

1609 (3) GOVERNING STATUTE of an organization means the
1610 statute that governs the organization's internal affairs.

1611 (4) ORGANIZATION means a general partnership, including
1612 a limited liability partnership; limited partnership,
1613 including a limited liability limited partnership; limited
1614 liability company; business trust; business corporation;
1615 nonprofit corporation; professional corporation; or any other
1616 person having a governing statute. The term includes domestic
1617 and foreign organizations whether or not organized for profit.

1618 (5) ORGANIZATIONAL DOCUMENTS means:

1619 (A) for a general partnership or foreign general
1620 partnership, its partnership agreement and if applicable, its
1621 registration as a limited liability partnership or a foreign
1622 limited liability partnership;

1623 (B) for a limited partnership or foreign limited
1624 partnership, its certificate of formation and partnership



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1625 agreement, or comparable writings as provided in its governing
1626 statute;

1627 (C) for a limited liability company or foreign limited
1628 liability company, its certificate of formation and limited
1629 liability company agreement, or comparable writings as
1630 provided in its governing statute;

1631 (D) for a business or statutory trust or foreign
1632 business or statutory trust its agreement of trust and
1633 declaration of trust, or comparable writings as provided in
1634 its governing statute;

1635 (E) for a business corporation or foreign business
1636 corporation, its certificate of incorporation, bylaws, and
1637 other agreements among its stockholders that are authorized by
1638 its governing statute, or comparable writings as provided in
1639 its governing statute;

1640 (F) for a nonprofit corporation or foreign nonprofit
1641 corporation, its certificate of incorporation, bylaws, and
1642 other agreements that are authorized by its governing statute,
1643 or comparable writings as provided in its governing statute;

1644 (G) for a professional corporation or foreign
1645 professional corporation, its certificate of incorporation,
1646 bylaws, and other agreements among its stockholders that are
1647 authorized by its governing statute, or comparable writings as
1648 provided in its governing statute; and

1649 (H) for any other organization, the basic writings that
1650 create the organization and determine its internal governance
1651 and the relations among the persons that own it, have an
1652 interest in it, or are members of it.



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1653 (6) PLAN OF MERGER. Except as set forth in Section
1654 10A-3A-12.02(g), a plan of merger, whether referred to as a
1655 plan of merger, an agreement of merger, a merger agreement, a
1656 plan and agreement of merger, an agreement and plan of merger,
1657 or otherwise, means a writing described in Section
1658 10A-3A-12.02 and includes any agreement, instrument, or other
1659 document referenced therein or associated therewith that sets
1660 forth the terms and conditions of the merger.

1661 ~~(6)~~ (7) SURVIVING ORGANIZATION means an organization
1662 into which one or more other organizations are merged under
1663 this article, whether the organization pre-existed the merger
1664 or was created pursuant to the merger.

1665 "§10A-3A-12.02

1666 (a) A nonprofit corporation may merge with one or more
1667 other constituent organizations pursuant to this article, and
1668 a plan of merger, if:

1669 (1) the governing statute of each of the other
1670 organizations authorizes the merger;

1671 (2) the merger is not prohibited by the law of a
1672 jurisdiction that enacted any of those governing statutes; and

1673 (3) each of the other organizations complies with its
1674 governing statute in effecting the merger.

1675 (b) A plan of merger must be in writing and must
1676 include:

1677 (1) the name, type of organization, and mailing address
1678 of the principal office of each constituent organization, the
1679 jurisdiction of the governing statute of each constituent
1680 organization, and the respective unique identifying number or



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1681 other designation as assigned by the Secretary of State, if
1682 any, of each constituent organization;

1683 (2) the name, type of organization, and mailing address
1684 of the principal office of the surviving organization, the
1685 unique identifying number or other designation as assigned by
1686 the Secretary of State, if any, of the surviving organization,
1687 the jurisdiction of the governing statute of the surviving
1688 organization, and, if the surviving organization is created
1689 pursuant to the merger, a statement to that effect;

1690 (3) the terms and conditions of the merger, including
1691 the manner and basis for converting the interests in each
1692 constituent organization into any combination of money,
1693 securities, interests in the surviving organization, and other
1694 consideration as allowed by subsection (c);

1695 (4) if the surviving organization is to be created
1696 pursuant to the merger, the surviving organization's
1697 organizational documents; and

1698 (5) if the surviving organization is not to be created
1699 pursuant to the merger, any amendments to be made by the
1700 merger to the surviving organization's organizational
1701 documents.

1702 (c) In connection with a merger, rights, securities, or
1703 interests, if any, in a constituent organization may be
1704 exchanged for or converted into cash, property, rights,
1705 securities, or interests, if any, in the surviving
1706 organization, or, in addition to or in lieu thereof, may be
1707 exchanged for or converted into cash, property, rights,
1708 securities, or interests, if any, in another organization, or



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1709 may be cancelled.

1710 (d) In addition to the requirements of subsection (b),
1711 a plan of merger may contain any other provision not
1712 prohibited by law.

1713 (e) Terms of a plan of merger may be made dependent on
1714 facts objectively ascertainable outside the plan in accordance
1715 with Section 10A-3A-1.04(c)(5).

1716 (f) A plan of merger may be amended only with the
1717 consent of each constituent organization, except as provided
1718 in the plan. A domestic constituent organization may approve
1719 an amendment to a plan:

1720 (1) in the same manner as the plan was approved, if the
1721 plan does not provide for the manner in which it may be
1722 amended; or

1723 (2) in the manner provided in the plan, except that if
1724 the plan has been approved by the interest holders that were
1725 entitled to vote on, consent to, or approve of, the plan, then
1726 those interest holders are entitled to vote on, consent to, or
1727 approve of any amendment of the plan that will change:

1728 (i) the amount or kind of securities, interests,
1729 obligations, rights to acquire other interests or securities,
1730 cash, or other property to be received under the plan by the
1731 interest holders of a constituent organization;

1732 (ii) the certificate of incorporation of any nonprofit
1733 corporation, foreign nonprofit corporation, business
1734 corporation, or foreign business corporation, or the
1735 organizational documents of any other organization, that will
1736 be the surviving organization, except for changes permitted by



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1737 Section 10A-3A-9.03(g) or by comparable provisions of the
1738 governing statute of the foreign nonprofit corporation,
1739 business corporation, foreign business corporation, or other
1740 organization; or

1741 (iii) any of the other terms or conditions of the plan
1742 if the change would adversely affect the interest holders in
1743 any material respect.

1744 (g) At the time of the approval of the plan of merger
1745 in accordance with this chapter, the plan of merger is not
1746 required to contain or have attached thereto any disclosure
1747 letter, disclosure schedules, or similar documents or
1748 instruments contemplated by the plan of merger that modify,
1749 supplement, qualify, or make exceptions to representations,
1750 warranties, covenants, or conditions contained in the plan of
1751 merger."

1752 "§10A-3A-13.02

1753 (a) An organization other than a nonprofit corporation
1754 may convert to a nonprofit corporation, and a nonprofit
1755 corporation may convert to an organization other than a
1756 nonprofit corporation pursuant to this article, and a plan of
1757 conversion, if:

1758 (1) the governing statute of the organization that is
1759 not a nonprofit corporation authorizes the conversion;

1760 (2) the law of the jurisdiction governing the
1761 converting organization and the converted organization does
1762 not prohibit the conversion; and

1763 (3) the converting organization and the converted
1764 organization each comply with the governing statute and



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1765 organizational documents applicable to that organization in
1766 effecting the conversion.

1767 (b) A plan of conversion must be in writing and must
1768 include:

1769 (1) the name, type of organization, and mailing address
1770 of the principal office of the converting organization and its
1771 unique identifying number or other designation as assigned by
1772 the Secretary of State, if any, before conversion;

1773 (2) the name, type of organization, and mailing address
1774 of the principal office of the converted organization after
1775 conversion;

1776 (3) the terms and conditions of the conversion,
1777 including the manner and basis for converting interests, if
1778 any, in the converting organization into any combination of
1779 money, interests in the converted organization, and other
1780 consideration allowed in subsection (c); and

1781 (4) the organizational documents of the converted
1782 organization.

1783 (c) In connection with a conversion, rights or
1784 securities of or interests, if any, in the converting
1785 organization may be exchanged for or converted into cash,
1786 property, or rights or securities of or interests, if any, in
1787 the converted organization, or, in addition to or in lieu
1788 thereof, may be exchanged for or converted into cash,
1789 property, rights, securities, or interests, if any, in another
1790 organization, or may be cancelled.

1791 (d) In addition to the requirements of subsection (b),
1792 a plan of conversion may contain any other provision not



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1793 prohibited by law.

1794 (e) Terms of a plan of conversion may be made dependent
1795 on facts objectively ascertainable outside the plan in
1796 accordance with Section 10A-3A-1.04(c).

1797 (f) At the time of the approval of the plan of
1798 conversion in accordance with this chapter, the plan of
1799 conversion is not required to contain or have attached thereto
1800 any disclosure letter, disclosure schedules, or similar
1801 documents or instruments contemplated by the plan of
1802 conversion that modify, supplement, qualify, or make
1803 exceptions to representations, warranties, covenants, or
1804 conditions contained in the plan of conversion."

1805 Section 4. Section 10A-4-3.02, as amended by Act
1806 2024-413, 2024 Regular Session, Code of Alabama 1975, is
1807 amended to read as follows:

1808 "§10A-4-3.02

1809 (a) Upon the death of a stockholder of a domestic
1810 professional corporation, ~~or if~~ upon a stockholder of a
1811 domestic professional corporation ~~becomes~~ becoming a
1812 disqualified person, ~~or if~~ upon stock of a domestic
1813 professional corporation ~~is being~~ transferred by operation of
1814 law or court decree to a disqualified person, the stock owned
1815 by the deceased stockholder or the disqualified person may be
1816 transferred to a qualified person and, if not so transferred,
1817 shall be purchased ~~or redeemed~~ by the domestic professional
1818 corporation ~~to the extent of funds which may be legally made~~
1819 ~~available for the purchase~~ as provided in this section.

1820 (b) If the purchase price ~~for~~ of the stock is not ~~fixed~~



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1821 ~~by~~ determined in accordance with the governing documents of
1822 the domestic professional corporation or by private agreement,
1823 the domestic professional corporation, within six months after
1824 the death or 30 days after the disqualification or transfer,
1825 as the case may be, shall make a written offer to pay for the
1826 stock at a specified price deemed by the domestic professional
1827 corporation to be the fair value ~~thereof~~ of the stock as of
1828 the date of the death, disqualification, or transfer. The
1829 offer shall be ~~given~~ delivered to the ~~executor or~~
1830 ~~administrator~~ personal representative of the estate of ~~a the~~
1831 ~~deceased stockholder or to,~~ the disqualified person, or the
1832 transferee, as the case may be, and shall be accompanied by a
1833 balance sheet of the domestic professional corporation, as of
1834 the latest available date and not more than 12 months prior to
1835 the making of the offer, and a profit and loss statement of
1836 the domestic professional corporation for the 12 months'
1837 period ended on the date of the balance sheet.

1838 (c) ~~If within 30 days after the date of the written~~
1839 ~~offer from the domestic professional corporation the fair~~
1840 value of the stock is agreed upon between the personal
1841 representative of the estate of the deceased stockholder, the
1842 disqualified person, or the transferee, as the case may be,
1843 and the domestic professional corporation, payment therefor
1844 shall be made within 90 days after the date of the offer, or
1845 other period as the parties may ~~fix by agreement, after the~~
1846 ~~date of the offer, upon surrender of the certificate or~~
1847 ~~certificates representing the stock~~ agree. Upon payment of the
1848 agreed value the personal representative of the estate of the



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1849 deceased member, the disqualified~~persons~~ person, or the
1850 transferee, as the case may be, shall cease to have any
1851 interest in, or claim to, the stock.

1852 (d) ~~If within 30 days from the date of the written~~
1853 ~~offer from the domestic professional corporation,~~ the fair
1854 value of the stock is not agreed upon between the personal
1855 representative of the estate of the deceased stockholder, the
1856 disqualified person, or the transferee, as the case may be,
1857 and the domestic professional corporation do not so agree
1858 within 30 days of the delivery of the written offer, then
1859 either party may commence a civil action in the designated
1860 court, and if none, in the circuit court for the county in
1861 which the domestic professional corporation's principal office
1862 is located in this state, and if none in this state, in the
1863 circuit court for the county in which the domestic
1864 professional corporation's most recent registered office is
1865 located requesting that the fair value of the stock be found
1866 and determined. If the domestic professional corporation does
1867 not deliver a written offer in accordance with subsection (b),
1868 then the personal representative of the estate of the deceased
1869 stockholder, the disqualified person, or the transferee, as
1870 the case may be, may commence a civil action in the designated
1871 court, and if none, in the circuit court for the county in
1872 which the domestic professional corporation's principal office
1873 is located in this state, and if none in this state, in the
1874 circuit court for the county in which the domestic
1875 professional corporation's most recent registered office is
1876 located requesting that the fair value of the stock be found



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1877 and determined. The personal representative of the estate of
1878 the deceased stockholder, the disqualified person, or the
1879 transferee, as the case may be, wherever residing, shall be
1880 made a party to the proceeding as an action against ~~the~~
1881 ~~disqualified that~~ person's stock quasi in rem. Service shall
1882 be made in accordance with the rules of civil procedure. The
1883 personal representative of the estate of the deceased
1884 stockholder, the disqualified person, or the transferee, as
1885 the case may be, shall be entitled to a judgment against the
1886 domestic professional corporation for the amount of the fair
1887 value of ~~the disqualified that~~ person's stock as of the date
1888 of death, disqualification, or transfer ~~upon surrender to the~~
1889 ~~domestic professional corporation of the certificate or~~
1890 ~~certificates representing the stock.~~ The court may, in its
1891 discretion, order that the judgment be paid in installments
1892 and with interest and on terms as the court may determine. The
1893 court may, if it so elects, appoint one or more persons as
1894 appraisers to receive evidence and recommend a decision on the
1895 question of fair value. The appraisers shall have the power
1896 and authority as shall be specified in the order of their
1897 appointment or an amendment thereof.

1898 (e) The judgment shall include an allowance for
1899 interest at the rate the court finds to be fair and equitable
1900 in all the circumstances, from the date of death,
1901 disqualification, or transfer.

1902 ~~(f) The costs and expenses of any proceeding shall be~~
1903 ~~determined by the court and shall be assessed against the~~
1904 ~~domestic professional corporation, but all or any part of the~~



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1905 ~~costs and expenses may be apportioned and assessed as the~~
1906 ~~court may deem equitable against the disqualified person if~~
1907 ~~the court shall find that the action of the disqualified~~
1908 ~~person in failing to accept the offer was arbitrary or~~
1909 ~~vexatious or not in good faith. The expenses shall include~~
1910 ~~reasonable compensation for and reasonable expenses of the~~
1911 ~~appraisers and a reasonable attorney's fee but shall exclude~~
1912 ~~the fees and expenses of counsel for and of experts employed~~
1913 ~~by any party; but if the fair value of the stock as determined~~
1914 ~~materially exceeds the amount which the domestic professional~~
1915 ~~corporation offered to pay therefor, or if no offer was made,~~
1916 ~~the court in its discretion may award to the disqualified~~
1917 ~~person the sum the court determines to be reasonable~~
1918 ~~compensation to any expert or experts employed by the~~
1919 ~~disqualified person in the proceeding.~~ (1) The court in a
1920 proceeding commenced under subsection (d) shall determine all
1921 court costs of the proceeding, including the reasonable
1922 compensation and expenses of appraisers appointed by the
1923 court. The court shall assess the court costs against the
1924 domestic professional corporation, except that the court may
1925 assess court costs against the personal representative of the
1926 estate of the deceased stockholder, the disqualified person,
1927 or the transferee, as the case may be, in amounts which the
1928 court finds equitable, to the extent the court finds the
1929 personal representative of the estate of the deceased
1930 stockholder, the disqualified person, or the transferee, as
1931 the case may be, acted arbitrarily, vexatiously, or not in
1932 good faith with respect to the rights provided by this



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1933 section.

1934 (2) The court in a proceeding commenced under
1935 subsection (d) may also assess the expenses of the respective
1936 parties in amounts the court finds equitable:

1937 (A) against the domestic professional corporation and
1938 in favor of the personal representative of the estate of the
1939 deceased stockholder, the disqualified person, or the
1940 transferee, as the case may be, if the court finds the
1941 domestic professional corporation did not substantially comply
1942 with the requirements of this section; or

1943 (B) against either the domestic professional
1944 corporation or the personal representative of the estate of
1945 the deceased stockholder, the disqualified person, or the
1946 transferee, as the case may be, in favor of the other party,
1947 if the court finds the party against whom expenses are
1948 assessed acted arbitrarily, vexatiously, or not in good faith
1949 with respect to the rights provided by this section.

1950 (3) For purposes of this subsection (f), expenses means
1951 reasonable expenses of any kind that are incurred in
1952 connection with a proceeding brought under subsection (d).

1953 (g) If a purchase, redemption, or transfer of the stock
1954 of a deceased stockholder~~or~~, disqualified person, ~~or of a~~
1955 transferee who is a disqualified person is not completed
1956 within 12 months after the death of the deceased stockholder
1957 or 12 months after the disqualification or transfer, as the
1958 case may be, the domestic professional corporation shall
1959 forthwith cancel the stock on its books and the personal
1960 representative of the estate of the deceased stockholder, the



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1961 disqualified person, or the transferee, as the case may be,
1962 shall have no further interest as a stockholder in the
1963 domestic professional corporation other than ~~the disqualified~~
1964 that person's right to payment for the stock under this
1965 section.

1966 (h) (1) A professional corporation may acquire its own
1967 stock, and, the stock so acquired shall constitute authorized
1968 but unissued stock, provided however:

1969 (A) the certificate of incorporation may provide that
1970 the acquired stock shall constitute authorized, issued, but
1971 not outstanding stock;

1972 (B) the certificate of incorporation may prohibit the
1973 reissue of the acquired stock, in which case, the number of
1974 authorized shares of stock is reduced by the number of shares
1975 of stock acquired; or

1976 (C) if the certificate of incorporation does not (i)
1977 provide that the acquired stock shall constitute authorized
1978 but unissued stock, (ii) prohibit the reissuance of the
1979 acquired stock, or (iii) provide that the acquired stock shall
1980 constitute authorized, issued, but not outstanding stock, then
1981 the board of directors may determine, at or prior to the time
1982 of the acquisition, that the acquired stock will constitute
1983 authorized, issued, but not outstanding stock.

1984 (2) If the board of directors determines that any
1985 acquired stock was to be authorized, issued, but not
1986 outstanding in accordance with subsection (h) (1) (C), then the
1987 board of directors may thereafter determine that the acquired
1988 stock shall be converted to stock that is authorized but not



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1989 issued.

1990 (i) This section shall not ~~be deemed to~~ require ~~the~~ a
1991 domestic professional corporation to purchase of the stock of
1992 a disqualified person ~~where the period of~~ if the
1993 disqualification is for less than 12 months from the date of
1994 disqualification ~~or transfer~~. A domestic professional
1995 corporation may require the disqualified person to sell the
1996 disqualified person's stock to the domestic professional
1997 corporation upon any disqualification.

1998 (j) Any provision regarding purchase, redemption, or
1999 transfer of stock of a domestic professional corporation
2000 contained in the certificate of incorporation, bylaws, or any
2001 private agreement shall be specifically enforceable in the
2002 courts of this state.

2003 (k) ~~Nothing herein contained~~ in this section shall
2004 prevent or relieve a domestic professional corporation from
2005 paying pension benefits or other deferred compensation for
2006 services rendered to or on behalf of a former stockholder as
2007 otherwise permitted by law.

2008 (l) A domestic professional corporation may purchase
2009 its own stock from a disqualified person without regard to the
2010 availability of capital or surplus for the purchase; however,
2011 no purchase of or payment for the stock shall be made at a
2012 time when the domestic professional corporation is insolvent
2013 or when the purchase or payment would make it insolvent.

2014 (m) The foregoing provisions of this section shall not
2015 apply to a domestic nonprofit professional corporation. Any
2016 member of a domestic nonprofit corporation who becomes a



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2017 disqualified person must cease being a member not more than 12
2018 months after the date of disqualification if he or she is then
2019 a disqualified person."

2020 Section 5. Sections 10A-5A-1.02, 10A-5A-1.06,
2021 10A-5A-2.02, as amended by Act 2024-413, 2024 Regular Session,
2022 10A-5A-5.02, 10A-5A-5.04, 10A-5A-8.02, 10A-5A-10.01, and
2023 10A-5A-10.05, Code of Alabama 1975, are amended to read as
2024 follows:

2025 "§10A-5A-1.02

2026 As used in this chapter, unless the context otherwise
2027 requires, the following terms mean:

2028 (a) CERTIFICATE OF FORMATION, with respect to a limited
2029 liability company, means the certificate provided for by
2030 Section 10A-5A-2.01, and the certificate as amended or
2031 restated.

2032 (b) CONSTITUENT LIMITED LIABILITY COMPANY means a
2033 constituent organization that is a limited liability company.

2034 (c) CONSTITUENT ORGANIZATION means an organization that
2035 is party to a merger under Article 10.

2036 (d) CONVERTED ORGANIZATION means the organization into
2037 which a converting organization converts pursuant to Article
2038 10.

2039 (e) CONVERTING LIMITED LIABILITY COMPANY means a
2040 converting organization that is a limited liability company.

2041 (f) CONVERTING ORGANIZATION means an organization that
2042 converts into another organization pursuant to Article 10.

2043 (g) DISQUALIFIED PERSON means any person who is not a
2044 qualified person.



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2045 (h) DISTRIBUTION except as otherwise provided in
2046 Section 10A-5A-4.06(e), means a transfer of money or other
2047 property from a limited liability company, or series thereof,
2048 to another person on account of a transferable interest.

2049 (i) FOREIGN LIMITED LIABILITY COMPANY means a limited
2050 liability company governed by the laws of a jurisdiction other
2051 than this state which would be a limited liability company if
2052 governed by the laws of this state.

2053 (j) GOVERNING STATUTE means the statute that governs an
2054 organization's internal affairs.

2055 (k) LIMITED LIABILITY COMPANY, except in the phrase
2056 "foreign limited liability company," means an entity formed or
2057 existing under this chapter.

2058 (l) LIMITED LIABILITY COMPANY AGREEMENT means any
2059 agreement (whether referred to as a limited liability company
2060 agreement, operating agreement or otherwise), written, oral or
2061 implied, of the member or members as to the activities and
2062 affairs of a limited liability company or series thereof. The
2063 limited liability company agreement of a limited liability
2064 company having only one member shall not be unenforceable by
2065 reason of there being only one person who is a party to the
2066 limited liability company agreement. The limited liability
2067 company agreement includes any amendments to the limited
2068 liability company agreement.

2069 (m) MEMBER means a person admitted under Section
2070 10A-5A-4.01 and not dissociated under Section 10A-5A-6.02.

2071 (n) ORGANIZATION means a general partnership, including
2072 a limited liability partnership; limited partnership,



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2073 including a limited liability limited partnership; limited
2074 liability company; business trust; corporation; nonprofit
2075 corporation; professional corporation; or any other person
2076 having a governing statute. The term includes domestic and
2077 foreign organizations whether or not organized for profit.

2078 (o) ORGANIZATIONAL DOCUMENTS means:

2079 (1) for a general partnership or foreign general
2080 partnership, its partnership agreement and if applicable, its
2081 registration as a limited liability partnership or a foreign
2082 limited liability partnership;

2083 (2) for a limited partnership or foreign limited
2084 partnership, its certificate of formation and partnership
2085 agreement, or comparable writings as provided in its governing
2086 statute;

2087 (3) for a limited liability company or foreign limited
2088 liability company, its certificate of formation and limited
2089 liability company agreement, or comparable writings as
2090 provided in its governing statute;

2091 (4) for a business or statutory trust or foreign
2092 business or statutory trust its agreement of trust and
2093 declaration of trust, or comparable writings as provided in
2094 its governing statute;

2095 (5) for a corporation for profit or foreign corporation
2096 for profit, its certificate of formation, bylaws, and other
2097 agreements among its shareholders that are authorized by its
2098 governing statute, or comparable writings as provided in its
2099 governing statute;

2100 (6) for a nonprofit corporation or foreign nonprofit



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2101 corporation, its certificate of formation, bylaws, and other
2102 agreements that are authorized by its governing statute, or
2103 comparable writings as provided in its governing statute;

2104 (7) for a professional corporation or foreign
2105 professional corporation, its certificate of formation,
2106 bylaws, and other agreements among its shareholders that are
2107 authorized by its governing statute, or comparable writings as
2108 provided in its governing statute; and

2109 (8) for any other organization, the basic writings that
2110 create the organization and determine its internal governance
2111 and the relations among the persons that own it, have an
2112 interest in it, or are members of it.

2113 (p) PLAN OF MERGER. Except as set forth in Section
2114 10A-5A-10.05(e), a plan of merger, whether referred to as a
2115 plan of merger, an agreement of merger, a merger agreement, a
2116 plan and agreement of merger, an agreement and plan of merger,
2117 or otherwise, means a writing described in Section
2118 10A-5A-10.05 and includes any agreement, instrument, or other
2119 document referenced therein or associated therewith that sets
2120 forth the terms and conditions of the merger.

2121 ~~(p)~~ (q) QUALIFIED PERSON, with respect to a limited
2122 liability company rendering professional services in this
2123 state, means a person authorized by this state or a regulatory
2124 authority of this state to own a transferable interest in that
2125 limited liability company.

2126 ~~(q)~~ (r) SURVIVING ORGANIZATION means an organization
2127 into which one or more other organizations are merged under
2128 Article 10, whether the organization pre-existed the merger or



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2129 was created pursuant to the merger.

2130 ~~(r)~~ (s) TRANSFER means an assignment, conveyance, deed,
2131 bill of sale, lease, mortgage, security interest, encumbrance,
2132 gift, or transfer by operation of law.

2133 ~~(s)~~ (t) TRANSFEREE means a person to which all or part
2134 of a transferable interest has been transferred, whether or
2135 not the transferor is a member.

2136 ~~(t)~~ (u) TRANSFERABLE INTEREST means a member's right to
2137 receive distributions from a limited liability company or a
2138 series thereof."

2139 "§10A-5A-1.06

2140 (a) It is the policy of this chapter and this state to
2141 give maximum effect to the principles of freedom of contract
2142 and to the enforceability of limited liability company
2143 agreements.

2144 (b) Unless displaced by particular provisions of this
2145 chapter, the principles of law and equity supplement this
2146 chapter.

2147 (c) The rule that statutes in derogation of the common
2148 law are to be strictly construed shall have no application to
2149 this chapter.

2150 (d) The use of any gender shall be applicable to all
2151 genders. The captions contained in this chapter are for
2152 purposes of convenience only and shall not control or affect
2153 the construction of this chapter.

2154 (e) Sections 7-9A-406 and 7-9A-408 of the Uniform
2155 Commercial Code, and all successor statutes thereto, do not
2156 apply to any interest in a limited liability company,



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2157 including all rights, powers, and interests arising under a
2158 limited liability company agreement or this chapter. This
2159 provision prevails over Sections 7-9A-406 and 7-9A-408 of the
2160 Uniform Commercial Code, and all successor statutes thereto,
2161 and is expressly intended to permit the enforcement of the
2162 provisions of a limited liability company agreement that would
2163 otherwise be ineffective under Sections 7-9A-406 and 7-9A-408
2164 of the Uniform Commercial Code, and all successor statutes
2165 thereto.

2166 (f) Division E of Article 3 of Chapter 1 of this title
2167 shall have no application to this chapter.

2168 (g) The terms president, vice president, secretary, and
2169 treasurer, as defined in Chapter 1, shall have no application
2170 to this chapter.

2171 (h) Section 10A-1-2.13(c) shall have no application to
2172 this chapter.

2173 (i) Action validly taken pursuant to one provision of
2174 this chapter shall not be deemed invalid solely because it is
2175 identical or similar in substance to an action that could have
2176 been taken pursuant to some other provision of this chapter
2177 but fails to satisfy one or more requirements prescribed by
2178 such other provision.

2179 (j) The provisions of this chapter shall apply whether
2180 a limited liability company has one member or more than one
2181 member."

2182 "§10A-5A-2.02

2183 Division B of Article 3 of Chapter 1 shall not apply to
2184 this chapter. Instead:



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2185 (a) A certificate of formation may be amended at any
2186 time.

2187 (b) A certificate of formation may be restated with or
2188 without amendment at any time.

2189 (c) To amend its certificate of formation, a limited
2190 liability company must deliver a certificate of amendment for
2191 filing to the Secretary of State which certificate of
2192 amendment shall state:

2193 (1) the name of the limited liability company;

2194 (2) the unique identifying number or other designation
2195 as assigned by the Secretary of State; and

2196 (3) the changes the amendment makes to the certificate
2197 of formation as most recently amended or restated.

2198 (d) To restate its certificate of formation, a limited
2199 liability company must deliver a restated certificate of
2200 formation for filing to the Secretary of State. A restated
2201 certificate of formation must:

2202 (1) be designated as such in the heading;

2203 (2) state the limited liability company's name;

2204 (3) state the unique identifying number or other
2205 designation as assigned by the Secretary of State; and

2206 (4) set forth any amendment or change effected in
2207 connection with the restatement of the certificate of
2208 formation.

2209 Any ~~such~~ restatement that effects an amendment shall be
2210 subject to any other provision of this chapter, not
2211 inconsistent with this section, which would apply if a
2212 separate certificate of amendment were filed to effect the



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2213 amendment or change.

2214 (e) The original certificate of formation, as
2215 theretofore amended, shall be superseded by the restated
2216 certificate of formation and thenceforth, the restated
2217 certificate of formation, including any further amendment or
2218 changes made thereby, shall be the certificate of formation of
2219 the limited liability company, but the original effective date
2220 of formation shall remain unchanged.

2221 (f) An amended or restated certificate of formation may
2222 contain only provisions that would be permitted at the time of
2223 the amendment if the amended or restated certificate of
2224 formation were a newly filed original certificate of
2225 formation.

2226 (g) A restated certificate of formation may omit any
2227 information that is not required to be in the certificate of
2228 formation under this chapter, including the name and address
2229 of the initial registered agent or registered office, if a
2230 statement of change is on file with the Secretary of State.
2231 Any omission other than the initial registered agent shall be
2232 an amendment to the certificate of formation, which amendment
2233 must be approved in accordance with the limited liability
2234 company agreement, and if the limited liability company
2235 agreement does not state the approval required for an
2236 amendment of the certificate of formation, then the amendment
2237 must be approved by all of the members."

2238 "§10A-5A-5.02

2239 (a) A transfer, in whole or in part, of a transferable
2240 interest:



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2241 (1) is permissible;

2242 (2) (A) does not by itself cause a member to cease to be
2243 a member of the limited liability company; and

2244 (B) does not by itself cause a member to cease to be
2245 associated with a series of the limited liability company;

2246 (3) does not by itself cause a dissolution and winding
2247 up of the limited liability company, or a series thereof; and

2248 (4) subject to Section 10A-5A-5.04, does not entitle
2249 the transferee to:

2250 (A) participate in the direction or oversight of the
2251 activities and affairs of the limited liability company, or a
2252 series thereof; or

2253 (B) have access to records or other information
2254 concerning the activities and affairs of the limited liability
2255 company, or a series thereof.

2256 (b) A transferee has the right to receive, in
2257 accordance with the transfer, distributions to which the
2258 transferor would otherwise be entitled.

2259 (c) A transferable interest may be evidenced by a
2260 certificate of transferable interest issued by the limited
2261 liability company, or a series thereof. A limited liability
2262 company agreement may provide for the transfer of the
2263 transferable interest represented by the certificate and make
2264 other provisions with respect to the certificate. No
2265 certificate of transferable interest shall be issued in bearer
2266 form.

2267 (d) A limited liability company, or a series thereof,
2268 need not give effect to a transferee's rights under this



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2269 section until the limited liability company, or a series
2270 thereof, has notice of the transfer.

2271 (e) Except as otherwise provided in Sections
2272 10A-5A-6.02(d)(2), 10A-5A-6.02(k), and 10A-5A-6.02(l) when a
2273 member transfers a transferable interest, the transferor
2274 retains the rights of a member other than the right to
2275 distributions transferred and retains all duties and
2276 obligations of a member.

2277 (f) When a member transfers a transferable interest to
2278 a person that is admitted as a member with respect to the
2279 transferred interest, the transferee is liable for the
2280 member's obligations under Sections 10A-5A-4.04,
2281 10A-5A-4.06(a)(2), and 10A-5A-4.06(b)(2) to the extent that
2282 the obligations are known to the transferee when the
2283 transferee voluntarily accepts admission as a member.

2284 (g) Notwithstanding anything in Title 43 to the
2285 contrary, a limited liability company agreement may provide
2286 that a transferable interest may or shall be transferred in
2287 whole or in part, with or without consideration, to one or
2288 more persons at the death of the holder of the transferable
2289 interest. Any transferable interest transferred pursuant to
2290 this subsection shall be subject to any outstanding charging
2291 order under Section 10A-5A-5.03. This subsection does not
2292 limit the rights of creditors of holders of transferable
2293 interests against transferees under this chapter or other laws
2294 of this state."

2295 "§10A-5A-5.04

2296 If a member dies, the deceased member's personal



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2297 representative or other legal representative may:

2298 (a) for the period of time, if any, that the deceased
2299 member's personal representative or other legal representative
2300 holds the deceased member's transferable interest:

2301 (1) exercise the rights of a holder of transferable
2302 interests under this chapter;

2303 (2) exercise the rights of a transferee under Section
2304 10A-5A-5.02; and

2305 (3) for purposes of settling the estate, exercise the
2306 rights of a current member under Section 10A-5A-4.09; and

2307 (b) for the period of time that the deceased member's
2308 personal representative or other legal representative does not
2309 hold the deceased member's transferable interest, for purposes
2310 of settling the estate, exercise the rights of a dissociated
2311 member under Section 10A-5A-4.09."

2312 "§10A-5A-8.02

2313 (a) In the case of a limited liability company
2314 performing professional services, upon the death of a member,
2315 upon a member becoming a disqualified person, or upon a
2316 transferable interest being transferred by operation of law or
2317 court decree to a disqualified person, the transferable
2318 interest of the deceased member or of the disqualified person
2319 may be transferred to a qualified person and, if not so
2320 transferred, subject to Section 10A-5A-4.06, shall be
2321 purchased by the limited liability company as provided in this
2322 section.

2323 (b) If the purchase price of the transferable interest
2324 is not ~~fixed by~~ determined in accordance with the limited



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2325 liability company agreement, the limited liability company,
2326 within six months after the death or 30 days after the
2327 disqualification or transfer, as the case may be, shall make a
2328 written offer to pay ~~to the holder of~~ for the transferable
2329 interest a specified price deemed by the limited liability
2330 company to be the fair value of the transferable interest as
2331 of the date of the death, disqualification, or transfer. The
2332 offer shall be ~~given~~ delivered to the personal representative
2333 of the estate of the deceased member, the disqualified person,
2334 or the transferee, as the case may be, and shall be
2335 accompanied by a balance sheet of the limited liability
2336 company, as of the latest available date and not more than 12
2337 months prior to the making of the offer, and a profit and loss
2338 statement of the limited liability company for the 12 months'
2339 period ended on the date of the balance sheet.

2340 (c) ~~If within 30 days after the date of the written~~
2341 ~~offer from the limited liability company~~ the fair value of the
2342 transferable interest is agreed upon between the personal
2343 representative of the estate of the deceased member, the
2344 disqualified person, or the transferee, as the case may be,
2345 and the limited liability company, payment therefor shall be
2346 made within 90 days, or such other period as the parties may
2347 agree, ~~after the date of the offer~~. Upon payment of the agreed
2348 value, the personal representative of the estate of the
2349 deceased member, the disqualified person, or the transferee,
2350 as the case may be, shall cease to have any interest in, or
2351 claim to, the transferable interest.

2352 (d) ~~If within 30 days from the date of the written~~



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2353 ~~offer from the limited liability company,~~ the fair value of
2354 the transferable interest is not agreed upon between the
2355 personal representative of the estate of the deceased member,
2356 the disqualified person, or the transferee, as the case may
2357 be, and the limited liability company ~~do not so agree as to~~
2358 ~~the fair value of the transferable interest~~ within 30 days of
2359 the delivery of the written offer, then either party may
2360 commence a civil action in the designated court, and if none,
2361 in the circuit court for the county in which the limited
2362 liability company's principal office within this state is
2363 located, and if the limited liability company does not have a
2364 principal office within this state, then in the circuit court
2365 for the county in which the limited liability company's most
2366 recent registered office is located requesting that the fair
2367 value of the transferable interest be found and determined. If
2368 the limited liability company does not deliver a written offer
2369 in accordance with subsection (b), then the personal
2370 representative of the estate of the deceased member, the
2371 disqualified person, or the transferee, as the case may be,
2372 may commence a civil action in the designated court, and if
2373 none, in the circuit court for the county in which the limited
2374 liability company's principal office is located in this state,
2375 and if none in this state, in the circuit court for the county
2376 in which the limited liability company's most recent
2377 registered office is located requesting that the fair value of
2378 the transferable interest be found and determined. The
2379 personal representative of the estate of the deceased member,
2380 the disqualified person, or the transferee, as the case may



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be, wherever residing, shall be made a party to the proceeding as an action against that person's transferable interest quasi in rem. Service shall be made in accordance with the rules of civil procedure. The personal representative of the estate of the deceased member, the disqualified person, or the transferee, as the case may be, shall be entitled to a judgment against the limited liability company for the amount of the fair value of that person's transferable interest as of the date of death, disqualification, or transfer. The court, in its discretion, may order that the judgment be paid in installments and with interest and on terms as the court may determine. The court, if it so elects, may appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have the power and authority as shall be specified in the order of their appointment or an amendment thereof.

(e) The judgment shall include an allowance for interest at the rate the court finds to be fair and equitable in all the circumstances, from the date of death, disqualification, or transfer.

~~(f) The costs and expenses of any proceeding shall be determined by the court and shall be assessed against the parties in a manner the court deems equitable.~~

~~(g) The expenses shall include reasonable compensation for and reasonable expenses of the appraisers and a reasonable attorney's fee but shall exclude the fees and expenses of counsel for and of experts employed by any party, but: (1) if the fair value of the transferable interest as determined~~



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2409 ~~materially exceeds the amount which the limited liability~~
2410 ~~company offered to pay therefor, or if no offer was made by~~
2411 ~~the limited liability company, the court in its discretion may~~
2412 ~~award to the personal representative of the estate of the~~
2413 ~~deceased member, the disqualified person, or the transferee,~~
2414 ~~as the case may be, the sum the court determines to be~~
2415 ~~reasonable compensation to any expert or experts employed by~~
2416 ~~the personal representative of the estate of the deceased~~
2417 ~~member, the disqualified person, or the transferee, as the~~
2418 ~~case may be, in the proceeding; and (2) if the offer of the~~
2419 ~~limited liability company for the transferable interest~~
2420 ~~materially exceeds the amount of the fair value of the~~
2421 ~~transferable interest as determined, the court, in its~~
2422 ~~discretion, may award to the limited liability company the sum~~
2423 ~~the court determines to be reasonable compensation to any~~
2424 ~~expert or experts employed by the limited liability company in~~
2425 ~~the proceeding.~~

2426 (f) (1) The court in a proceeding commenced under
2427 subsection (d) shall determine all court costs of the
2428 proceeding, including the reasonable compensation and expenses
2429 of appraisers appointed by the court. The court shall assess
2430 the court costs against the limited liability company, except
2431 that the court may assess court costs against the personal
2432 representative of the estate of the deceased member, the
2433 disqualified person, or the transferee, as the case may be, in
2434 amounts which the court finds equitable, to the extent the
2435 court finds the personal representative of the estate of the
2436 deceased member, the disqualified person, or the transferee,



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2437 as the case may be, acted arbitrarily, vexatiously, or not in
2438 good faith with respect to the rights provided by this
2439 section.

2440 (2) The court in a proceeding commenced under
2441 subsection (d) may also assess the expenses of the respective
2442 parties in amounts the court finds equitable:

2443 (A) against the limited liability company and in favor
2444 of the personal representative of the estate of the deceased
2445 member, the disqualified person, or the transferee, as the
2446 case may be, if the court finds the limited liability company
2447 did not substantially comply with the requirements of this
2448 section; or

2449 (B) against either the limited liability company or the
2450 personal representative of the estate of the deceased member,
2451 the disqualified person, or the transferee, as the case may
2452 be, in favor of the other party, if the court finds the party
2453 against whom expenses are assessed acted arbitrarily,
2454 vexatiously, or not in good faith with respect to the rights
2455 provided by this section.

2456 (3) For purposes of this subsection (f), expenses means
2457 reasonable expenses of any kind that are incurred in
2458 connection with a proceeding brought under subsection (d).

2459 ~~(h)~~ (g) If the purchase or transfer of the transferable
2460 interest of a deceased member, a disqualified person, or a
2461 transferee is not completed within 12 months after the death
2462 of the deceased member or 12 months after the disqualification
2463 or transfer, as the case may be, the limited liability company
2464 shall forthwith cancel the transferable interest on its books



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2465 and the personal representative of the estate of the deceased
2466 member, the disqualified person, or the transferee, as the
2467 case may be, shall have no further interest in the
2468 transferable interest other than that person's right to
2469 payment for the transferable interest under this section.

2470 ~~(i)~~ (h) This section shall not require a limited
2471 liability company to purchase a transferable interest of a
2472 disqualified person if the disqualification is for less than
2473 12 months from the date of disqualification. A limited
2474 liability company may require the disqualified person to sell
2475 the disqualified person's transferable interest to the limited
2476 liability company upon any disqualification.

2477 ~~(j)~~ (i) Any provision of a limited liability company
2478 agreement regarding the purchase or transfer of a transferable
2479 interest of a limited liability company performing
2480 professional services shall be specifically enforceable in the
2481 courts of Alabama.

2482 ~~(k)~~ (j) Nothing in this section shall prevent or relieve
2483 a limited liability company from paying pension benefits or
2484 other deferred compensation for services rendered to or on
2485 behalf of a former member as otherwise permitted by law."

2486 "§10A-5A-10.01

2487 (a) An organization other than a limited liability
2488 company may convert to a limited liability company, and a
2489 limited liability company may convert to an organization other
2490 than a limited liability company pursuant to this section,
2491 Sections 10A-5A-10.02 through 10A-5A-10.03, and a plan of
2492 conversion, if:



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2493 (1) the governing statute of the organization that is
2494 not a limited liability company authorizes the conversion;

2495 (2) the law of the jurisdiction governing the
2496 converting organization and the converted organization does
2497 not prohibit the conversion; and

2498 (3) the converting organization and the converted
2499 organization each comply with the governing statute and
2500 organizational documents applicable to that organization in
2501 effecting the conversion.

2502 (b) A plan of conversion must be in writing and must
2503 include:

2504 (1) the name, type of organization, and mailing address
2505 of the principal office of the converting organization, and
2506 its unique identifying number or other designation as assigned
2507 by the Secretary of State, if any, before conversion;

2508 (2) the name, type of organization, and mailing address
2509 of the principal office of the converted organization after
2510 conversion;

2511 (3) the terms and conditions of the conversion,
2512 including the manner and basis for converting interests in the
2513 converting organization into any combination of money,
2514 interests in the converted organization, and other
2515 consideration allowed in Section 10A-5A-10.01(c); and

2516 (4) the organizational documents of the converted
2517 organization.

2518 (c) In connection with a conversion, rights or
2519 securities of or interests in the converting organization may
2520 be exchanged for or converted into cash, property, or rights



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or securities of or interests in the converted organization, or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or rights or securities of or interests in another organization or may be cancelled.

(d) At the time of the approval of the plan of conversion in accordance with Section 10A-5A-10.02, the plan of conversion is not required to contain or have attached thereto any disclosure letter, disclosure schedules, or similar documents or instruments contemplated by the plan of conversion that modify, supplement, qualify, or make exceptions to representations, warranties, covenants, or conditions contained in the plan of conversion."

"§10A-5A-10.05

(a) A limited liability company may merge with one or more other constituent organizations pursuant to this section, Sections 10A-5A-10.06 through 10A-5A-10.08, and a plan of merger, if:

(1) the governing statute of each of the other organizations authorizes the merger;

(2) the merger is not prohibited by the law of a jurisdiction that enacted any of those governing statutes; and

(3) each of the other organizations complies with its governing statute in effecting the merger.

(b) A plan of merger must be in writing and must include:

(1) the name, type of organization, and mailing address of the principal office of each constituent organization, the jurisdiction of the governing statute of each constituent



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2549 organization, and the respective unique identifying number or
2550 other designation as assigned by the Secretary of State, if
2551 any, of each constituent organization;

2552 (2) the name, type of organization, and mailing address
2553 of the principal office of the surviving organization, the
2554 unique identifying number or other designation as assigned by
2555 the Secretary of State, if any, of the surviving organization,
2556 the jurisdiction of the governing statute of the surviving
2557 organization, and, if the surviving organization is to be
2558 created pursuant to the merger, a statement to that effect;

2559 (3) the terms and conditions of the merger, including
2560 the manner and basis for converting the interests in each
2561 constituent organization into any combination of money,
2562 interests in the surviving organization, and other
2563 consideration as allowed by subsection (c);

2564 (4) if the surviving organization is to be created
2565 pursuant to the merger, the surviving organization's
2566 organizational documents; and

2567 (5) if the surviving organization is not to be created
2568 pursuant to the merger, any amendments to be made by the
2569 merger to the surviving organization's organizational
2570 documents.

2571 (c) In connection with a merger, rights or securities
2572 of or interests in a constituent organization may be exchanged
2573 for or converted into cash, property, or rights or securities
2574 of or interests in the surviving organization, or, in addition
2575 to or in lieu thereof, may be exchanged for or converted into
2576 cash, property, or rights or securities of or interests in



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2577 another organization or may be cancelled.

2578 (d) In addition to the requirements of subsection (b),
2579 a plan of merger may:

2580 (1) provide that (i) a constituent organization or any
2581 other party to the plan of merger that fails to perform its
2582 obligations under the plan of merger in accordance with the
2583 terms and conditions of the plan of merger, or that otherwise
2584 fails to comply with the terms and conditions of the plan of
2585 merger, in each case, required to be performed or complied
2586 with prior to the time the merger becomes effective, or that
2587 otherwise fails to consummate, or fails to cause the
2588 consummation of, the merger (whether prior to a specified
2589 date, upon satisfaction or, to the extent permitted by law,
2590 waiver of all conditions to consummation set forth in the plan
2591 of merger, or otherwise) shall be subject, in addition to any
2592 other remedies available at law or in equity, to the penalties
2593 or consequences as are set forth in the plan of merger (which
2594 penalties or consequences may include an obligation to pay to
2595 the other party or parties to the plan of merger an amount
2596 representing, or based on the loss of, any premium or other
2597 economic entitlement the owners of the other party would be
2598 entitled to receive pursuant to the terms of the plan of
2599 merger if the merger were consummated in accordance with the
2600 terms of the plan of merger) and (ii) if, pursuant to the
2601 terms of the plan of merger, a limited liability company is
2602 entitled to receive payment from another party to the plan of
2603 merger of any amount representing a penalty or consequence (as
2604 specified in clause (i) of this Section 10A-5A-10.02(d)(1)),



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2605 the limited liability company shall be entitled to enforce the
2606 other party's payment obligation and, upon receipt of any
2607 payment, shall be entitled to retain the amount of the payment
2608 so received;

2609 (2) provide (i) for the appointment, at or after the
2610 time at which the plan of merger is adopted by the members of
2611 a constituent limited liability company in accordance with the
2612 requirements of Section 10A-5A-10.06, of one or more persons
2613 (which may include the surviving or resulting entity or any
2614 officer, manager, representative, or agent thereof) as
2615 representative of the members of a constituent limited
2616 liability company, including those whose transferable interest
2617 shall be cancelled, converted, or exchanged in the merger, and
2618 for the delegation to that person or persons of the sole and
2619 exclusive authority to take action on behalf of the members
2620 pursuant to the plan of merger, including taking such actions
2621 as the representative determines to enforce (including by
2622 entering into settlements with respect to) the rights of the
2623 members under the plan of merger, on the terms and subject to
2624 the conditions set forth in the plan of merger, (ii) that any
2625 appointment pursuant to clause (i) of this Section
2626 10A-5A-10.02(d)(2) shall be irrevocable and binding on all
2627 members from and after the adoption of the plan of merger by
2628 the requisite vote of the members pursuant to Section
2629 10A-5A-10.06, and (iii) that any provision adopted pursuant to
2630 this Section 10A-5A-10.02(d)(2) may not be amended after the
2631 merger has become effective or may be amended only with the
2632 consent or approval of persons specified in the plan of



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2633 merger; and
2634 (3) contain any other provision not prohibited by law.
2635 (e) At the time of the approval of the plan of merger
2636 in accordance with Section 10A-5A-10.06, the plan of merger is
2637 not required to contain or have attached thereto any
2638 disclosure letter, disclosure schedules, or similar documents
2639 or instruments contemplated by the plan of merger that modify,
2640 supplement, qualify, or make exceptions to representations,
2641 warranties, covenants, or conditions contained in the plan of
2642 merger."

2643 Section 6. Sections 10A-8A-1.07, 10A-8A-2.02,
2644 10A-8A-3.03, 10A-8A-3.04, 10A-8A-5.02, 10A-8A-5.04,
2645 10A-8A-8.02, 10A-8A-8.03, 10A-8A-8.11, 10A-8A-9.01,
2646 10A-8A-9.02, 10A-8A-9.06, 10A-8A-10.01, and 10A-8A-10.03 of
2647 the Code of Alabama 1975, are amended to read as follows:

2648 "§10A-8A-1.07

2649 (a) It is the policy of this chapter and this state to
2650 give maximum effect to the principles of freedom of contract
2651 and to the enforceability of partnership agreements.

2652 (b) Unless displaced by particular provisions of this
2653 chapter, the principles of law and equity supplement this
2654 chapter.

2655 (c) If an obligation to pay interest arises under this
2656 chapter and the rate is not specified, the rate is the
2657 applicable federal rate as determined from time to time by the
2658 United States Treasury pursuant to 26 U.S.C. §_1274(d) or any
2659 successor law.

2660 (d) The rule that statutes in derogation of the common



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2661 law are to be strictly construed shall have no application to
2662 this chapter.

2663 (e) The use of any gender shall be applicable to all
2664 genders. The captions contained in this chapter are for
2665 purposes of convenience only and shall not control or affect
2666 the construction of this chapter.

2667 (f) Sections 7-9A-406 and 7-9A-408 of the Uniform
2668 Commercial Code, and all successor statutes thereto, do not
2669 apply to any interest in a partnership, including all rights,
2670 powers, and interests arising under a partnership agreement or
2671 this chapter. This provision prevails over Sections 7-9A-406
2672 and 7-9A-408 of the Uniform Commercial Code, and all successor
2673 statutes thereto, and is expressly intended to permit the
2674 enforcement of the provisions of a partnership agreement that
2675 would otherwise be ineffective under Sections 7-9A-406 and
2676 7-9A-408 of the Uniform Commercial Code, and all successor
2677 statutes thereto.

2678 (g) Division E of Article 3 of Chapter 1 shall have no
2679 application to this chapter.

2680 (h) The terms president, ~~vice-president~~ vice president,
2681 secretary, and treasurer, as defined in Chapter 1, shall have
2682 no application to this chapter.

2683 (i) Section 10A-1-2.13(c) shall have no application to
2684 this chapter.

2685 (j) Action validly taken pursuant to one provision of
2686 this chapter shall not be deemed invalid solely because it is
2687 identical or similar in substance to an action that could have
2688 been taken pursuant to some other provision of this chapter



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2689 but fails to satisfy one or more requirements prescribed by
2690 such other provision."

2691 "§10A-8A-2.02

2692 (a) A partnership other than a partnership that has an
2693 effective statement of not for profit partnership or an
2694 effective statement of limited liability partnership on file
2695 with the Secretary of State may deliver to the Secretary of
2696 State for filing a statement of partnership for the purpose of
2697 having its partnership agreement governed by the laws of this
2698 state in accordance with Section 10A-8A-1.06(d) and providing
2699 notice of its existence in accordance with Section
2700 10A-8A-1.03(d)(1). A statement of partnership must contain all
2701 of the following:

2702 (1) the name of the partnership which name must comply
2703 with Article 5 of Chapter 1;

2704 ~~(2) the date that the partnership was formed pursuant~~
2705 ~~to, or became governed by, the laws of this state~~ a statement
2706 that the partnership is governed by this chapter;

2707 (3) the street and mailing address of its principal
2708 office;

2709 (4) the street and mailing address of a registered
2710 office and the name of the registered agent at that office for
2711 service of process in this state which the partnership shall
2712 be required to maintain;

2713 (5) a statement that the partnership was formed for the
2714 purpose of carrying ~~out~~ on a for profit business;

2715 (6) a statement that the partnership has two or more
2716 partners; and



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2717 (7) a statement that the partnership agreement is
2718 governed by the laws of this state, and if the partnership
2719 agreement is a written partnership agreement, a declaration
2720 that the written partnership agreement has a provision stating
2721 that the partnership agreement is governed by the laws of this
2722 state.

2723 (b) A partnership other than a partnership that has an
2724 effective statement of partnership or an effective statement
2725 of limited liability partnership on file with the Secretary of
2726 State may deliver to the Secretary of State for filing a
2727 statement of not for profit partnership for the purpose of
2728 setting forth the partners' intention to form a partnership to
2729 carry on a not for profit activity in accordance with Section
2730 10A-8A-2.01(a)(2), having its partnership agreement governed
2731 by the laws of this state in accordance with Section
2732 10A-8A-1.06(d), and providing notice of its existence in
2733 accordance with Section 10A-8A-1.03(d)(2). A statement of not
2734 for profit partnership must contain all of the following:

2735 (1) the name of the partnership which name must comply
2736 with Article 5 of Chapter 1;

2737 (2) the date that the partnership was formed pursuant
2738 to, or became governed by, the laws of this state;

2739 (3) the street and mailing address of its principal
2740 office;

2741 (4) the street and mailing address of a registered
2742 office and the name of the registered agent at that office for
2743 service of process in this state which the partnership shall
2744 be required to maintain;



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2745 (5) a statement that the partnership was formed for the
2746 purpose of carrying ~~out~~ on a not for profit activity in
2747 accordance with Section 10A-8A-2.01(a)(2);

2748 (6) a statement that the partnership has two or more
2749 partners; and

2750 (7) a statement that the partnership agreement is
2751 governed by the laws of this state, and if the partnership
2752 agreement is a written partnership agreement, a declaration
2753 that the written partnership agreement has a provision stating
2754 that the partnership agreement is governed by the laws of this
2755 state.

2756 (c) A statement of partnership and a statement of not
2757 for profit partnership may be amended or restated from time to
2758 time in accordance with Section 10A-1-4.26.

2759 (d) A statement of partnership and a statement of not
2760 for profit partnership shall be executed by two or more
2761 partners authorized to execute the statement of partnership or
2762 statement of not for profit partnership.

2763 (e) A statement of partnership and a statement of not
2764 for profit partnership shall be accompanied by a fee for the
2765 Secretary of State in the amount prescribed by Section
2766 10A-1-4.31.

2767 (f) If a partnership complies with this section, the
2768 Secretary of State shall file the statement of partnership or
2769 the statement of not for profit partnership, as applicable.

2770 (g) A statement of partnership or a statement of not
2771 for profit partnership, as applicable, takes effect as
2772 determined under Article 4 of Chapter 1.



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2773 (h) A partnership that has filed a statement of
2774 partnership is for all purposes the same entity that existed
2775 before the statement of partnership was filed and continues to
2776 be a partnership under the laws of this state.

2777 (i) A statement of partnership and a statement of not
2778 for profit partnership are filing instruments for the purposes
2779 of Chapter 1."

2780 "§10A-8A-3.03

2781 (a) A partnership may deliver to the Secretary of State
2782 for filing a statement of authority, which:

2783 (1) must include the name of the partnership and:

2784 (A) if the partnership has not filed a statement of
2785 partnership, a statement of not for profit partnership, or a
2786 statement of limited liability partnership, (i) the street and
2787 mailing addresses of its principal office~~and~~, (ii) the name,
2788 street address, and mailing address of its registered agent,
2789 and (iii) if the Secretary of State has assigned a unique
2790 identifying number or other designation to the partnership,
2791 that number or designation; or

2792 (B) if the partnership has filed a statement of
2793 partnership, a statement of not for profit partnership, or a
2794 statement of limited liability partnership, (i) the street
2795 address and mailing address of its principal office, (ii) the
2796 name, street address, and mailing address of its registered
2797 agent, and (iii) the unique identifying number or other
2798 designation assigned to the partnership by the Secretary of
2799 State.

2800 (2) with respect to any position that exists in or with



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2801 respect to the partnership, may state the authority, or
2802 limitations on the authority, of all persons holding the
2803 position to:

2804 (A) sign an instrument transferring real property held
2805 in the name of the partnership; or

2806 (B) enter into other transactions on behalf of, or
2807 otherwise act for or bind, the partnership; and

2808 (3) may state the authority, or limitations on the
2809 authority, of a specific person to:

2810 (A) sign an instrument transferring real property held
2811 in the name of the partnership; or

2812 (B) enter into other transactions on behalf of, or
2813 otherwise act for or bind, the partnership.

2814 (b) To amend or cancel a statement of authority filed
2815 by the Secretary of State, a partnership must deliver to the
2816 Secretary of State for filing an amendment or cancellation
2817 stating:

2818 (1) the name of the partnership;

2819 (2) if the partnership has not filed a statement of
2820 partnership, a statement of not for profit partnership, or a
2821 statement of limited liability partnership, the street and
2822 mailing addresses of the partnership's principal office;

2823 (3) if the partnership has filed a statement of
2824 partnership, a statement of not for profit partnership, or a
2825 statement of limited liability partnership, the name and
2826 street and mailing addresses of its registered agent;

2827 (4) the date the statement of authority being affected
2828 became effective; ~~and~~



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2829 (5) the contents of the amendment or a declaration that
2830 the statement of authority is canceled~~;~~; and

2831 (6) the unique identifying number or other designation
2832 assigned to the partnership by the Secretary of State.

2833 (c) A statement of authority affects only the power of
2834 a person to bind a partnership to persons that are not
2835 partners.

2836 (d) Subject to subsection (c) and Section
2837 10A-8A-1.03(d)(3) and except as otherwise provided in
2838 subsections (f), (g), and (h), a limitation on the authority
2839 of a person or a position contained in an effective statement
2840 of authority is not by itself evidence of any person's
2841 knowledge or notice of the limitation.

2842 (e) Subject to subsection (c), a grant of authority not
2843 pertaining to transfers of real property and contained in an
2844 effective statement of authority is conclusive in favor of a
2845 person that gives value in reliance on the grant, except to
2846 the extent that when the person gives value:

2847 (1) the person has knowledge to the contrary;

2848 (2) the statement of authority has been canceled or
2849 restrictively amended under subsection (b); or

2850 (3) a limitation on the grant is contained in another
2851 statement of authority that became effective after the
2852 statement of authority containing the grant became effective.

2853 (f) Subject to subsection (c), an effective statement
2854 of authority that grants authority to transfer real property
2855 held in the name of the partnership, a certified copy of which
2856 statement of authority is recorded in the office of the judge



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2857 of probate in the county in which the real property is
2858 located, is conclusive in favor of a person that gives value
2859 in reliance on the grant without knowledge to the contrary,
2860 except to the extent that when the person gives value:

2861 (1) the statement of authority has been canceled or
2862 restrictively amended under subsection (b), and a certified
2863 copy of the cancellation or restrictive amendment has been
2864 recorded in the office of the judge of probate in the county
2865 in which the real property is located; or

2866 (2) a limitation on the grant is contained in another
2867 statement of authority that became effective after the
2868 statement of authority containing the grant became effective,
2869 and a certified copy of the later-effective statement is
2870 recorded in the office of the judge of probate in the county
2871 in which the real property is located.

2872 (g) Subject to subsection (c), if a certified copy of
2873 an effective statement of authority containing a limitation on
2874 the authority to transfer real property held in the name of a
2875 partnership is recorded in the office of the judge of probate
2876 in the county in which the real property is located, all
2877 persons are deemed to know of the limitation with respect to
2878 the real property located in that county.

2879 (h) Subject to subsection (i), an effective statement
2880 of dissolution is a cancellation of any filed statement of
2881 authority for the purposes of subsection (f) and is a
2882 limitation on authority for purposes of subsection (g).

2883 (i) After a statement of dissolution becomes effective,
2884 a partnership may deliver to the Secretary of State for filing



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2885 and, if appropriate, may record a statement of authority that
2886 is designated as a post-dissolution statement of authority.
2887 The statement operates as provided in subsections (f) and (g).

2888 (j) Unless canceled earlier, an effective statement of
2889 authority is canceled by operation of law five years after the
2890 date on which the statement, or its most recent amendment,
2891 becomes effective. The cancellation is effective without
2892 recording under subsection (f) or (g).

2893 (k) An effective statement of denial operates as a
2894 restrictive amendment under this section and may be recorded
2895 by certified copy for purposes of subsection (f)(1).

2896 (l) If a partnership has not filed a statement of
2897 partnership, a statement of not for profit partnership, or a
2898 statement of limited liability partnership and the Secretary
2899 of State has not assigned a unique identifying number or other
2900 designation to that partnership, then the Secretary of State
2901 shall assign a unique identifying number or other designation
2902 to that partnership when that partnership delivers to the
2903 Secretary of State for filing that partnership's statement of
2904 authority without the need of the partnership delivering to
2905 the Secretary of State for filing a statement of partnership,
2906 a statement of not for profit partnership, or a statement of
2907 limited liability partnership."

2908 "§10A-8A-3.04

2909 A person named in a filed statement of authority
2910 granting that person authority may deliver to the Secretary of
2911 State for filing a statement of denial that:

2912 (1) provides:



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2913 (A) the name of the partnership and the caption of;
2914 (B) the date the statement of authority to which the
2915 statement of denial pertains was filed by the filing officer;
2916 and
2917 (C) the unique identifying number or other designation
2918 assigned by the partnership by the Secretary of State; and

2919 (2) denies the grant of authority.

2920 A statement of denial is a limitation on authority as
2921 provided in Section 10A-8A-3.03."

2922 "§10A-8A-5.02

2923 (a) A transfer, in whole or in part, of a partner's
2924 transferable interest:

2925 (1) is permissible;

2926 (2) does not by itself cause the partner's
2927 dissociation;

2928 (3) does not by itself cause a dissolution and winding
2929 up of the partnership; and

2930 (4) subject to Section 10A-8A-5.05, does not entitle
2931 the transferee to:

2932 (A) participate in the management or conduct of the
2933 partnership's business or not for profit activity; or

2934 (B) except as otherwise provided in subsection (d),
2935 have access to required information, records, or other
2936 information concerning the partnership's business or not for
2937 profit activity.

2938 (b) A transferee has a right:

2939 (1) to receive, in accordance with the transfer,
2940 distributions to which the transferor would otherwise be



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2941 entitled;

2942 (2) to receive upon the dissolution and winding up of
2943 the partnership, in accordance with the transfer, the net
2944 amount otherwise distributable to the transferor; and

2945 (3) to seek under Section 10A-8A-8.01(5) a judicial
2946 determination that it is equitable to wind up the partnership
2947 business or not for profit activity.

2948 (c) A transferable interest may be evidenced by a
2949 certificate of transferable interest issued by the
2950 partnership. A partnership agreement may provide for the
2951 transfer of the transferable interest represented by the
2952 certificate and make other provisions with respect to the
2953 certificate. No certificate of transferable interest shall be
2954 issued in bearer form.

2955 (d) In a dissolution and winding up, a transferee is
2956 entitled to an account of the partnership's transactions only
2957 from the date of dissolution.

2958 (e) Except as otherwise provided in Sections
2959 10A-8A-6.01(4), 10A-8A-6.01(11), and 10A-8A-6.01(12), when a
2960 partner transfers a transferable interest, the transferor
2961 retains the rights of a partner other than the right to
2962 distributions transferred and retains all duties and
2963 obligations of a partner.

2964 (f) A partnership need not give effect to a
2965 transferee's rights under this section until the partnership
2966 has notice of the transfer.

2967 (g) When a partner transfers a transferable interest to
2968 a person that is admitted as a partner with respect to the



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2969 transferred interest, the transferee is liable for the
2970 partner's obligations under Sections 10A-8A-4.04 and
2971 10A-8A-4.09 to the extent that the obligations are known to
2972 the transferee when the transferee voluntarily accepts
2973 admission as a partner.

2974 (h) Notwithstanding anything in Title 43 to the
2975 contrary, a partnership agreement may provide that a
2976 transferable interest may or shall be transferred in whole or
2977 in part, with or without consideration, to one or more persons
2978 at the death of the holder of the transferable interest. Any
2979 transferable interest transferred pursuant to this subsection
2980 shall be subject to any outstanding charging order under
2981 Section 10A-8A-5.03. This subsection does not limit the rights
2982 of creditors of holders of transferable interests against
2983 transferees under this chapter or other laws of this state."

2984 "§10A-8A-5.04

2985 If a partner dies, the deceased partner's personal
2986 representative or other legal representative may:

2987 (a) for the period of time, if any, that the deceased
2988 partner's personal representative or other legal
2989 representative holds the deceased partner's transferable
2990 interest:

2991 (1) exercise the rights of a holder of transferable
2992 interests under this chapter;

2993 (2) exercise the rights of a transferee under Section
2994 10A-8A-5.02; and

2995 (3) for purposes of settling the estate, exercise the
2996 rights of a current partner under Section 10A-8A-4.10; and



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2997 (b) for the period of time that the deceased partner's
2998 personal representative or other legal representative does not
2999 hold the deceased partner's transferable interest, for
3000 purposes of settling the estate, exercise the rights of a
3001 person dissociated as a partner under Section 10A-8A-4.10."

3002 "§10A-8A-8.02

3003 (a) A dissolved partnership continues its existence as
3004 a partnership but may not carry on any business or not for
3005 profit activity except as is appropriate to wind up and
3006 liquidate its business or not for profit activity, including:

3007 (1) collecting its assets;

3008 (2) disposing of its properties that will not be
3009 distributed in kind to persons owning transferable interests;

3010 (3) discharging or making provisions for discharging
3011 its liabilities;

3012 (4) distributing its remaining property in accordance
3013 with Section 10A-8A-8.09; and

3014 (5) doing every other act necessary to wind up and
3015 liquidate its business or not for profit activity.

3016 (b) In winding up its business or not for profit
3017 activity, a partnership may:

3018 (1) deliver to the Secretary of State for filing a
3019 statement of dissolution setting forth:

3020 (A) The name of the partnership;

3021 (B) If the partnership has filed a statement of
3022 partnership, a statement of not for profit partnership, a
3023 statement of authority, or a statement of limited liability
3024 partnership, the unique identifying number or other



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3025 designation as assigned by the Secretary of State;

3026 (C) That the partnership has dissolved;

3027 (D) The name, street address, and mailing address of
3028 the partner who will be winding up the business or not for
3029 profit activity of the partnership pursuant to Section
3030 10A-8A-8.03(a), and if none, the name, street address, and
3031 mailing address of the person appointed pursuant to Section
3032 10A-8A-8.03(b) or (c) to wind up the business or not for
3033 profit activity of the partnership;

3034 (E) If the partnership has filed a statement of
3035 partnership, a statement of not for profit partnership, or a
3036 statement of limited liability partnership, the name, street
3037 address, and mailing address of the partnership's registered
3038 agent; and

3039 (F) Any other information the partnership deems
3040 appropriate;

3041 (2) preserve the partnership's business or not for
3042 profit activity as a going concern for a reasonable time;

3043 (3) prosecute, defend, or settle actions or
3044 proceedings, whether civil, criminal, or administrative;

3045 (4) transfer the partnership's assets;

3046 (5) resolve disputes by mediation or arbitration; and

3047 (6) merge or convert in accordance with Article 9 of
3048 this chapter or Article 8 of Chapter 1.

3049 (c) The dissolution of a partnership does not:

3050 (1) transfer title to the partnership's property;

3051 (2) prevent the commencement of a proceeding by or
3052 against the partnership in its partnership name;



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3053 (3) terminate, abate, or suspend a proceeding pending
3054 by or against the partnership on the effective date of
3055 dissolution;

3056 (4) terminate the authority of its registered agent; or

3057 (5) abate, suspend, or otherwise alter the application
3058 of Section 10A-8A-3.06.

3059 (d) A statement of dissolution is a filing instrument
3060 under Chapter 1.

3061 (e) If a partnership has not filed a statement of
3062 partnership, a statement of not for profit partnership, a
3063 statement of limited liability partnership, or a statement of
3064 authority and the Secretary of State has not assigned a unique
3065 identifying number or other designation to that partnership,
3066 then the Secretary of State shall assign a unique identifying
3067 number or other designation to that partnership when that
3068 partnership delivers to the Secretary of State for filing that
3069 partnership's statement of dissolution without the need of
3070 that partnership delivering to the Secretary of State for
3071 filing a statement of partnership, a statement of not for
3072 profit partnership, a statement of limited liability
3073 partnership, or a statement of authority."

3074 "§10A-8A-8.03

3075 (a) If a dissolved partnership has a partner or
3076 partners that have not dissociated, that partner or those
3077 partners shall wind up the business or not for profit activity
3078 of the partnership and shall have the powers set forth in
3079 Section 10A-8A-8.04. A person whose dissociation as a partner
3080 resulted in the dissolution of the partnership may participate



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3081 in the winding up as if still a partner, unless the
3082 dissociation was wrongful.

3083 (b) If a dissolved partnership does not have a partner
3084 and no person has the right to participate in winding up under
3085 subsection (a), the personal or legal representative of the
3086 last person to have been a partner may wind up the
3087 partnership's business or not for profit activity. If the
3088 representative does not exercise that right, a person to wind
3089 up the partnership's business or not for profit activity may
3090 be appointed by the affirmative vote or consent of transferees
3091 owning a majority of the transferable interests at the time
3092 the consent is to be effective.

3093 (c) A court of competent jurisdiction may order
3094 judicial supervision of the winding up of a dissolved
3095 partnership, including the appointment of a person to wind up
3096 the partnership's business or not for profit activity:

3097 (1) on application of a partner or any person entitled
3098 under the last sentence of subsection (a) to participate in
3099 the winding up of the dissolved partnership, if the applicant
3100 establishes good cause;

3101 (2) on application of a transferee, if the partnership
3102 does not have a partner and within a reasonable time following
3103 the dissolution no person having the authority to wind up the
3104 business or not for profit activity of the partnership has
3105 been appointed pursuant to subsection (b);

3106 (3) on application of a transferee, if the partnership
3107 does not have a partner and within a reasonable time following
3108 the dissolution the person appointed pursuant to subsection



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3109 (b) is not winding up the business or not for profit activity
3110 of the partnership; or

3111 (4) in connection with a proceeding under Section
3112 10A-8A-8.01(4) or (5).

3113 (d) A person appointed under subsection (b) or (c) is
3114 not a partner but:

3115 (1) has the powers of a partner under Section
3116 10A-8A-8.04 but is not liable for the debts, liabilities, and
3117 other obligations of the partnership solely by reason of
3118 having or exercising those powers or otherwise acting to wind
3119 up the business or not for profit activity of the dissolved
3120 partnership; and

3121 (2) shall promptly deliver to the Secretary of State
3122 for filing a statement of dissolution setting forth the items
3123 listed in Section 10A-8A-8.02(b)(1) and the following:

3124 (A) that the partnership does not have a partner;

3125 (B) the name, street address, and mailing address of
3126 each person that has been appointed to wind up the business or
3127 not for profit activity of the partnership;

3128 (C) that each person has been appointed pursuant to
3129 subsection (b) or (c), as applicable, to wind up the business
3130 or not for profit activity of the partnership;~~and~~

3131 (D) pursuant to this section, that each person has the
3132 powers of a partner under Section 10A-8A-8.04 but is not
3133 liable for the debts, liabilities, and other obligations of
3134 the partnership solely by reason of having or exercising those
3135 powers or otherwise acting to wind up the business or not for
3136 profit activity of the dissolved partnership~~;~~ and



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3137 (E) if the partnership has filed a statement of
3138 partnership, a statement of not for profit partnership, a
3139 statement of limited liability partnership or a statement of
3140 authority, the unique identifying number or other designation
3141 as assigned by the Secretary of State.

3142 (e) If a partnership has not filed a statement of
3143 partnership, a statement of not for profit partnership, a
3144 statement of limited liability partnership, or statement of
3145 authority and the Secretary of State has not assigned a unique
3146 identifying number or other designation to that partnership,
3147 then the Secretary of State shall assign a unique identifying
3148 number or other designation to that partnership when the
3149 person required under subsection (d) delivers to the Secretary
3150 of State for filing the statement of dissolution for that
3151 partnership, without the need to deliver to the Secretary of
3152 State for filing a statement of partnership, a statement of
3153 not for profit partnership, a statement of limited liability
3154 partnership, or a statement of authority."

3155 "\$10A-8A-8.11

3156 A partnership that has dissolved, has filed a statement
3157 of dissolution, and is seeking to reinstate in accordance with
3158 Section 10A-8A-8.10, shall deliver to the Secretary of State
3159 for filing a certificate of reinstatement in accordance with
3160 the following:

3161 (a) A certificate of reinstatement shall be delivered
3162 to the Secretary of State for filing. The certificate of
3163 reinstatement shall state:

3164 (1) the name of the partnership before reinstatement;



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3165 (2) the name of the partnership following
3166 reinstatement, which partnership name shall comply with
3167 Section 10A-8A-8.12;

3168 (3) the date of formation of the partnership if known;

3169 (4) the date of filing its statement of dissolution, if
3170 any, and all amendments and restatements thereof, and the
3171 office or offices where filed;

3172 (5) if the partnership has filed a statement of
3173 partnership, a statement of not for profit partnership, a
3174 statement of authority, or a statement of limited liability
3175 partnership, the unique identifying number or other
3176 designation as assigned by the Secretary of State;

3177 (6) the date of dissolution of the partnership, if
3178 known;

3179 (7) a statement that all applicable conditions of
3180 Section 10A-8A-8.10 have been satisfied; and

3181 (8) the address of the registered office and the name
3182 of the registered agent at that address in compliance with
3183 Article 5 of Chapter 1.

3184 ~~(b) A partnership shall deliver to the Secretary of~~
3185 ~~State for filing a statement of dissolution prior to or~~
3186 ~~simultaneously with the certificate of reinstatement. If a~~
3187 ~~partnership has not filed a statement of partnership, a~~
3188 ~~statement of not for profit partnership, or a statement of~~
3189 ~~limited liability partnership prior to filing its, or a~~
3190 ~~statement of dissolution, the partnership must also deliver to~~
3191 ~~the Secretary of State for filing a statement of partnership,~~
3192 ~~a statement of not for profit partnership, or a statement of~~



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3193 ~~limited liability partnership, simultaneously with the~~
3194 ~~certificate of reinstatement~~ and the Secretary of State has
3195 not assigned a unique identifying number or other designation
3196 to that partnership, then the Secretary of State shall assign
3197 a unique identifying number or other designation to that
3198 partnership when the partnership delivers to the Secretary of
3199 State for filing the certificate of reinstatement for that
3200 partnership, without the need to deliver to the Secretary of
3201 State for filing a statement of partnership, a statement of
3202 not for profit partnership, a statement of limited liability
3203 partnership, a statement of authority, or a statement of
3204 dissolution.

3205 (c) A certificate of reinstatement is a filing
3206 instrument under Chapter 1."

3207 "§10A-8A-9.01

3208 As used in this article, unless the context otherwise
3209 requires, the following terms mean:

3210 (1) CONSTITUENT ORGANIZATION means an organization that
3211 is party to a merger under this article.

3212 (2) CONSTITUENT PARTNERSHIP means a constituent
3213 organization that is a partnership.

3214 (3) CONVERTED ORGANIZATION means the organization into
3215 which a converting organization converts pursuant to this
3216 article.

3217 (4) CONVERTING ORGANIZATION means an organization that
3218 converts into another organization pursuant to this article.

3219 (5) CONVERTING PARTNERSHIP means a converting
3220 organization that is a partnership.



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3221 (6) GOVERNING STATUTE of an organization means the
3222 statute that governs the organization's internal affairs.

3223 (7) ORGANIZATION means a partnership, including a
3224 limited liability partnership; limited partnership, including
3225 a limited liability limited partnership; limited liability
3226 company; business trust; corporation; nonprofit corporation;
3227 professional corporation; or any other person having a
3228 governing statute. The term includes domestic and foreign
3229 organizations whether or not organized for profit.

3230 (8) ORGANIZATIONAL DOCUMENTS means:

3231 (A) (i) for a partnership, its partnership agreement
3232 and, if applicable, its statement of partnership, statement of
3233 not for profit partnership, or statement of limited liability
3234 partnership; and (ii) for a foreign partnership, its
3235 partnership agreement and, if applicable, its statement of
3236 foreign limited liability partnership;

3237 (B) for a limited partnership or foreign limited
3238 partnership, its certificate of formation and partnership
3239 agreement, or comparable writings as provided in its governing
3240 statute;

3241 (C) for a limited liability company or foreign limited
3242 liability company, its certificate of formation and limited
3243 liability company agreement, or comparable writings as
3244 provided in its governing statute;

3245 (D) for a business or statutory trust or foreign
3246 business or statutory trust its agreement of trust and
3247 declaration of trust, or comparable writings as provided in
3248 its governing statute;



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3249 (E) for a corporation for profit or foreign corporation
3250 for profit, its certificate of formation, bylaws, and other
3251 agreements among its shareholders that are authorized by its
3252 governing statute, or comparable writings as provided in its
3253 governing statute;

3254 (F) for a nonprofit corporation or foreign nonprofit
3255 corporation, its certificate of formation, bylaws, and other
3256 agreements that are authorized by its governing statute, or
3257 comparable writings as provided in its governing statute;

3258 (G) for a professional corporation or foreign
3259 professional corporation, its certificate of formation,
3260 bylaws, and other agreements among its shareholders that are
3261 authorized by its governing statute, or comparable writings as
3262 provided in its governing statute; and

3263 (H) for any other organization, the basic writings that
3264 create the organization and determine its internal governance
3265 and the relations among the persons that own it, have an
3266 interest in it, or are members of it.

3267 (9) PLAN OF MERGER. Except as set forth in Section
3268 10A-8A-9.06(e), a plan of merger, whether referred to as a
3269 plan of merger, an agreement of merger, a merger agreement, a
3270 plan and agreement of merger, an agreement and plan of merger,
3271 or otherwise, means a writing described in Section 10A-8A-9.06
3272 and includes any agreement, instrument, or other document
3273 referenced therein or associated therewith that sets forth the
3274 terms and conditions of the merger.

3275 ~~(9)~~ (10) SURVIVING ORGANIZATION means an organization
3276 into which one or more other organizations are merged under



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3277 this article, whether the organization pre-existed the merger
3278 or was created pursuant to the merger."

3279 "§10A-8A-9.02

3280 (a) An organization other than a partnership may
3281 convert to a partnership, and a partnership may convert to an
3282 organization other than a partnership pursuant to this
3283 section, Sections 10A-8A-9.03 through 10A-8A-9.05, and a plan
3284 of conversion, if:

3285 (1) the governing statute of the organization that is
3286 not a partnership authorizes the conversion;

3287 (2) the law of the jurisdiction governing the
3288 converting organization and the converted organization does
3289 not prohibit the conversion; and

3290 (3) the converting organization and the converted
3291 organization each comply with the governing statute and
3292 organizational documents applicable to that organization in
3293 effecting the conversion.

3294 (b) A plan of conversion must be in writing and must
3295 include:

3296 (1) the name, type of organization, and mailing address
3297 of the principal office of the converting organization, and
3298 its unique identifying number or other designation as assigned
3299 by the Secretary of State, if any, before conversion;

3300 (2) the name, type of organization, and mailing address
3301 of the principal office of the converted organization after
3302 conversion;

3303 (3) the terms and conditions of the conversion,
3304 including the manner and basis for converting interests in the



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3305 converting organization into any combination of money,
3306 interests in the converted organization, and other
3307 consideration allowed in Section 10A-8A-9.02(c); and

3308 (4) the organizational documents of the converted
3309 organization.

3310 (c) In connection with a conversion, rights or
3311 securities of or interests in the converting organization may
3312 be exchanged for or converted into cash, property, or rights
3313 or securities of or interests in the converted organization,
3314 or, in addition to or in lieu thereof, may be exchanged for or
3315 converted into cash, property, or rights or securities of or
3316 interests in another organization or may be cancelled.

3317 (d) At the time of the approval of the plan of
3318 conversion in accordance with Section 10A-8A-9.03, the plan of
3319 conversion is not required to contain or have attached thereto
3320 any disclosure letter, disclosure schedules, or similar
3321 documents or instruments contemplated by the plan of
3322 conversion that modify, supplement, qualify, or make
3323 exceptions to representations, warranties, covenants, or
3324 conditions contained in the plan of conversion.

3325 ~~(d)~~ (e) If a partnership is the converting organization
3326 and that partnership does not have an effective statement of
3327 partnership, statement of not for profit partnership, or
3328 statement of limited liability partnership on file with the
3329 Secretary of State, then that partnership must, before
3330 proceeding with a conversion deliver to the Secretary of State
3331 for filing, a statement of partnership, statement of not for
3332 profit partnership, or statement of limited liability



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3333 partnership simultaneously with the delivery to the Secretary
3334 of State for filing, of a statement of conversion.

3335 ~~(e)~~ (f) If an organization is converting to a
3336 partnership, the converting organization must deliver to the
3337 Secretary of State for filing a statement of partnership,
3338 statement of not for profit partnership, or a statement of
3339 limited liability partnership in accordance with Section
3340 10A-8A-9.04."

3341 "§10A-8A-9.06

3342 (a) A partnership may merge with one or more other
3343 constituent organizations pursuant to this section, Sections
3344 10A-8A-9.07 through 10A-8A-9.09, and a plan of merger, if:

3345 (1) the governing statute of each of the other
3346 organizations authorizes the merger;

3347 (2) the merger is not prohibited by the law of a
3348 jurisdiction that enacted any of those governing statutes; and

3349 (3) each of the other organizations complies with its
3350 governing statute in effecting the merger.

3351 (b) A plan of merger must be in writing and must
3352 include:

3353 (1) the name, type of organization, and mailing address
3354 of the principal office of each constituent organization, the
3355 jurisdiction of the governing statute of each constituent
3356 organization, and the respective unique identifying numbers or
3357 other designations as assigned by the Secretary of State, if
3358 any, of each constituent organization;

3359 (2) the name, type of organization, and mailing address
3360 of the principal office of the surviving organization, the



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3361 unique identifying number or other designation as assigned by
3362 the Secretary of State, if any, of the surviving organization,
3363 the jurisdiction of the governing statute of the surviving
3364 organization, and, if the surviving organization is to be
3365 created pursuant to the merger, a statement to that effect;

3366 (3) the terms and conditions of the merger, including
3367 the manner and basis for converting the interests in each
3368 constituent organization into any combination of money,
3369 interests in the surviving organization, and other
3370 consideration as allowed by subsection (c);

3371 (4) if the surviving organization is to be created
3372 pursuant to the merger, the surviving organization's
3373 organizational documents; and

3374 (5) if the surviving organization is not to be created
3375 pursuant to the merger, any amendments to be made by the
3376 merger to the surviving organization's organizational
3377 documents.

3378 (c) In connection with a merger, rights or securities
3379 of or interests in a constituent organization may be exchanged
3380 for or converted into cash, property, or rights or securities
3381 of or interests in the surviving organization, or, in addition
3382 to or in lieu thereof, may be exchanged for or converted into
3383 cash, property, or rights or securities of or interests in
3384 another organization or may be cancelled.

3385 (d) In addition to the requirements of subsection (b),
3386 a plan of merger may:

3387 (1) provide that (i) a constituent organization or any
3388 other party to the plan of merger that fails to perform its



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3389 obligations under the plan of merger in accordance with the
3390 terms and conditions of the plan of merger, or that otherwise
3391 fails to comply with the terms and conditions of the plan of
3392 merger, in each case, required to be performed or complied
3393 with prior to the time the merger becomes effective, or that
3394 otherwise fails to consummate, or fails to cause the
3395 consummation of, the merger (whether prior to a specified
3396 date, upon satisfaction or, to the extent permitted by law,
3397 waiver of all conditions to consummation set forth in the plan
3398 of merger, or otherwise) shall be subject, in addition to any
3399 other remedies available at law or in equity, to the penalties
3400 or consequences as are set forth in the plan of merger (which
3401 penalties or consequences may include an obligation to pay to
3402 the other party or parties to the plan of merger an amount
3403 representing, or based on the loss of, any premium or other
3404 economic entitlement the owners of the other party would be
3405 entitled to receive pursuant to the terms of the plan of
3406 merger if the merger were consummated in accordance with the
3407 terms of the plan of merger) and (ii) if, pursuant to the
3408 terms of the plan of merger, a constituent organization is
3409 entitled to receive payment from another party to the plan of
3410 merger of any amount representing a penalty or consequence (as
3411 specified in clause (i) of this Section 10A-8A-9.06(d)(1)),
3412 the constituent organization shall be entitled to enforce the
3413 other party's payment obligation and, upon receipt of any
3414 payment, shall be entitled to retain the amount of the payment
3415 so received;

3416 (2) provide (i) for the appointment, at or after the



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3417 time at which the plan of merger is adopted by the owners of a
3418 constituent organization in accordance with the requirements
3419 of Section 10A-8A-9.07, of one or more persons (which may
3420 include the surviving or resulting entity or any officer,
3421 partner, representative, or agent thereof) as representative
3422 of the owners of a constituent organization, including those
3423 whose ownership interests shall be cancelled, converted, or
3424 exchanged in the merger, and for the delegation to that person
3425 or persons of the sole and exclusive authority to take action
3426 on behalf of the owners pursuant to the plan of merger,
3427 including taking such actions as the representative determines
3428 to enforce (including by entering into settlements with
3429 respect to) the rights of the owners under the plan of merger,
3430 on the terms and subject to the conditions set forth in the
3431 plan of merger, (ii) that any appointment pursuant to clause
3432 (i) of this Section 10A-8A-9.06(d)(2) shall be irrevocable and
3433 binding on all owners from and after the adoption of the plan
3434 of merger by the requisite vote of the partners pursuant to
3435 Section 10A-8A-9.07, and (iii) that any provision adopted
3436 pursuant to this Section 10A-8A-9.06(d)(2) may not be amended
3437 after the merger has become effective or may be amended only
3438 with the consent or approval of persons specified in the plan
3439 of merger; and

3440 (3) contain any other provision not prohibited by law.

3441 (e) At the time of the approval of the plan of merger
3442 in accordance with Section 10A-8A-9.07, the plan of merger is
3443 not required to contain or have attached thereto any
3444 disclosure letter, disclosure schedules, or similar documents



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3445 or instruments contemplated by the plan of merger that modify,
3446 supplement, qualify, or make exceptions to representations,
3447 warranties, covenants, or conditions contained in the plan of
3448 merger."

3449 "§10A-8A-10.01

3450 (a) A partnership may be formed as, or may become, a
3451 limited liability partnership pursuant to this section.

3452 (b) In order to form a limited liability partnership,
3453 the original partnership agreement of the partnership shall
3454 state that the partnership is formed as a limited liability
3455 partnership, and the partnership shall deliver to the
3456 Secretary of State for filing a statement of limited liability
3457 partnership in accordance with subsection (d) of this section.

3458 (c) In order for an existing partnership to become a
3459 limited liability partnership, the terms and conditions on
3460 which the partnership becomes a limited liability partnership
3461 must be approved by the affirmative approval necessary to
3462 amend the partnership agreement and, in the case of a
3463 partnership agreement that expressly considers obligations to
3464 contribute to the partnership, also the affirmative approval
3465 necessary to amend those provisions, and after such approval,
3466 the partnership shall deliver to the Secretary of State for
3467 filing a statement of limited liability partnership in
3468 accordance with subsection (d).

3469 (d) A statement of limited liability partnership must
3470 contain all of the following:

3471 (1) the name of the limited liability partnership which
3472 must comply with Article 5 of Chapter 1;



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3473 (2) the street, and mailing, if different, address of
3474 its principal office-;

3475 (3) the street and mailing address of ~~a~~ the registered
3476 office and the name of the registered agent at that office for
3477 service of process in this state ~~which the partnership shall~~
3478 ~~be required to maintain~~ in accordance with Chapter 1;

3479 (4) a statement that the partnership was formed as a
3480 limited liability partnership in accordance with subsection
3481 (b) or a statement that the statement of limited liability
3482 partnership was approved in accordance with subsection (c);
3483 ~~and~~

3484 (5) a statement that the partnership is a limited
3485 liability partnership-; and

3486 (6) the unique identifying number or other designation,
3487 if any, as assigned to the partnership by the Secretary of
3488 State.

3489 (e) A statement of limited liability partnership may be
3490 amended or restated from time to time in accordance with
3491 Section 10A-1-4.26.

3492 (f) The statement of limited liability partnership
3493 shall be executed by one or more partners authorized to
3494 execute the statement of limited liability partnership.

3495 (g) The statement of limited liability partnership
3496 shall be accompanied by a fee for the Secretary of State in
3497 the respective amounts prescribed by Section 10A-1-4.31.

3498 (h) The Secretary of State shall file the statement of
3499 limited liability partnership of any partnership as a limited
3500 liability partnership that submits a completed statement of



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3501 limited liability partnership with the required fees. The
3502 filing by the Secretary of State of a statement of limited
3503 liability partnership is conclusive evidence that the
3504 partnership has satisfied all conditions required to be a
3505 limited liability partnership.

3506 (i) The statement of limited liability partnership is
3507 effective, and a partnership becomes a limited liability
3508 partnership, immediately on the date the statement of limited
3509 liability partnership is filed with the Secretary of State or
3510 at any later date or time specified in the statement of
3511 limited liability partnership in compliance with Article 4 of
3512 Chapter 1. The status as a limited liability partnership
3513 remains effective, regardless of changes in the partnership,
3514 and partnership continues as a limited liability partnership
3515 until a statement of cancellation is voluntarily filed in
3516 accordance with subsection (m).

3517 (j) The fact that a statement of limited liability
3518 partnership is on file with the Secretary of State is notice
3519 that the partnership is a limited liability partnership and as
3520 notice of the facts required to be set forth in the statement
3521 of limited liability partnership.

3522 (k) A partnership that has filed a statement of limited
3523 liability partnership as a limited liability partnership is
3524 for all purposes, except as provided in Section 10A-8A-3.06,
3525 the same entity that existed before the statement of limited
3526 liability partnership was filed and continues to be a
3527 partnership under the laws of this state subject to the
3528 limited liability partnership provisions of this chapter. If a



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3529 limited liability partnership dissolves and its business or
3530 not for profit activity, or a portion of its business or not
3531 for profit activity is continued without the complete winding
3532 up of partnership's business or not for profit activity, a
3533 partnership which is a successor to the limited liability
3534 partnership shall not be required to file a new statement of
3535 limited liability partnership.

3536 (1) The status of the partnership as a limited
3537 liability partnership and the liability of a partner of the
3538 limited liability partnership shall not be adversely affected
3539 by error or subsequent changes in the information stated in
3540 the statement of limited liability partnership under
3541 subsection (d).

3542 (m) The decision to file a statement of cancellation
3543 shall require the approval of all of the partners of the
3544 partnership. The statement of cancellation must be delivered
3545 for filing to the Secretary of State and must contain the
3546 following:

3547 (1) the name of the limited liability partnership;

3548 ~~(2) the date and office or offices in which it filed~~
3549 ~~its statement of limited liability partnership, and all~~
3550 ~~amendments and restatements thereof~~ the unique identifying
3551 number or other designation as assigned to the partnership by
3552 the Secretary of State;

3553 (3) the street and mailing address of its principal
3554 office;

3555 (4) the street and mailing address of its registered
3556 office and the name of the registered agent at that office for



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3557 service of process in this state which the partnership was
3558 required to maintain;

3559 (5) a statement that the statement of cancellation was
3560 approved in accordance with this subsection; and

3561 (6) any other information that the partners determine
3562 to include.

3563 (n) A statement of cancellation must be executed by one
3564 or more partners authorized to execute the statement of
3565 cancellation.

3566 (o) The statement of cancellation is effective, and a
3567 partnership ceases to be a limited liability partnership,
3568 immediately on the date the statement of cancellation is
3569 delivered to the Secretary of State for filing or at any later
3570 date or time specified in the statement of cancellation in
3571 compliance with Article 4 of Chapter 1. The statement of
3572 cancellation shall not cause the dissolution of the
3573 partnership.

3574 (p) The filing of a statement of cancellation of a
3575 limited liability partnership does not affect the limited
3576 liability of partners for debts, obligations or liabilities of
3577 the partnership which occur or were incurred prior to the
3578 filing of the statement of cancellation.

3579 (q) A dissolved limited liability partnership shall
3580 continue its status as a limited liability partnership unless
3581 a statement of cancellation is voluntarily filed in accordance
3582 with subsection (m).

3583 (r) The statement of limited liability partnership and
3584 the statement of cancellation are filing instruments for the



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3585 purposes of Chapter 1."

3586 "§10A-8A-10.03

3587 (a) In the case of a limited liability partnership
3588 performing professional services, upon the death of a partner,
3589 upon a partner becoming a disqualified person, or upon a
3590 transferable interest being transferred by operation of law or
3591 court decree to a disqualified person, the transferable
3592 interest of the deceased partner or of the disqualified person
3593 may be transferred to a qualified person and, if not so
3594 transferred, subject to Section 10A-8A-4.09, shall be
3595 purchased by the limited liability partnership as provided in
3596 this section.

3597 (b) If the purchase price of the transferable interest
3598 is not ~~fixed by~~ determined in accordance with the partnership
3599 agreement, the limited liability partnership, within six
3600 months after the death or 30 days after the disqualification
3601 or transfer, as the case may be, shall make a written offer to
3602 ~~pay to the holder of~~ for the transferable interest a specified
3603 price deemed by the limited liability partnership to be the
3604 fair value of the transferable interest as of the date of the
3605 death, disqualification, or transfer. The offer shall be ~~given~~
3606 delivered to the personal representative of the estate of the
3607 deceased partner, the disqualified person, or the transferee,
3608 as the case may be, and shall be accompanied by a balance
3609 sheet of the limited liability partnership, as of the latest
3610 available date and not more than 12 months prior to the making
3611 of the offer, and a profit and loss statement of the limited
3612 liability partnership for the 12-month period ended on the



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3613 date of the balance sheet.

3614 (c) ~~If within 30 days after the date of the written~~
3615 ~~offer from the limited liability partnership~~ the fair value of
3616 the transferable interest is agreed upon between the personal
3617 representative of the estate of the deceased partner, the
3618 disqualified person, or the transferee, as the case may be,
3619 and the limited liability partnership, payment therefor shall
3620 be made within 90 days, or such other period as the parties
3621 may agree, ~~after the date of the offer~~. Upon payment of the
3622 agreed value, the personal representative of the estate of the
3623 deceased partner, the disqualified person, or the transferee,
3624 as the case may be, shall cease to have any interest in, or
3625 claim to, the transferable interest.

3626 (d) ~~If within 30 days from the date of the written~~
3627 ~~offer from the limited liability partnership,~~ the fair value
3628 of the transferable interest is not agreed upon between the
3629 personal representative of the estate of the deceased partner,
3630 the disqualified person, or the transferee, as the case may
3631 be, and the limited liability partnership ~~do not so agree as~~
3632 ~~to the fair value of the transferable interest~~ within 30 days
3633 of the delivery of the written offer, then either party may
3634 commence a civil action in the designated court, and if none,
3635 in the circuit court for the county in which the limited
3636 liability partnership's principal office within this state is
3637 located, and if the limited liability partnership does not
3638 have a principal office within this state, then in the circuit
3639 court for the county in which the limited liability
3640 partnership's most recent registered office is located



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3641 requesting that the fair value of the transferable interest be
3642 found and determined. If the limited liability partnership
3643 does not deliver a written offer in accordance with subsection
3644 (b), then the personal representative of the estate of the
3645 deceased partner, the disqualified person, or the transferee,
3646 as the case may be, may commence a civil action in the
3647 designated court, and if none, in the circuit court for the
3648 county in which the limited liability partnership's principal
3649 office is located in this state, and if none in this state, in
3650 the circuit court for the county in which the limited
3651 liability partnership's most recent registered office is
3652 located requesting that the fair value of the transferable
3653 interest be found and determined. The personal representative
3654 of the estate of the deceased partner, the disqualified
3655 person, or the transferee, as the case may be, wherever
3656 residing, shall be made a party to the proceeding as an action
3657 against that person's transferable interest quasi in rem.
3658 Service shall be made in accordance with the rules of civil
3659 procedure. The personal representative of the estate of the
3660 deceased partner, the disqualified person, or the transferee,
3661 as the case may be, shall be entitled to a judgment against
3662 the limited liability partnership for the amount of the fair
3663 value of that person's transferable interest as of the date of
3664 death, disqualification, or transfer. The court may order that
3665 the judgment be paid in installments and with interest and on
3666 terms as the court may determine. The court, if it so elects,
3667 may appoint one or more persons as appraisers to receive
3668 evidence and recommend a decision on the question of fair



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3669 value. The appraisers shall have the power and authority as
3670 shall be specified in the order of their appointment or an
3671 amendment thereof.

3672 (e) The judgment shall include an allowance for
3673 interest at the rate the court finds to be fair and equitable
3674 in all the circumstances, from the date of death,
3675 disqualification, or transfer.

3676 ~~(f) The costs and expenses of any proceeding shall be~~
3677 ~~determined by the court and shall be assessed against the~~
3678 ~~parties in a manner the court deems equitable.~~

3679 ~~(g) The expenses shall include reasonable compensation~~
3680 ~~for and reasonable expenses of the appraisers and a reasonable~~
3681 ~~attorney's fee but shall exclude the fees and expenses of~~
3682 ~~counsel for and of experts employed by any party; but:~~

3683 ~~(1) if the fair value of the transferable interest as~~
3684 ~~determined materially exceeds the amount which the limited~~
3685 ~~liability partnership offered to pay therefor, or if no offer~~
3686 ~~was made by the limited liability partnership, the court, in~~
3687 ~~its discretion, may award to the personal representative of~~
3688 ~~the estate of the deceased partner, the disqualified person,~~
3689 ~~or the transferee, as the case may be, the sum the court~~
3690 ~~determines to be reasonable compensation to any expert or~~
3691 ~~experts employed by the personal representative of the estate~~
3692 ~~of the deceased partner, the disqualified person, or the~~
3693 ~~transferee, as the case may be, in the proceeding; and~~

3694 ~~(2) if the offer of the limited liability partnership~~
3695 ~~for the transferable interest materially exceeds the amount of~~
3696 ~~the fair value of the transferable interest as determined, the~~



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3697 ~~court, in its discretion, may award to the limited liability~~
3698 ~~partnership the sum the court determines to be reasonable~~
3699 ~~compensation to any expert or experts employed by the limited~~
3700 ~~liability partnership in the proceeding.~~

3701 (f) (1) The court in a proceeding commenced under
3702 subsection (d) shall determine all court costs of the
3703 proceeding, including the reasonable compensation and expenses
3704 of appraisers appointed by the court. The court shall assess
3705 the court costs against the limited liability partnership,
3706 except that the court may assess court costs against the
3707 personal representative of the estate of the deceased partner,
3708 the disqualified person, or the transferee, as the case may
3709 be, in amounts which the court finds equitable, to the extent
3710 the court finds the personal representative of the estate of
3711 the deceased partner, the disqualified person, or the
3712 transferee, as the case may be, acted arbitrarily,
3713 vexatiously, or not in good faith with respect to the rights
3714 provided by this section.

3715 (2) The court in a proceeding commenced under
3716 subsection (d) may also assess the expenses of the respective
3717 parties in amounts the court finds equitable:

3718 (A) against the limited liability partnership and in
3719 favor of the personal representative of the estate of the
3720 deceased partner, the disqualified person, or the transferee,
3721 as the case may be, if the court finds the limited liability
3722 partnership did not substantially comply with the requirements
3723 of this section; or

3724 (B) against either the limited liability partnership or



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3725 the personal representative of the estate of the deceased
3726 partner, the disqualified person, or the transferee, as the
3727 case may be, in favor of the other party, if the court finds
3728 the party against whom expenses are assessed acted
3729 arbitrarily, vexatiously, or not in good faith with respect to
3730 the rights provided by this section.

3731 (3) For purposes of this subsection (f), expenses means
3732 reasonable expenses of any kind that are incurred in
3733 connection with a proceeding brought under subsection (d).

3734 ~~(h)~~ (g) If the purchase or transfer of the transferable
3735 interest of a deceased partner, a disqualified person, or a
3736 transferee is not completed within 12 months after the death
3737 of the deceased partner or 12 months after the
3738 disqualification or transfer, as the case may be, the limited
3739 liability partnership shall forthwith cancel the transferable
3740 interest on its books and the personal representative of the
3741 estate of the deceased partner, the disqualified person, or
3742 the transferee, as the case may be, shall have no further
3743 interest in the transferable interest other than that person's
3744 right to payment for the transferable interest under this
3745 section.

3746 ~~(i)~~ (h) This section shall not require a limited
3747 liability partnership to purchase a transferable interest of a
3748 disqualified person if the disqualification is for less than
3749 12 months from the date of disqualification. A limited
3750 liability partnership may require the disqualified person to
3751 sell the disqualified person's transferable interest to the
3752 limited liability partnership upon any disqualification.



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3753 ~~(i)~~ (i) Any provision of a partnership agreement
3754 regarding the purchase or transfer of a transferable interest
3755 of a limited liability partnership performing professional
3756 services shall be specifically enforceable in the courts of
3757 Alabama.

3758 ~~(j)~~ (j) Nothing in this section shall prevent or relieve
3759 a limited liability partnership from paying pension benefits
3760 or other deferred compensation for services rendered to or on
3761 behalf of a former partner as otherwise permitted by law."

3762 Section 7. Sections 10A-9A-1.07, 10A-9A-2.06,
3763 10A-9A-7.02, 10A-9A-7.04, 10A-9A-9.02, 10A-9A-10.01,
3764 10A-9A-10.02, and 10A-9A-10.06 of the Code of Alabama 1975,
3765 are amended to read as follows:

3766 "§10A-9A-1.07

3767 (a) It is the policy of this chapter and this state to
3768 give maximum effect to the principles of freedom of contract
3769 and to the enforceability of partnership agreements.

3770 (b) Unless displaced by particular provisions of this
3771 chapter, the principles of law and equity supplement this
3772 chapter.

3773 (c) If an obligation to pay interest arises under this
3774 chapter and the rate is not specified, the rate is the
3775 applicable federal rate as determined from time to time by the
3776 United States Treasury pursuant to 26 U.S.C. §_1274(d) or any
3777 successor law.

3778 (d) The rule that statutes in derogation of the common
3779 law are to be strictly construed shall have no application to
3780 this chapter.



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3781 (e) The use of any gender shall be applicable to all
3782 genders. The captions contained in this chapter are for
3783 purposes of convenience only and shall not control or affect
3784 the construction of this chapter.

3785 (f) Sections 7-9A-406 and 7-9A-408 of the Uniform
3786 Commercial Code, and all successor statutes thereto, do not
3787 apply to any interest in a limited partnership, including all
3788 rights, powers, and interests arising under a partnership
3789 agreement or this chapter. This provision prevails over
3790 Sections 7-9A-406 and 7-9A-408 of the Uniform Commercial Code,
3791 and all successor statutes thereto, and is expressly intended
3792 to permit the enforcement of the provisions of a partnership
3793 agreement that would otherwise be ineffective under Sections
3794 7-9A-406 and 7-9A-408 of the Uniform Commercial Code, and all
3795 successor statutes thereto.

3796 (g) Division E of Article 3 of Chapter 1 shall have no
3797 application to this chapter.

3798 (h) The terms president, vice president, secretary, and
3799 treasurer, as defined in Chapter 1, shall have no application
3800 to this chapter.

3801 (i) Section 10A-1-2.13(c) shall have no application to
3802 this chapter.

3803 (j) Action validly taken pursuant to one provision of
3804 this chapter shall not be deemed invalid solely because it is
3805 identical or similar in substance to an action that could have
3806 been taken pursuant to some other provision of this chapter
3807 but fails to satisfy one or more requirements prescribed by
3808 such other provision."



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3809 "§10A-9A-2.06

3810 (a) The Secretary of State, upon request and payment of
3811 the requisite fee, shall furnish to any person a certificate
3812 of existence for a limited partnership if the writings filed
3813 in the office of the Secretary of State show that the limited
3814 partnership has been formed under the laws of this state. A
3815 certificate of existence shall reflect only the information on
3816 file with the Secretary of State. To the extent writings have
3817 been delivered to the Secretary of State, the certificate of
3818 existence must state:

3819 (1) the limited partnership's name;

3820 (2) that the limited partnership was formed under the
3821 laws of this state, the date of formation, and the filing
3822 office in which the certificate of formation was filed;

3823 (3) whether a statement of dissolution of the limited
3824 partnership has been delivered to the Secretary of State for
3825 filing;

3826 (4) whether the limited partnership has delivered to
3827 the Secretary of State for filing a certificate of
3828 reinstatement;

3829 (5) the unique identifying number or other designation
3830 as assigned by the Secretary of State; and

3831 (6) other facts of record in the office of the
3832 Secretary of State which may be requested by the applicant.

3833 (b) The Secretary of State, upon request and payment of
3834 the requisite fee, shall furnish to any person a certificate
3835 of authorization for a foreign limited partnership if the
3836 writings filed in the office of the Secretary of State show



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3837 that the Secretary of State has filed a certificate of
3838 authority, has not revoked the certificate of authority, and
3839 has not filed a notice of cancellation. A certificate of
3840 authorization must state:

3841 (1) the foreign limited partnership's name and any
3842 alternate name for use in this state under Article 5 of
3843 Chapter 1;

3844 (2) that the foreign limited partnership is authorized
3845 to conduct activities and affairs in this state;

3846 (3) that the Secretary of State has not revoked the
3847 foreign limited partnership's certificate of authority;

3848 (4) that the foreign limited partnership has not filed
3849 with the Secretary of State a certificate of withdrawal, a
3850 notice of cancellation, or otherwise terminated its
3851 certificate of authority;

3852 (5) the unique identifying number or other designation
3853 as assigned by the Secretary of State; and

3854 (6) other facts of record in the office of the
3855 Secretary of State which may be requested by the applicant.

3856 (c) Subject to any qualification stated in the
3857 certificate, a certificate of existence or authorization
3858 issued by the Secretary of State may be relied upon as
3859 conclusive evidence that the limited partnership or foreign
3860 limited partnership is in existence or is authorized to
3861 transact activities and affairs in this state.

3862 (d) The Secretary of State shall not be required to
3863 issue a certificate of existence for a limited partnership if
3864 its certificate of formation was filed prior to January 1,



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3865 2011; provided, however, that the Secretary of State shall
3866 issue a certificate of existence upon the filing by the
3867 limited partnership of a certificate of information with the
3868 Secretary of State which must ~~comply with Section~~
3869 10A-1-3.08(b).

3870 ~~(1) state all information required in Section~~
3871 ~~10A-9A-2.01(a)(1), (a)(2), (a)(3), (a)(4), (a)(5), and (a)(6);~~
3872 ~~and~~

3873 ~~(2) list and attach certified copies of all writings~~
3874 ~~filed as to the limited partnership."~~

3875 "§10A-9A-7.02

3876 (a) A transfer, in whole or in part, of a partner's
3877 transferable interest:

3878 (1) is permissible;

3879 (2) does not by itself cause the partner's
3880 dissociation;

3881 (3) does not by itself cause a dissolution and winding
3882 up of the limited partnership; and

3883 (4) subject to Section 10A-9A-7.04, does not entitle
3884 the transferee to:

3885 (A) participate in the management or conduct of the
3886 limited partnership's activities and affairs; or

3887 (B) except as otherwise provided in subsection (d),
3888 have access to required information, records, or other
3889 information concerning the partnership's activities and
3890 affairs.

3891 (b) A transferee has the right to receive, in
3892 accordance with the transfer, distributions to which the



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3893 transferor would otherwise be entitled.

3894 (c) A transferable interest may be evidenced by a
3895 certificate of transferable interest issued by the limited
3896 partnership. A partnership agreement may provide for the
3897 transfer of the transferable interest represented by the
3898 certificate and make other provisions with respect to the
3899 certificate. No certificate of transferable interest shall be
3900 issued in bearer form.

3901 (d) In a dissolution and winding up, a transferee is
3902 entitled to an account of the limited partnership's
3903 transactions only from the date of dissolution.

3904 (e) Except as otherwise provided in Sections
3905 10A-9A-6.01(b)(3), 10A-9A-6.01(b)(10), 10A-9A-6.01(b)(11),
3906 10A-9A-6.03(4)(B), 10A-9A-6.03(11), and 10A-9A-6.03(12) when a
3907 partner transfers a transferable interest, the transferor
3908 retains the rights of a partner other than the right to
3909 distributions transferred and retains all duties and
3910 obligations of a partner.

3911 (f) A limited partnership need not give effect to a
3912 transferee's rights under this section until the limited
3913 partnership has notice of the transfer.

3914 (g) When a partner transfers a transferable interest to
3915 a person that is admitted as a partner with respect to the
3916 transferred interest, the transferee is liable for the
3917 partner's obligations under Sections 10A-9A-5.02 and
3918 10A-9A-5.08 to the extent that the obligations are known to
3919 the transferee when the transferee voluntarily accepts
3920 admission as a partner.



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3921 (h) Notwithstanding anything in Title 43 to the
3922 contrary, a partnership agreement may provide that a
3923 transferable interest may or shall be transferred in whole or
3924 in part, with or without consideration, to one or more persons
3925 at the death of the holder of the transferable interest. Any
3926 transferable interest transferred pursuant to this subsection
3927 shall be subject to any outstanding charging order under
3928 Section 10A-9A-7.03. This subsection does not limit the rights
3929 of creditors of holders of transferable interests against
3930 transferees under this chapter or other laws of this state."

3931 "§10A-9A-7.04

3932 If a partner dies, the deceased partner's personal
3933 representative or other legal representative may:

3934 (a) for the period of time, if any, that the deceased
3935 partner's personal representative or other legal
3936 representative holds the deceased partner's transferable
3937 interest:

3938 (1) exercise the rights of a holder of transferable
3939 interests under this chapter;

3940 (2) exercise the rights of a transferee under Section
3941 10A-9A-7.02; and

3942 (3) for purposes of settling the estate, exercise the
3943 rights of a current limited partner under Section 10A-9A-3.04;
3944 and

3945 (b) for the period of time that the deceased partner's
3946 personal representative or other legal representative does not
3947 hold the deceased partner's transferable interest, for
3948 purposes of settling the estate, exercise the rights of a



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3949 person dissociated as a limited partner under Section
3950 10A-9A-3.04."

3951 "§10A-9A-9.02

3952 A partner may commence or maintain a derivative action
3953 in the right of a limited partnership to enforce a right of
3954 the limited partnership by complying with this article."

3955 "§10A-9A-10.01

3956 As used in this article, unless the context otherwise
3957 requires, the following terms mean:

3958 (1) CONSTITUENT LIMITED PARTNERSHIP means a constituent
3959 organization that is a limited partnership.

3960 (2) CONSTITUENT ORGANIZATION means an organization that
3961 is party to a merger under this article.

3962 (3) CONVERTED ORGANIZATION means the organization into
3963 which a converting organization converts pursuant to this
3964 article.

3965 (4) CONVERTING LIMITED PARTNERSHIP means a converting
3966 organization that is a limited partnership.

3967 (5) CONVERTING ORGANIZATION means an organization that
3968 converts into another organization pursuant to this article.

3969 (6) GENERAL PARTNER means a general partner of a
3970 limited partnership.

3971 (7) GOVERNING STATUTE of an organization means the
3972 statute that governs the organization's internal affairs.

3973 (8) ORGANIZATION means a general partnership, including
3974 a limited liability partnership; limited partnership,
3975 including a limited liability limited partnership; limited
3976 liability company; business trust; corporation; nonprofit



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3977 corporation; professional corporation; or any other person
3978 having a governing statute. The term includes domestic and
3979 foreign organizations whether or not organized for profit.

3980 (9) ORGANIZATIONAL DOCUMENTS means:

3981 (A) for a general partnership or foreign general
3982 partnership, its partnership agreement and if applicable, its
3983 registration as a limited liability partnership or a foreign
3984 limited liability partnership;

3985 (B) for a limited partnership or foreign limited
3986 partnership, its certificate of formation and partnership
3987 agreement, or comparable writings as provided in its governing
3988 statute;

3989 (C) for a limited liability company or foreign limited
3990 liability company, its certificate of formation and limited
3991 liability company agreement, or comparable writings as
3992 provided in its governing statute;

3993 (D) for a business or statutory trust or foreign
3994 business or statutory trust its agreement of trust and
3995 declaration of trust, or comparable writings as provided in
3996 its governing statute;

3997 (E) for a corporation for profit or foreign corporation
3998 for profit, its certificate of formation, bylaws, and other
3999 agreements among its shareholders that are authorized by its
4000 governing statute, or comparable writings as provided in its
4001 governing statute;

4002 (F) for a nonprofit corporation or foreign nonprofit
4003 corporation, its certificate of formation, bylaws, and other
4004 agreements that are authorized by its governing statute, or



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4005 comparable writings as provided in its governing statute;

4006 (G) for a professional corporation or foreign
4007 professional corporation, its certificate of formation,
4008 bylaws, and other agreements among its shareholders that are
4009 authorized by its governing statute, or comparable writings as
4010 provided in its governing statute; and

4011 (H) for any other organization, the basic writings that
4012 create the organization and determine its internal governance
4013 and the relations among the persons that own it, have an
4014 interest in it, or are members of it.

4015 (10) PLAN OF MERGER. Except as set forth in Section
4016 10A-9A-10.06(e), a plan of merger, whether referred to as a
4017 plan of merger, an agreement of merger, a merger agreement, a
4018 plan and agreement of merger, an agreement and plan of merger,
4019 or otherwise, means a writing described in Section
4020 10A-9A-10.06 and includes any agreement, instrument, or other
4021 document referenced therein or associated therewith that sets
4022 forth the terms and conditions of the merger.

4023 ~~(10)~~ (11) SURVIVING ORGANIZATION means an organization
4024 into which one or more other organizations are merged under
4025 this article, whether the organization pre-existed the merger
4026 or was created pursuant to the merger. "

4027 "§10A-9A-10.02

4028 (a) An organization other than a limited partnership
4029 may convert to a limited partnership, and a limited
4030 partnership may convert to an organization other than a
4031 limited partnership pursuant to this section, Sections
4032 10A-9A-10.03 through 10A-9A-10.05, and a plan of conversion,



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4033 if:

4034 (1) the governing statute of the organization that is
4035 not a limited partnership authorizes the conversion;

4036 (2) the law of the jurisdiction governing the
4037 converting organization and the converted organization does
4038 not prohibit the conversion; and

4039 (3) the converting organization and the converted
4040 organization each comply with the governing statute and
4041 organizational documents applicable to that organization in
4042 effecting the conversion.

4043 (b) A plan of conversion must be in writing and must
4044 include:

4045 (1) the name, type of organization, and mailing address
4046 of the principal office of the converting organization, and
4047 its unique identifying number or other designation as assigned
4048 by the Secretary of State, if any, before conversion;

4049 (2) the name, type of organization, and mailing address
4050 of the principal office of the converted organization after
4051 conversion;

4052 (3) the terms and conditions of the conversion,
4053 including the manner and basis for converting interests in the
4054 converting organization into any combination of money,
4055 interests in the converted organization, and other
4056 consideration allowed in Section 10A-9A-10.02(c); and

4057 (4) the organizational documents of the converted
4058 organization.

4059 (c) In connection with a conversion, rights or
4060 securities of or interests in the converting organization may



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4061 be exchanged for or converted into cash, property, or rights
4062 or securities of or interests in the converted organization,
4063 or, in addition to or in lieu thereof, may be exchanged for or
4064 converted into cash, property, or rights or securities of or
4065 interests in another organization or may be cancelled.

4066 (d) At the time of the approval of the plan of
4067 conversion in accordance with Section 10A-9A-10.03, the plan
4068 of conversion is not required to contain or have attached
4069 thereto any disclosure letter, disclosure schedules, or
4070 similar documents or instruments contemplated by the plan of
4071 conversion that modify, supplement, qualify, or make
4072 exceptions to representations, warranties, covenants, or
4073 conditions contained in the plan of conversion."

4074 "§10A-9A-10.06

4075 (a) A limited partnership may merge with one or more
4076 other constituent organizations pursuant to this section,
4077 Sections 10A-9A-10.07 through 10A-9A-10.09, and a plan of
4078 merger, if:

4079 (1) the governing statute of each of the other
4080 organizations authorizes the merger;

4081 (2) the merger is not prohibited by the law of a
4082 jurisdiction that enacted any of those governing statutes; and

4083 (3) each of the other organizations complies with its
4084 governing statute in effecting the merger.

4085 (b) A plan of merger must be in writing and must
4086 include:

4087 (1) the name, type of organization, and mailing address
4088 of the principal office of each constituent organization, the



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4089 jurisdiction of the governing statute of each constituent
4090 organization, and the respective unique identifying numbers or
4091 other designations as assigned by the Secretary of State, if
4092 any, of each constituent organization;

4093 (2) the name, type of organization, and mailing address
4094 of the principal office of the surviving organization, the
4095 unique identifying number or other designation as assigned by
4096 the Secretary of State, if any, of the surviving organization,
4097 the jurisdiction of the governing statute of the surviving
4098 organization, and, if the surviving organization is to be
4099 created pursuant to the merger, a statement to that effect;

4100 (3) the terms and conditions of the merger, including
4101 the manner and basis for converting the interests in each
4102 constituent organization into any combination of money,
4103 interests in the surviving organization, and other
4104 consideration as allowed by subsection (c);

4105 (4) if the surviving organization is to be created
4106 pursuant to the merger, the surviving organization's
4107 organizational documents; and

4108 (5) if the surviving organization is not to be created
4109 pursuant to the merger, any amendments to be made by the
4110 merger to the surviving organization's organizational
4111 documents.

4112 (c) In connection with a merger, rights or securities
4113 of or interests in a constituent organization may be exchanged
4114 for or converted into cash, property, or rights or securities
4115 of or interests in the surviving organization, or, in addition
4116 to or in lieu thereof, may be exchanged for or converted into



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4117 cash, property, or rights or securities of or interests in
4118 another organization or may be cancelled.

4119 (d) In addition to the requirements of subsection (b),
4120 a plan of merger may:

4121 (1) provide that (i) a constituent organization or any
4122 other party to the plan of merger that fails to perform its
4123 obligations under the plan of merger in accordance with the
4124 terms and conditions of the plan of merger, or that otherwise
4125 fails to comply with the terms and conditions of the plan of
4126 merger, in each case, required to be performed or complied
4127 with prior to the time the merger becomes effective, or that
4128 otherwise fails to consummate, or fails to cause the
4129 consummation of, the merger (whether prior to a specified
4130 date, upon satisfaction or, to the extent permitted by law,
4131 waiver of all conditions to consummation set forth in the plan
4132 of merger, or otherwise) shall be subject, in addition to any
4133 other remedies available at law or in equity, to the penalties
4134 or consequences as are set forth in the plan of merger (which
4135 penalties or consequences may include an obligation to pay to
4136 the other party or parties to the plan of merger an amount
4137 representing, or based on the loss of, any premium or other
4138 economic entitlement the owners of the other party would be
4139 entitled to receive pursuant to the terms of the plan of
4140 merger if the merger were consummated in accordance with the
4141 terms of the plan of merger) and (ii) if, pursuant to the
4142 terms of the plan of merger, a constituent organization is
4143 entitled to receive payment from another party to the plan of
4144 merger of any amount representing a penalty or consequence (as



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4145 specified in clause (i) of this Section 10A-9A-10.06(d)(1),
4146 the constituent organization shall be entitled to enforce the
4147 other party's payment obligation and, upon receipt of any
4148 payment, shall be entitled to retain the amount of the payment
4149 so received;

4150 (2) provide (i) for the appointment, at or after the
4151 time at which the plan of merger is adopted by the owners of a
4152 constituent organization in accordance with the requirements
4153 of Section 10A-9A-10.07, of one or more persons (which may
4154 include the surviving or resulting entity or any officer,
4155 partner, manager, representative, or agent thereof) as
4156 representative of the owners of a constituent organization,
4157 including those whose ownership interests shall be cancelled,
4158 converted, or exchanged in the merger, and for the delegation
4159 to that person or persons of the sole and exclusive authority
4160 to take action on behalf of the owners pursuant to the plan of
4161 merger, including taking such actions as the representative
4162 determines to enforce (including by entering into settlements
4163 with respect to) the rights of the owners under the plan of
4164 merger, on the terms and subject to the conditions set forth
4165 in the plan of merger, (ii) that any appointment pursuant to
4166 clause (i) of this Section 10A-9A-10.06(d)(2) shall be
4167 irrevocable and binding on all owners from and after the
4168 adoption of the plan of merger by the requisite vote of the
4169 partners pursuant to Section 10A-9A-10.07, and (iii) that any
4170 provision adopted pursuant to this Section 10A-9A-10.06(d)(2)
4171 may not be amended after the merger has become effective or
4172 may be amended only with the consent or approval of persons



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4173 specified in the plan of merger; and
4174 (3) contain any other provision not prohibited by law.
4175 (e) At the time of the approval of the plan of merger
4176 in accordance with Section 10A-9A-10.07, the plan of merger is
4177 not required to contain or have attached thereto any
4178 disclosure letter, disclosure schedules, or similar documents
4179 or instruments contemplated by the plan of merger that modify,
4180 supplement, qualify, or make exceptions to representations,
4181 warranties, covenants, or conditions contained in the plan of
4182 merger."

4183 Section 8. Sections 10A-2A-3.05, 10A-2A-8.27,
4184 10A-3A-3.05, and 10A-3A-8.26 are added to the Code of Alabama
4185 1975, to read as follows:

4186 §10A-2A-3.05. Independent legal significance.

4187 Action validly taken pursuant to one provision of this
4188 chapter shall not be deemed invalid solely because it is
4189 identical or similar in substance to an action that could have
4190 been taken pursuant to some other provision of this chapter
4191 but fails to satisfy one or more requirements prescribed by
4192 such other provision.

4193 §10A-2A-8.27. Authorization of agreements and other
4194 instruments.

4195 (a) Whenever this chapter expressly requires the board
4196 of directors to approve or take other action with respect to
4197 any agreement, instrument, plan, or document, such agreement,
4198 instrument, plan, or document may be approved by the board of
4199 directors in final form or in substantially final form.

4200 Substantially final form means that all of the material terms



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4201 are set forth in the agreement, instrument, plan, or document,
4202 or are determinable through other information or materials
4203 presented to or known by the board of directors, or are
4204 determinable by a combination thereof.

4205 (b) If the board of directors shall have acted to
4206 approve or take other action with respect to an agreement,
4207 instrument, plan, or document that is expressly required by
4208 this chapter to be approved by the board of directors, the
4209 board of directors may, but is not required to, at any time
4210 after providing the approval or taking such other action adopt
4211 a resolution ratifying the agreement, instrument, plan, or
4212 document, and the ratification shall be deemed to be effective
4213 as of the time of the original approval or other action by the
4214 board of directors and to satisfy any requirement under this
4215 chapter that the board of directors approve or take other
4216 action with respect to the agreement, instrument, plan, or
4217 document in a specific manner or sequence.

4218 §10A-3A-3.05. Independent legal significance.

4219 Action validly taken pursuant to one provision of this
4220 chapter shall not be deemed invalid solely because it is
4221 identical or similar in substance to an action that could have
4222 been taken pursuant to some other provision of this chapter
4223 but fails to satisfy one or more requirements prescribed by
4224 such other provision.

4225 §10A-3A-8.26. Authorization of agreements and other
4226 instruments.

4227 (a) Whenever this chapter expressly requires the board
4228 of directors to approve or take other action with respect to



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4229 any agreement, instrument, plan, or document, such agreement,
4230 instrument, plan, or document may be approved by the board of
4231 directors in final form or in substantially final form.
4232 Substantially final form means that all of the material terms
4233 are set forth in the agreement, instrument, plan, or document,
4234 or are determinable through other information or materials
4235 presented to or known by the board of directors, or are
4236 determinable by a combination thereof.

4237 (b) If the board of directors shall have acted to
4238 approve or take other action with respect to an agreement,
4239 instrument, plan, or document that is expressly required by
4240 this chapter to be approved by the board of directors, the
4241 board of directors may, but is not required to, at any time
4242 after providing the approval or taking such other action adopt
4243 a resolution ratifying the agreement, instrument, plan, or
4244 document, and the ratification shall be deemed to be effective
4245 as of the time of the original approval or other action by the
4246 board of directors and to satisfy any requirement under this
4247 chapter that the board of directors approve or take other
4248 action with respect to the agreement, instrument, plan, or
4249 document in a specific manner or sequence.

4250 Section 9. The amendments to Sections 10A-1-8.02,
4251 10A-2A-11.02, 10A-5A-10.05, 10A-8A-9.06, and 10A-9A-10.06 made
4252 by this act shall apply to all contracts made by a
4253 corporation, nonprofit corporation, limited liability company,
4254 partnership (including a limited liability partnership), and
4255 limited partnership (including a limited liability limited
4256 partnership) and all agreements, instruments, or documents



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4257 approved by the board of directors, governing authorities,
4258 members, managers, partners, or person or group of persons
4259 having approval rights of those entities and all plans of
4260 merger and plans of conversion entered into by a corporation,
4261 nonprofit corporation, limited liability company, partnership
4262 (including a limited liability partnership), and limited
4263 partnership (including a limited liability limited
4264 partnership), in each case whether or not the contracts,
4265 agreements, instruments, documents, plans of merger, or plans
4266 of conversion are made, approved, or entered into on or before
4267 August 1, 2025, except that the amendments to Sections
4268 10A-1-8.02, 10A-2A-11.02, 10A-5A-10.05, 10A-8A-9.06, and
4269 10A-9A-10.06 shall not apply to or affect any civil action or
4270 proceeding completed or pending on or before August 1, 2025.

4271 Section 10. This act shall be effective on August 1,
4272 2025.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 20-Feb-25, as amended.

John Treadwell
Clerk

Senate	<u>08-Apr-25</u>	Amended and Passed
House	<u>24-Apr-25</u>	Concurred in Senate Amendment