

By the Committee on Commerce; and Senators Aronberg, Bennett, Fasano, and Detert

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1 A bill to be entitled
2 An act relating to corporations; amending s. 607.0501,
3 F.S.; deleting a provision providing that there shall
4 be no charge for telephone requests for certain
5 general corporate information; amending s. 607.1406,
6 F.S.; requiring notice to known claimants of a
7 dissolved corporation; amending s. 607.1620, F.S.;
8 requiring that certain corporations furnish annual
9 financial statements to shareholders within a
10 specified period after the close of a fiscal year;
11 providing an exception; providing a means by which
12 such requirement may be satisfied; amending s.
13 617.01201, F.S.; requiring a document that is
14 electronically transmitted to be in a format that may
15 be retrieved in typewritten or printed form; requiring
16 that a document be executed by a director of the
17 domestic or foreign corporation; authorizing the
18 delivery of a document by electronic transmission to
19 the extent allowed by the Department of State;
20 amending s. 617.0122, F.S.; requiring the department
21 to collect a fee for filing an agent's statement of
22 resignation from an inactive corporation; amending s.
23 617.0124, F.S.; authorizing a domestic or foreign
24 corporation to correct a document filed by the
25 department within 30 days under certain circumstances;
26 amending s. 617.01401, F.S.; defining the terms
27 "department," "distribution," "mutual benefit
28 corporation," "successor entity," and "voting power";
29 amending s. 617.0205, F.S.; requiring the

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30 incorporators to hold an organizational meeting after
31 incorporation if the initial directors are not named
32 in the articles of incorporation; amending s.
33 617.0302, F.S.; authorizing a corporation not for
34 profit to make guaranties; amending s. 617.0501, F.S.;
35 deleting a provision providing that there shall be no
36 charge for telephone requests for certain general
37 corporate information; amending s. 617.0503, F.S.;
38 providing that an alien business organization may
39 withdraw its registered agent designation by
40 delivering an application for certificate of
41 withdrawal to the department; amending s. 617.0505,
42 F.S.; prohibiting a corporation not for profit from
43 making distributions to its members; providing an
44 exception; deleting provisions related to the issuance
45 of certificates; amending s. 617.0601, F.S.;
46 correcting a reference to the Solicitation of
47 Contributions Act; providing that certain stock
48 certificates constitute certificates of membership;
49 requiring that a resignation, expulsion, or
50 termination of membership be recorded in the
51 membership book; creating s. 617.0605, F.S.;
52 prohibiting a member of a corporation from
53 transferring a membership under certain circumstances;
54 creating s. 617.0606, F.S.; providing that the
55 resignation of a member does not relieve the member
56 from obligations incurred and commitments made prior
57 to resignation; creating s. 617.0607, F.S.; requiring
58 that a member of a corporation be terminated or

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59 suspended pursuant to a procedure that is fair and
60 reasonable; requiring that written notice given and
61 delivered by certified mail or first-class mail;
62 requiring that a proceeding challenging an expulsion,
63 suspension, or termination be commenced within 1 year
64 after the effective date of such expulsion,
65 suspension, or termination; providing that a member
66 who has been expelled or suspended may be liable to
67 the corporation for dues, assessments, or fees;
68 creating s. 617.0608, F.S.; prohibiting a corporation
69 from purchasing any of its memberships; authorizing a
70 mutual benefit corporation to purchase the membership
71 of a member who resigns or whose membership is
72 terminated; amending s. 617.0701, F.S.; authorizing
73 the holders of at least 5 percent of the voting power
74 of a corporation to call a special meeting of the
75 members under certain circumstances; authorizing a
76 person who signs a demand for a special meeting to
77 call a special meeting of the members under certain
78 circumstances; revising the timeframes relating to
79 written member consent to actions; clarifying the
80 types of corporations that are not subject to certain
81 requirements; amending s. 617.0721, F.S.; authorizing
82 the corporation to reject a proxy action if it has
83 reasonable doubt as the validity of an appointment;
84 providing that members and proxy holders who are not
85 physically present at a meeting may participate by
86 means of remote communication and are deemed to be
87 present at the meeting under certain circumstances;

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88 amending s. 617.0725, F.S.; requiring an amendment to
89 the articles of incorporation or the bylaws which adds
90 a greater or lesser quorum or voting requirement to
91 meet certain requirements; creating s. 617.07401,
92 F.S.; prohibiting a person from commencing a
93 proceeding in the right of a domestic or foreign
94 corporation unless the person was a member of the
95 corporation or became a member through transfer by
96 operation of law; requiring that a complaint in a
97 proceeding brought in the right of a domestic or
98 foreign corporation be verified and allege the demand
99 with particularity; authorizing the court to dismiss a
100 derivative proceeding if the court finds that a
101 determination was made in good faith after a
102 reasonable investigation; prohibiting certain
103 proceedings from being discontinued or settled without
104 the approval of the court; authorizing the court to
105 require a plaintiff to pay a defendant's reasonable
106 expenses upon termination of a proceeding, including
107 attorney's fees; amending s. 617.0801, F.S.; providing
108 the duties of the board of directors; amending s.
109 617.0802, F.S.; providing an exception to the required
110 minimum age of a member of the board of directors for
111 certain corporations; amending s. 617.0806, F.S.;
112 providing that directors may be divided into classes;
113 amending s. 617.0808, F.S.; providing that any member
114 of the board of directors may be removed from office
115 with or without cause by a certain vote; providing
116 that a director who is elected by a class, chapter, or

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117 other organizational unit may be removed only by
118 members of that class, chapter, or organizational
119 unit; providing that a director elected or appointed
120 by the board may be removed without cause by a vote of
121 two-thirds of the directors then in office; providing
122 that a director of a corporation described in s.
123 501(c) of the Internal Revenue Code may be removed
124 from office pursuant to procedures provided in the
125 articles of incorporation or the bylaws; amending s.
126 617.0809, F.S.; providing that a vacancy on the board
127 of directors for a director elected by a class,
128 chapter, unit, or group may be filled only by members
129 of that class, chapter, unit, or group; providing that
130 the term of a director elected or appointed to fill a
131 vacancy expires at the next annual meeting at which
132 directors are elected; amending s. 617.0824, F.S.;
133 prohibiting certain directors from being counted
134 toward a quorum; amending s. 617.0832, F.S.; deleting
135 a provision that authorizes common or interested
136 directors to be counted in determining the presence of
137 a quorum at a meeting that ratifies a contract between
138 a corporation and one of its directors and any other
139 corporation in which one of its directors is
140 financially interested; providing circumstances under
141 which a conflict-of-interest transaction is
142 authorized; amending s. 617.0833, F.S.; providing an
143 exception to the requirement that a loan not be made
144 by a corporation to its directors; amending s.
145 617.0834, F.S.; providing that an officer or director

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146 of a certain nonprofit organization or agricultural or
147 horticultural organization is immune from civil
148 liability; amending s. 617.1007, F.S.; providing that
149 a restatement of the articles of incorporation of a
150 corporation may include one or more amendments;
151 amending s. 617.1101, F.S.; providing requirements for
152 a plan of merger; creating s. 617.1102, F.S.;
153 providing a limitation on the merger of a corporation
154 not for profit; creating s. 617.1301, F.S.;
155 prohibiting a corporation from making distributions to
156 its members under certain circumstances; creating s.
157 617.1302, F.S.; providing that a mutual benefit
158 corporation may purchase its memberships only under
159 certain circumstances; authorizing a corporation to
160 make distributions upon dissolution; amending s.
161 617.1405, F.S.; providing that the name of a dissolved
162 corporation may be available for immediate assumption
163 by another corporation if the dissolved corporation
164 provides the department with an affidavit authorizing
165 such use; creating s. 617.1407, F.S.; authorizing a
166 dissolved corporation or successor entity to execute
167 certain procedures to resolve payment of unknown
168 claims against it; providing that certain claims
169 against a dissolved corporation are barred; providing
170 that a claim may be entered against a dissolved
171 corporation under certain circumstances; creating s.
172 617.1408, F.S.; authorizing a dissolved corporation or
173 successor entity to execute certain procedures to
174 dispose of known claims against it; requiring that a

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175 dissolved corporation deliver written notice of the
176 dissolution to each of its known claimants; providing
177 a procedure under which a dissolved corporation may
178 reject a claim made against it; requiring that a
179 dissolved corporation give notice of the dissolution
180 to persons having known claims that are contingent,
181 conditional, or unmatured; requiring that a dissolved
182 corporation follow certain procedures in offering
183 compensation to a claimant if the claim matures;
184 requiring that a dissolved corporation petition the
185 circuit court to determine the amount and form of
186 security that is sufficient to provide compensation to
187 certain claimants; providing that the giving of notice
188 or making of an offer does not revive a claim that has
189 been barred; providing that directors of a dissolved
190 corporation or governing persons of a successor entity
191 that has complied with certain procedures are not
192 personally liable to the claimants of a dissolved
193 corporation; providing that certain members of a
194 dissolved corporation are not liable for any claim
195 against the corporation; providing a limit on the
196 aggregate liability of any member of a dissolved
197 corporation; repealing s. 617.1421(6), F.S., relating
198 to the assumption and use of the name of a dissolved
199 corporation; amending s. 617.1422, F.S.; deleting
200 certain requirements for an application to reinstate a
201 corporation that has been dissolved; requiring that a
202 corporation submit a reinstatement form prescribed and
203 furnished by the department; providing that the name

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204 of a dissolved corporation is not available for
205 assumption or use by another corporation until 1 year
206 after the effective date of dissolution; providing an
207 exception; amending s. 617.1430, F.S.; revising the
208 requirements for members to dissolve a corporation in
209 circuit court; amending s. 617.1503, F.S.; requiring a
210 foreign corporation to deliver a certificate of
211 existence authenticated by the Secretary of State;
212 amending s. 617.1504, F.S.; requiring that a foreign
213 corporation make application to the department to
214 obtain an amended certificate of authority within 90
215 days after the occurrence of a change; amending s.
216 617.1506, F.S.; requiring that an alternate corporate
217 name adopted for use in this state be cross-referenced
218 to the real corporate name in the records of the
219 Division of Corporations; requiring that the corporate
220 name of a foreign corporation be distinguishable from
221 the corporate name of a corporation for profit
222 incorporated or authorized to transact business in
223 this state; amending s. 617.1530, F.S.; requiring that
224 the department receive an authenticated certificate
225 from the Secretary of State before commencing a
226 proceeding to revoke the certificate of authority of a
227 foreign corporation; amending s. 617.1601, F.S.;
228 requiring that a corporation keep a copy of its
229 articles of incorporation; amending s. 617.1602, F.S.;
230 providing that a member of a corporation is entitled
231 to inspect and copy certain records of the corporation
232 at a reasonable location specified by the corporation;

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233 requiring that a member give the corporation written
234 notice 10 days before the date on which he or she
235 wishes to inspect and copy records; amending s.
236 617.1605, F.S.; revising the circumstances under which
237 a corporation is required to furnish a member with its
238 latest annual financial statement; creating s.
239 617.1703, F.S.; providing for the applicability of
240 certain provisions to corporations regulated under the
241 act; amending s. 617.1803, F.S.; providing for certain
242 changes when a foreign not-for-profit corporation
243 becomes domesticated; amending s. 617.1806, F.S.;
244 revising the provisions for conversion to a
245 corporation not for profit; amending s. 617.1907,
246 F.S.; providing that the repeal or amendment of a
247 statute does not affect certain operations and
248 proceedings; repealing s. 617.2103, F.S., relating to
249 exemptions for certain corporations; providing
250 effective dates.

251
252 Be It Enacted by the Legislature of the State of Florida:

253
254 Section 1. Subsection (4) of section 607.0501, Florida
255 Statutes, is amended to read:

256 607.0501 Registered office and registered agent.—

257 (4) The Department of State shall maintain an accurate
258 record of the registered agents and registered offices for the
259 service of process and shall furnish any information disclosed
260 thereby promptly upon request and payment of the required fee.
261 ~~There shall be no charge for telephone requests for general~~

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262 ~~corporate information, including the corporation's status, names~~
263 ~~of officers and directors, address of principal place of~~
264 ~~business, and name and address of registered agent.~~

265 Section 2. Subsection (4) of section 607.1406, Florida
266 Statutes, is amended to read:

267 607.1406 Known claims against dissolved corporation.—

268 (4) A dissolved corporation or successor entity electing to
269 follow the procedures described in subsections (2) and (3) shall
270 also give notice of the dissolution of the corporation to
271 persons with known claims, that are contingent upon the
272 occurrence or nonoccurrence of future events or otherwise
273 conditional or unmatured, and request that such persons present
274 such claims in accordance with the terms of such notice. Such
275 notice shall be in substantially the same form, and sent in the
276 same manner, as described in subsection (2).

277 Section 3. Effective upon this act becoming a law and
278 applicable to all fiscal years ending on or after December 31,
279 2008, subsection (3) of section 607.1620, Florida Statutes, is
280 amended, and subsection (5) is added to that section, to read:

281 607.1620 Financial statements for shareholders.—

282 (3) Any A corporation required by subsection (1) to furnish
283 annual financial statements to its shareholders shall furnish
284 ~~mail~~ the annual financial statements to each shareholder within
285 120 days after the close of each fiscal year or within such
286 additional time thereafter as is reasonably necessary to enable
287 the corporation to prepare its financial statements if, for
288 reasons beyond the corporation's control, it is unable to
289 prepare its financial statements within the prescribed period.
290 Thereafter, on written request from a shareholder who was not

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291 furnished ~~mailed~~ the statements, the corporation shall furnish
292 ~~mail~~ him or her the latest annual financial statements.

293 (5) The requirement to furnish annual financial statements
294 as described in this section shall be satisfied by sending the
295 annual financial statements by mail or by electronic
296 transmission. If a corporation has an outstanding class of
297 securities registered under s. 12 of the Securities Exchange Act
298 of 1934, as amended, the requirement to furnish annual financial
299 statements may be satisfied by complying with 17 C.F.R. s.
300 240.14a-16, as amended, with respect to the obligation of a
301 corporation to furnish an annual report to shareholders pursuant
302 to 17 C.F.R. s. 240.14a-3(b), as amended.

303 Section 4. Subsections (4), (6), and (9) of section
304 617.01201, Florida Statutes, are amended to read:

305 617.01201 Filing requirements.—

306 (4) The document must be typewritten or printed and must be
307 legible. If electronically transmitted, the document must be in
308 a format that may be retrieved or reproduced in typewritten or
309 printed form.

310 (6) The document must be executed:

311 (a) By a director ~~the chair or any vice chair of the board~~
312 ~~of directors~~ of a domestic or foreign corporation, or by its
313 president or by another of its officers;

314 (b) If directors or officers have not been selected or the
315 corporation has not been formed, by an incorporator; or

316 (c) If the corporation is in the hands of a receiver,
317 trustee, or other court-appointed fiduciary, by the ~~that~~
318 fiduciary.

319 (9) The document must be delivered to the ~~office of the~~

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320 department ~~of State~~ for filing. Delivery may be made by
321 electronic transmission if and to the extent allowed by the
322 department. If the document is filed in typewritten or printed
323 form and not transmitted electronically, the department may
324 require that ~~and may be accompanied by~~ one exact or conformed
325 copy be delivered with the document, ~~(except as provided in s.~~
326 ~~617.1508. The document),~~ ~~and~~ must be accompanied by the correct
327 filing fee and any other tax or penalty required by ~~this act or~~
328 ~~other~~ law.

329 Section 5. Subsection (7) of section 617.0122, Florida
330 Statutes, is amended to read:

331 617.0122 Fees for filing documents and issuing
332 certificates.—The Department of State shall collect the
333 following fees on documents delivered to the department for
334 filing:

335 (7) Agent's statement of resignation from inactive
336 ~~administratively dissolved~~ corporation: \$35.

337

338 Any citizen support organization that is required by rule of the
339 Department of Environmental Protection to be formed as a
340 nonprofit organization and is under contract with the department
341 is exempt from any fees required for incorporation as a
342 nonprofit organization, and the Secretary of State may not
343 assess any such fees if the citizen support organization is
344 certified by the Department of Environmental Protection to the
345 Secretary of State as being under contract with the Department
346 of Environmental Protection.

347 Section 6. Subsections (1) and (2) of section 617.0124,
348 Florida Statutes, are amended to read:

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349 617.0124 Correcting filed document.—

350 (1) A domestic or foreign corporation may correct a
351 document filed by the department ~~of State~~ within 30 ~~10~~ business
352 days after filing if ~~the document~~:

353 (a) The document contains an incorrect statement; ~~or~~

354 (b) The document was defectively executed, attested,
355 sealed, verified, or acknowledged; or—

356 (c) The electronic transmission of the document was
357 defective.

358 (2) A document is corrected:

359 (a) By preparing articles of correction that:

360 1. Describe the document, (including its filing date) ~~or~~
361 ~~attach a copy of it to the articles;~~

362 2. Specify the incorrect statement and the reason it is
363 incorrect or the manner in which the execution was defective;
364 and

365 3. Correct the incorrect statement or defective execution;
366 and

367 (b) By delivering the executed articles of correction to
368 the department ~~of State~~ for filing.

369 Section 7. Section 617.01401, Florida Statutes, is amended
370 to read:

371 617.01401 Definitions.—As used in this chapter ~~act~~, ~~unless~~
372 ~~the context otherwise requires~~, the term:

373 (1) "Articles of incorporation" includes original, amended,
374 and restated articles of incorporation, articles of
375 consolidation, and articles of merger, and all amendments
376 thereto, including documents designated by the laws of this
377 state as charters, and, in the case of a foreign corporation,

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378 documents equivalent to articles of incorporation in the
379 jurisdiction of incorporation.

380 (2) "Board of directors" means the group of persons vested
381 with the management of the affairs of the corporation
382 irrespective of the name by which such group is designated,
383 including, but not limited to, managers or trustees.

384 (3) "Bylaws" means the code or codes of rules adopted for
385 the regulation or management of the affairs of the corporation
386 irrespective of the name or names by which such rules are
387 designated.

388 (4) "Corporation" or "domestic corporation" means a
389 corporation not for profit, subject to the provisions of this
390 chapter ~~act~~, except a foreign corporation.

391 (5) "Corporation not for profit" means a corporation no
392 part of the income or profit of which is distributable to its
393 members, directors, or officers, except as otherwise provided
394 under this chapter.

395 (6) "Department" means the Department of State.

396 (7) "Distribution" means the payment of a dividend or any
397 part of the income or profit of a corporation to its members,
398 directors, or officers. A donation or transfer of corporate
399 assets or income to or from another not-for-profit corporation
400 qualified as tax-exempt under s. 501(c) of the Internal Revenue
401 Code or a governmental organization exempt from federal and
402 state income taxes, if such corporation or governmental
403 organization is a member of the corporation making such donation
404 or transfer, is not a distribution for purposes of this chapter.

405 (8) ~~(6)~~ "Electronic transmission" means any form of
406 communication, not directly involving the physical transmission

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407 or transfer of paper, which creates a record that may be
408 retained, retrieved, and reviewed by a recipient ~~thereof~~ and
409 which may be directly reproduced in a comprehensible and legible
410 paper form by such recipient through an automated process.
411 Examples of electronic transmission include, but are not limited
412 to, telegrams, facsimile transmissions of images, and text that
413 is sent via electronic mail between computers.

414 ~~(9)-(7)~~ "Foreign corporation" means a corporation not for
415 profit organized under laws other than the laws of this state.

416 ~~(10)-(8)~~ "Insolvent" means the inability of a corporation to
417 pay its debts as they become due in the usual course of its
418 affairs.

419 ~~(11)-(9)~~ "Mail" means the United States mail, facsimile
420 transmissions, and private mail carriers handling nationwide
421 mail services.

422 ~~(12)-(10)~~ "Member" means one having membership rights in a
423 corporation in accordance with the provisions of its articles of
424 incorporation or bylaws or the provisions of this chapter act.

425 (13) "Mutual benefit corporation" means a domestic
426 corporation that is not organized primarily or exclusively for
427 religious purposes; is not recognized as exempt under s.
428 501(c) (3) of the Internal Revenue Code; and is not organized for
429 a public or charitable purpose that is required upon its
430 dissolution to distribute its assets to the United States, a
431 state, a local subdivision thereof, or a person that is
432 recognized as exempt under s. 501(c) (3) of the Internal Revenue
433 Code. The term does not include an association organized under
434 chapter 718, chapter 719, chapter 720, or chapter 721, or any
435 corporation where membership in the corporation is required

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436 pursuant to a document recorded in county property records.

437 (14)-(11) "Person" includes individual and entity.

438 (15) "Successor entity" means any trust, receivership, or
439 other legal entity that is governed by the laws of this state to
440 which the remaining assets and liabilities of a dissolved
441 corporation are transferred and that exists solely for the
442 purposes of prosecuting and defending suits by or against the
443 dissolved corporation and enabling the dissolved corporation to
444 settle and close the business of the dissolved corporation, to
445 dispose of and convey the property of the dissolved corporation,
446 to discharge the liabilities of the dissolved corporation, and
447 to distribute to the dissolved corporation's members any
448 remaining assets, but not for the purpose of continuing the
449 business for which the dissolved corporation was organized.

450 (16) "Voting power" means the total number of votes
451 entitled to be cast for the election of directors at the time
452 the determination of voting power is made, excluding a vote that
453 is contingent upon the happening of a condition or event that
454 has not yet occurred. If the members of a class are entitled to
455 vote as a class to elect directors, the determination of the
456 voting power of the class is based on the percentage of the
457 number of directors the class is entitled to elect relative to
458 the total number of authorized directors. If the corporation's
459 directors are not elected by the members, voting power shall,
460 unless otherwise provided in the articles of incorporation or
461 bylaws, be on a one-member, one-vote basis.

462 Section 8. Subsection (1) of section 617.0205, Florida
463 Statutes, is amended to read:

464 617.0205 Organizational meeting of directors.-

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465 (1) After incorporation:

466 (a) If initial directors are named in the articles of
467 incorporation, the initial directors shall hold an
468 organizational meeting, at the call of a majority of the
469 directors, to complete the organization of the corporation by
470 appointing officers, adopting bylaws, and carrying on any other
471 business brought before the meeting;

472 (b) If initial directors are not named in the articles of
473 incorporation, the incorporators shall hold an organizational
474 meeting at the call of a majority of the incorporators:

475 1. To elect directors and complete the organization of the
476 corporation; or

477 2. To elect a board of directors who shall complete the
478 organization of the corporation.

479 Section 9. Section 617.0302, Florida Statutes, is amended
480 to read:

481 617.0302 Corporate powers.—Every corporation not for profit
482 organized under this chapter act, unless otherwise provided in
483 its articles of incorporation or bylaws, shall have power to:

484 (1) Have succession by its corporate name for the period
485 set forth in its articles of incorporation.

486 (2) Sue and be sued and appear and defend in all actions
487 and proceedings in its corporate name to the same extent as a
488 natural person.

489 (3) Adopt, use, and alter a common corporate seal. However,
490 such seal must always contain the words "corporation not for
491 profit."

492 (4) Elect or appoint such officers and agents as its
493 affairs shall require and allow them reasonable compensation.

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494 (5) Adopt, change, amend, and repeal bylaws, not
495 inconsistent with law or its articles of incorporation, for the
496 administration of the affairs of the corporation and the
497 exercise of its corporate powers.

498 (6) Increase, by a vote of its members cast as the bylaws
499 may direct, the number of its directors so that the number shall
500 not be less than three but may be any number in excess thereof.

501 (7) Make contracts and guaranties, incur liabilities,
502 borrow money at such rates of interest as the corporation may
503 determine, issue its notes, bonds, and other obligations, and
504 secure ~~any of~~ its obligations by mortgage and pledge of all or
505 any of its property, franchises, or income.

506 (8) Conduct its affairs, carry on its operations, and have
507 offices and exercise the powers granted by this act in any
508 state, territory, district, or possession of the United States
509 or any foreign country.

510 (9) Purchase, take, receive, lease, take by gift, devise,
511 or bequest, or otherwise acquire, own, hold, improve, use, or
512 otherwise deal in and with real or personal property, or any
513 interest therein, wherever situated.

514 (10) Acquire, enjoy, utilize, and dispose of patents,
515 copyrights, and trademarks and any licenses and other rights or
516 interests thereunder or therein.

517 (11) Sell, convey, mortgage, pledge, lease, exchange,
518 transfer, or otherwise dispose of all or any part of its
519 property and assets.

520 (12) Purchase, take, receive, subscribe for, or otherwise
521 acquire, own, hold, vote, use, employ, sell, mortgage, lend,
522 pledge, or otherwise dispose of and otherwise use and deal in

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523 and with, shares and other interests in, or obligations of,
524 other domestic or foreign corporations, whether for profit or
525 not for profit, associations, partnerships, or individuals, or
526 direct or indirect obligations of the United States, or of any
527 other government, state, territory, governmental district,
528 municipality, or of any instrumentality thereof.

529 (13) Lend money for its corporate purposes, invest and
530 reinvest its funds, and take and hold real and personal property
531 as security for the payment of funds loaned or invested except
532 as prohibited by s. 617.0833.

533 (14) Make donations for the public welfare or for
534 religious, charitable, scientific, educational, or other similar
535 purposes.

536 (15) Have and exercise all powers necessary or convenient
537 to effect any or all of the purposes for which the corporation
538 is organized.

539 (16) Merge with other corporations or other business
540 entities identified in s. 607.1108(1), both for profit and not
541 for profit, domestic and foreign, if the surviving corporation
542 or other surviving business entity is a corporation not for
543 profit or other business entity that has been organized as a
544 not-for-profit entity under a governing statute or other
545 applicable law that permits such a merger.

546 Section 10. Subsection (4) of section 617.0501, Florida
547 Statutes, is amended to read:

548 617.0501 Registered office and registered agent.—

549 (4) The Department of State shall maintain an accurate
550 record of the registered agents and registered offices for the
551 service of process and shall furnish any information disclosed

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552 thereby promptly upon request and payment of the required fee.
553 ~~There shall be no charge for telephone requests for general~~
554 ~~corporate information, including the corporation's status, names~~
555 ~~of officers and directors, address of principal place of~~
556 ~~business, and name and address of resident agent.~~

557 Section 11. Subsection (12) is added to section 617.0503,
558 Florida Statutes, to read:

559 617.0503 Registered agent; duties; confidentiality of
560 investigation records.—

561 (12) Any alien business organization may withdraw its
562 registered agent designation by delivering an application for
563 certificate of withdrawal to the department for filing. The
564 application shall set forth:

565 (a) The name of the alien business organization and the
566 jurisdiction under the law of which it is incorporated or
567 organized; and

568 (b) That it is no longer required to maintain a registered
569 agent in this state.

570 Section 12. Section 617.0505, Florida Statutes, is amended
571 to read:

572 617.0505 Distributions; exceptions ~~Payment of dividends and~~
573 ~~distribution of income to members prohibited; issuance of~~
574 ~~certificates of membership; effect of stock issued under prior~~
575 ~~law.—~~

576 ~~(1) Except as authorized in s. 617.1302, A dividend may not~~
577 ~~be paid, and any part of the income or profit of a corporation~~
578 ~~may not make distributions be distributed, to its members,~~
579 ~~directors, or officers.~~

580 (1) A mutual benefit corporation, such as a private club

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581 that is established for social, pleasure, or recreational
582 purposes and that is organized as a corporation of which the
583 equity interests are held by the members, may, subject to s.
584 617.1302, purchase the equity membership interest of any member,
585 and the payment for such interest is not a distribution for
586 purposes of this section.

587 (2) A corporation may pay compensation in a reasonable
588 amount to its members, directors, or officers for services
589 rendered, may confer benefits upon its members in conformity
590 with its purposes, and, upon dissolution or final liquidation,
591 may make distributions to its members as permitted by this
592 chapter act.

593 (3) If expressly permitted by its articles of
594 incorporation, a corporation may make distributions upon partial
595 liquidation to its members, as permitted by this section. Any
596 such payment, benefit, or distribution does not constitute a
597 dividend or a distribution of income or profit for purposes of
598 this section.

599 (4) A ~~Any~~ corporation that ~~which~~ is a utility exempt from
600 regulation under s. 367.022(7), whose articles of incorporation
601 state that it is exempt from taxation under s. 501(c)(12) of the
602 Internal Revenue Code, may make ~~such~~ refunds to its members,
603 prior to a dissolution or liquidation, as its managing board
604 deems necessary to establish or preserve its tax-exempt status.
605 Any such refund does not constitute a dividend or a distribution
606 of income or profit for purposes of this section.

607 (5) A corporation that is regulated by chapter 718, chapter
608 719, chapter 720, chapter 721, or chapter 723, or a corporation
609 where membership in such corporation is required pursuant to a

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610 document recorded in the county property records, may make
611 refunds to its members, giving credits to its members,
612 disbursing insurance proceeds to its members, or disbursing or
613 paying settlements to its members without violating this
614 section.

615 ~~(2) Subject to subsection (1), a corporation may issue~~
616 ~~certificates in any form evidencing membership in the~~
617 ~~corporation.~~

618 ~~(3) Stock certificates issued under former s. 617.011(2),~~
619 ~~Florida Statutes (1989), constitute membership certificates for~~
620 ~~purposes of this act.~~

621 Section 13. Subsections (1), (2), and (5) of section
622 617.0601, Florida Statutes, are amended to read:

623 617.0601 Members, generally.—

624 (1) (a) A corporation may have one or more classes of
625 members or may have no members. If the corporation has one or
626 more classes of members, the designation of such class or
627 classes, the qualifications and rights of the members of each
628 class, any quorum and voting requirements for meetings and
629 activities of the members, and notice requirements sufficient to
630 provide notice of meetings and activities of the members must be
631 set forth in the articles of incorporation or in the bylaws.

632 (b) The articles of incorporation or bylaws of any
633 corporation not for profit that maintains chapters or affiliates
634 may grant representatives of such chapters or affiliates the
635 right to vote in conjunction with the board of directors of the
636 corporation notwithstanding applicable quorum or voting
637 requirements of this chapter act if the corporation is
638 registered with the department ~~of State~~ pursuant to ss. 496.401-

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639 496.424 ~~ss. 496.001-496.011~~, the Solicitation of Contributions
640 ~~Funds~~ Act.

641 (c) This subsection does not apply to any condominium
642 association organized under chapter 718.

643 (2) A corporation may issue certificates of membership.
644 Stock certificates issued under former s. 617.011(2), Florida
645 Statutes (1989), constitute certificates of membership for
646 purposes of this section.

647 (5) ~~Membership in the corporation may be terminated in the~~
648 ~~manner provided by law, by the articles of incorporation, or by~~
649 ~~the bylaws, and~~ A resignation, expulsion, suspension, or
650 termination of membership pursuant to s. 617.0606 or s. 617.0607
651 shall be recorded in the membership book. Unless otherwise
652 provided in the articles of incorporation or the bylaws, all the
653 rights and privileges of a member cease on termination of
654 membership.

655 Section 14. Section 617.0605, Florida Statutes, is created
656 to read:

657 617.0605 Transfer of membership interests.-

658 (1) A member of a corporation may not transfer a membership
659 or any right arising from membership except as otherwise allowed
660 in this section.

661 (2) Except as set forth in the articles of incorporation or
662 bylaws of a mutual benefit corporation, a member of a mutual
663 benefit corporation may not transfer a membership or any right
664 arising from membership.

665 (3) If transfer rights have been provided for one or more
666 members of a mutual benefit corporation, a restriction on such
667 rights is not binding with respect to a member holding a

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668 membership issued before the adoption of the restriction unless
669 the restriction is approved by the members and the affected
670 member.

671 Section 15. Section 617.0606, Florida Statutes, is created
672 to read:

673 617.0606 Resignation of members.—

674 (1) Except as may be provided in the articles of
675 incorporation or bylaws of a corporation, a member of a mutual
676 benefit corporation may not transfer a membership or any right
677 arising from membership.

678 (2) The resignation of a member does not relieve the member
679 from any obligations that the member may have to the corporation
680 as a result of obligations incurred or commitments made before
681 resignation.

682 Section 16. Section 617.0607, Florida Statutes, is created
683 to read:

684 617.0607 Termination, expulsion, and suspension.—

685 (1) A member of a corporation may not be expelled or
686 suspended, and a membership in the corporation may not be
687 terminated or suspended, except pursuant to a procedure that is
688 fair and reasonable and is carried out in good faith.

689 (2) Any written notice given by mail must be delivered by
690 certified mail or first-class mail to the last address of the
691 member shown on the records of the corporation.

692 (3) Any proceeding challenging an expulsion, suspension, or
693 termination, including a proceeding in which the defective
694 notice is alleged, must be commenced within 1 year after the
695 effective date of the expulsion, suspension, or termination.

696 (4) A member who has been expelled or suspended may be

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697 liable to the corporation for dues, assessments, or fees as a
698 result of obligations incurred or commitments made before
699 expulsion or suspension.

700 Section 17. Section 617.0608, Florida Statutes, is created
701 to read:

702 617.0608 Purchase of memberships.-

703 (1) A corporation may not purchase any of its memberships
704 or any right arising from membership except as provided in s.
705 617.0505 or subsection (2).

706 (2) Subject to s. 617.1302, a mutual benefit corporation
707 may purchase the membership of a member who resigns, or whose
708 membership is terminated, for the amount and pursuant to the
709 conditions set forth in its articles of incorporation or bylaws.

710 Section 18. Subsections (3), (4), and (6) of section
711 617.0701, Florida Statutes, are amended to read:

712 617.0701 Meetings of members, generally; failure to hold
713 annual meeting; special meeting; consent to corporate actions
714 without meetings; waiver of notice of meetings.-

715 (3) Except as provided in the articles of incorporation or
716 bylaws, special meetings of the members may be called by:

717 (a) The president;

718 (b) The chair of the board of directors;

719 (c) The board of directors; ~~or such~~

720 (d) Other officers or persons as are provided for in the
721 articles of incorporation or the bylaws;

722 (e) The holders of at least 5 percent of the voting power
723 of a corporation when one or more written demands for the
724 meeting, which describe the purpose for which the meeting is to
725 be held, are signed, dated, and delivered to a corporate

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726 officer; or

727 (f) A person who signs a demand for a special meeting
728 pursuant to paragraph (e) if notice for a special meeting is not
729 given within 30 days after receipt of the demand. The person
730 signing the demand may set the time and place of the meeting and
731 give notice under this subsection.

732 (4)~~(a)~~ Unless otherwise provided in the articles of
733 incorporation, action required or permitted by this chapter act
734 to be taken at an annual or special meeting of members may be
735 taken without a meeting, without prior notice, and without a
736 vote if the action is taken by the members entitled to vote on
737 such action and having not less than the minimum number of votes
738 necessary to authorize such action at a meeting at which all
739 members entitled to vote on such action were present and voted.

740 (a) ~~In order~~ To be effective, the action must be evidenced
741 by one or more written consents describing the action taken,
742 dated and signed by approving members having the requisite
743 number of votes and entitled to vote on such action, and
744 delivered to the corporation ~~by delivery~~ to its principal office
745 in this state, its principal place of business, the corporate
746 secretary, or another officer or agent of the corporation having
747 custody of the book in which proceedings of meetings of members
748 are recorded. Written consent ~~shall not be effective~~ to take the
749 corporate action referred to in the consent is not effective
750 unless the consent is signed by members having the requisite
751 number of votes necessary to authorize the action within 90 ~~60~~
752 days after ~~of~~ the date of the earliest dated consent and is
753 delivered in the manner required by this section.

754 (b) Any written consent may be revoked prior to the date

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755 that the corporation receives the required number of consents to
756 authorize the proposed action. A revocation is not effective
757 unless in writing and until received by the corporation at its
758 principal office in this state or its principal place of
759 business, or received by the corporate secretary or other
760 officer or agent of the corporation having custody of the book
761 in which proceedings of meetings of members are recorded.

762 (c) Within 30 ~~10~~ days after obtaining ~~such~~ authorization by
763 written consent, notice must be given to those members who are
764 entitled to vote on the action but who have not consented in
765 writing. The notice must fairly summarize the material features
766 of the authorized action.

767 (d) A consent signed under this section has the effect of a
768 meeting vote and may be described as such in any document.

769 (e) If the action to which the members consent is such as
770 would have required the filing of articles or a certificate
771 under any other section of this chapter ~~act~~ if such action had
772 been voted on by members at a meeting ~~thereof~~, the articles or
773 certificate filed under such other section must state that
774 written consent has been given in accordance with ~~the provisions~~
775 ~~of~~ this section.

776 (f) Whenever action is taken pursuant to this section, the
777 written consent of the members consenting to such action or the
778 written reports of inspectors appointed to tabulate such
779 consents must be filed with the minutes of member proceedings ~~of~~
780 ~~members~~.

781 (6) Subsections (1) and (3) do not apply to any corporation
782 that is an association as defined in s. 720.301; a corporation
783 regulated by chapter 718, chapter 719, chapter 720, chapter 721,

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784 or chapter 723; or a corporation where membership in such
785 corporation is required pursuant to a document recorded in the
786 county property records.

787 Section 19. Section 617.0721, Florida Statutes, is amended
788 to read:

789 617.0721 Voting by members.—

790 (1) Members are not entitled to vote except as conferred by
791 the articles of incorporation or the bylaws.

792 (2) A member who is entitled to vote may vote in person or,
793 unless the articles of incorporation or the bylaws otherwise
794 provide, may vote by proxy executed in writing by the member or
795 by his or her duly authorized attorney in fact. An appointment
796 of a proxy is not valid after 11 months following the date of
797 its execution unless otherwise provided in the proxy.

798 (a) If directors or officers are to be elected by members,
799 the bylaws may provide that such elections may be conducted by
800 mail.

801 (b) A corporation may reject a vote, consent, waiver, or
802 proxy appointment if the secretary or other officer or agent
803 authorized to tabulate votes, acting in good faith, has a
804 reasonable basis for doubting the validity of the signature on
805 it or the signatory's authority to sign for the member.

806 (3) If authorized by the board of directors, and subject to
807 such guidelines and procedures as the board of directors may
808 adopt, members and proxy holders who are not physically present
809 at a meeting may, by means of remote communication:

810 (a) Participate in the meeting.

811 (b) Be deemed to be present in person and vote at the
812 meeting if:

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813 1. The corporation implements reasonable means to verify
814 that each person deemed present and authorized to vote by means
815 of remote communication is a member or proxy holder; and

816 2. The corporation implements reasonable measures to
817 provide such members or proxy holders with a reasonable
818 opportunity to participate in the meeting and to vote on matters
819 submitted to the members, including an opportunity to
820 communicate and to read or hear the proceedings of the meeting
821 substantially concurrent with the proceedings.

822
823 If any member or proxy holder votes or takes other action by
824 means of remote communication, a record of that member's
825 participation in the meeting must be maintained by the
826 corporation in accordance with s. 617.1601.

827 (4)~~(3)~~ If any corporation, whether for profit or not for
828 profit, is a member of a corporation organized under this
829 chapter ~~act~~, the chair of the board, president, any vice
830 president, the secretary, or the treasurer of the member
831 corporation, and any such officer or cashier or trust officer of
832 a banking or trust corporation holding such membership, and any
833 like officer of a foreign corporation whether for profit or not
834 for profit, holding membership in a domestic corporation, shall
835 be deemed by the corporation in which membership is held to have
836 the authority to vote on behalf of the member corporation and to
837 execute proxies and written waivers and consents in relation
838 thereto, unless, before a vote is taken or a waiver or consent
839 is acted upon, it appears pursuant to ~~is made to appear by a~~
840 certified copy of the bylaws or resolution of the board of
841 directors or executive committee of the member corporation that

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842 such authority does not exist or is vested in some other officer
843 or person. In the absence of such certification, a person
844 executing any such proxies, waivers, or consents or presenting
845 himself or herself at a meeting as one of such officers of a
846 corporate member shall be, for the purposes of this section,
847 conclusively deemed to be duly elected, qualified, and acting as
848 such officer and to be fully authorized. In the case of
849 conflicting representation, the corporate member shall be ~~deemed~~
850 ~~to be~~ represented by its senior officer, in the order ~~first~~
851 stated in this subsection.

852 (5)~~(4)~~ The articles of incorporation or the bylaws may
853 provide that, in all elections for directors, every member
854 entitled to vote has the right to cumulate his or her votes and
855 to give one candidate a number of votes equal to the number of
856 votes he or she could give if one director were being elected
857 multiplied by the number of directors to be elected or to
858 distribute such votes on the same principles among any number of
859 such candidates. A corporation may not have cumulative voting
860 unless such voting is expressly authorized in the articles of
861 incorporation.

862 (6)~~(5)~~ If a corporation has no members or its members do
863 not have the right to vote, the directors shall have the sole
864 voting power.

865 (7)~~(6)~~ Subsections (1), (2), (5) ~~(4)~~, and (6) ~~(5)~~ do not
866 apply to a corporation that is an association as defined in s.
867 720.301.

868 Section 20. Section 617.0725, Florida Statutes, is amended
869 to read:

870 617.0725 Quorum.—An amendment to the articles of

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871 incorporation or the bylaws which adds, ~~that~~ changes, or deletes
872 a greater or lesser quorum or voting requirement must meet the
873 same quorum or voting requirement and be adopted by the same
874 vote and voting groups required to take action under the quorum
875 and voting requirements then in effect or proposed to be
876 adopted, whichever is greater ~~prescribed in the provision being~~
877 ~~amended.~~

878 Section 21. Section 617.07401, Florida Statutes, is created
879 to read:

880 617.07401 Members' derivative actions.-

881 (1) A person may not commence a proceeding in the right of
882 a domestic or foreign corporation unless the person was a member
883 of the corporation when the transaction complained of occurred
884 or unless the person became a member through transfer by
885 operation of law from one who was a member at that time.

886 (2) A complaint in a proceeding brought in the right of a
887 domestic or foreign corporation must be verified and allege with
888 particularity the demand made to obtain action by the board of
889 directors and that the demand was refused or ignored by the
890 board of directors for at least 90 days after the date of the
891 first demand unless, before the expiration of the 90 days, the
892 person was notified in writing that the corporation rejected the
893 demand, or unless irreparable injury to the corporation would
894 result by waiting for the expiration of the 90-day period. If
895 the corporation commences an investigation of the charges made
896 in the demand or complaint, the court may stay any proceeding
897 until the investigation is completed.

898 (3) The court may dismiss a derivative proceeding if, on
899 motion by the corporation, the court finds that one of the

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900 groups specified in paragraphs (a)-(c) has made a good faith
901 determination after conducting a reasonable investigation upon
902 which its conclusions are based that the maintenance of the
903 derivative suit is not in the best interests of the corporation.
904 The corporation has the burden of proving the independence and
905 good faith of the group making the determination and the
906 reasonableness of the investigation. The determination shall be
907 made by:

908 (a) A majority vote of independent directors present at a
909 meeting of the board of directors, if the independent directors
910 constitute a quorum;

911 (b) A majority vote of a committee consisting of two or
912 more independent directors appointed by a majority vote of
913 independent directors present at a meeting of the board of
914 directors, whether or not such independent directors constitute
915 a quorum; or

916 (c) A panel of one or more independent persons appointed by
917 the court upon motion by the corporation.

918 (4) A proceeding commenced under this section may not be
919 discontinued or settled without the approval of the court. If
920 the court determines that a proposed discontinuance or
921 settlement substantially affects the interest of the members of
922 the corporation, or a class, series, or voting group of members,
923 the court shall direct that notice be given to the members
924 affected. The court may determine which party or parties to the
925 proceeding shall bear the expense of giving the notice.

926 (5) Upon termination of the proceeding, the court may
927 require the plaintiff to pay any defendant's reasonable
928 expenses, including reasonable attorney's fees, incurred in

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929 defending the proceeding if it finds that the proceeding was
930 commenced without reasonable cause.

931 (6) The court may award reasonable expenses for maintaining
932 the proceeding, including reasonable attorney's fees, to a
933 successful plaintiff or to the person commencing the proceeding
934 who receives any relief, whether by judgment, compromise, or
935 settlement, and may require that the person account for the
936 remainder of any proceeds to the corporation; however, this
937 subsection does not apply to any relief rendered for the benefit
938 of injured members only and is limited to a recovery of the loss
939 or damage of the injured members.

940 Section 22. Section 617.0801, Florida Statutes, is amended
941 to read:

942 617.0801 ~~Requirement for and~~ Duties of board of directors.-
943 All corporate powers must be exercised by or under the authority
944 of, and the affairs of the corporation managed under the
945 direction of, its board of directors, subject to any limitation
946 set forth in the articles of incorporation.

947 Section 23. Subsection (1) of section 617.0802, Florida
948 Statutes, is amended to read:

949 617.0802 Qualifications of directors.-

950 (1) Directors must be natural persons who are 18 years of
951 age or older but need not be residents of this state or members
952 of the corporation unless the articles of incorporation or
953 bylaws so require. For corporations organized according to the
954 provisions of s. 501(c)(3) of the Internal Revenue Code of 1986,
955 as amended, one director may be 15 years of age or older if so
956 permitted in the articles of incorporation or bylaws or by
957 resolution of the board of directors. The articles of

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958 incorporation or the bylaws may prescribe additional
959 qualifications for directors.

960 Section 24. Section 617.0806, Florida Statutes, is amended
961 to read:

962 617.0806 Staggered terms for directors.—The articles of
963 incorporation or bylaws may provide that directors ~~may~~ be
964 ~~divided into classes and the terms of office of the several~~
965 ~~classes need not be uniform.~~ Each director shall hold office for
966 the term to which he or she is elected or appointed and until
967 his or her successor has been elected or appointed and qualified
968 or until his or her earlier resignation, removal from office, or
969 death.

970 Section 25. Section 617.0808, Florida Statutes, is amended
971 to read:

972 617.0808 Removal of directors.—

973 (1) Subject to subsection (2), a director may be removed
974 from office pursuant to procedures provided in the articles of
975 incorporation or the bylaws, which shall provide the following,
976 and if they do not do so, shall be deemed to include the
977 following:

978 (a) ~~(1)~~ Any member of the board of directors may be removed
979 from office with or without cause by:

980 1. A majority of all votes of the directors, if the
981 director was elected or appointed by the directors; or

982 2. A majority of all votes of the members, if the director
983 was elected or appointed by the members.

984 (b) If a director is elected by a class, chapter, or other
985 organizational unit, or by region or other geographic grouping,
986 the director may be removed only by the members of that class,

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987 chapter, unit, or grouping. However:

988 1. A director may be removed only if the number of votes
989 cast to remove the director would be sufficient to elect the
990 director at a meeting to elect directors, except as provided in
991 subparagraphs 2. and 3.

992 2. If cumulative voting is authorized, a director may not
993 be removed if the number of votes sufficient to elect the
994 director under cumulative voting is voted against the removal of
995 the director.

996 3. If at the beginning of the term of a director the
997 articles of incorporation or bylaws provide that the director
998 may be removed for missing a specified number of board meetings,
999 the board may remove the director for failing to attend the
1000 specified number of meetings. The director may be removed only
1001 if a majority of the directors then in office vote for the
1002 removal ~~the vote or agreement in writing by a majority of all~~
1003 ~~votes of the membership.~~

1004 ~~(c)(2)~~ The notice of a meeting ~~of the members~~ to recall a
1005 member or members of the board of directors shall state the
1006 specific directors sought to be removed.

1007 ~~(d)(3)~~ A proposed removal of a director at a meeting shall
1008 require a separate vote for each director whose removal is ~~board~~
1009 ~~member sought to be removed.~~ Where removal is sought by written
1010 consent agreement, a separate consent agreement is required for
1011 each director ~~board member~~ to be removed.

1012 ~~(e)(4)~~ If removal is effected at a meeting, any vacancies
1013 created ~~thereby~~ shall be filled by the members or directors
1014 eligible to vote for the removal ~~at the same meeting.~~

1015 ~~(f)(5)~~ Any director who is removed from the board is ~~shall~~

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1016 not ~~be~~ eligible to stand for reelection until the next annual
 1017 meeting at which directors are elected ~~of the members~~.

1018 (g) ~~(6)~~ Any director removed from office shall turn over to
 1019 the board of directors within 72 hours any and all records of
 1020 the corporation in his or her possession.

1021 (h) ~~(7)~~ If a director who is removed does ~~shall~~ not
 1022 relinquish his or her office or turn over records as required
 1023 under this section, the circuit court in the county where the
 1024 corporation's principal office is located may summarily order
 1025 the director to relinquish his or her office and turn over
 1026 corporate records upon application of any member.

1027 (i) A director elected or appointed by the board may be
 1028 removed without cause by a vote of two-thirds of the directors
 1029 then in office or such greater number as is set forth in the
 1030 articles of incorporation or bylaws.

1031 (2) A director of a corporation described in s. 501(c) of
 1032 the Internal Revenue Code may be removed from office pursuant to
 1033 procedures provided in the articles of incorporation or the
 1034 bylaws, and the corporation may provide in the articles of
 1035 incorporation or the bylaws that it is subject to the provisions
 1036 of subsection (1).

1037 Section 26. Section 617.0809, Florida Statutes, is amended
 1038 to read:

1039 617.0809 Board vacancy ~~on board~~.

1040 (1) Except as provided in s. 617.0808(1)(f), any vacancy
 1041 occurring on the board of directors may be filled by the
 1042 affirmative vote of the majority of the remaining directors,
 1043 even though the remaining directors constitute less than a
 1044 quorum, or by the sole remaining director, ~~as the case may be,~~

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1045 or, if the vacancy is not so filled or if no director remains,
1046 by the members or, on the application of any person, by the
1047 circuit court of the county where the registered office of the
1048 corporation is located.

1049 (2) Whenever a vacancy occurs with respect to a director
1050 elected by a class, chapter, unit, or group, the vacancy may be
1051 filled only by members of that class, chapter, unit, or group,
1052 or by a majority of the directors then in office elected by such
1053 class, chapter, unit, or group.

1054 (3)-(2) The term of a director elected or appointed to fill
1055 a vacancy expires at the next annual meeting at which directors
1056 are elected shall be elected or appointed for the unexpired term
1057 of his or her predecessor in office. Any directorship to be
1058 filled by reason of an increase in the number of directors may
1059 be filled by the board of directors, but only for a term of
1060 office continuing until the next election of directors by the
1061 members or, if the corporation has no members or no members
1062 having the right to vote thereon, for such term of office as is
1063 provided in the articles of incorporation or the bylaws.

1064 (4)-(3) A vacancy that will occur at a specific later date,
1065 by reason of a resignation effective at a later date under s.
1066 617.0807 or otherwise, may be filled before the vacancy occurs.
1067 However, the new director may not take office until the vacancy
1068 occurs.

1069 Section 27. Subsection (1) of section 617.0824, Florida
1070 Statutes, is amended to read:

1071 617.0824 Quorum and voting.—

1072 (1) Unless the articles of incorporation or the bylaws
1073 require a different number, a quorum of a board of directors

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1074 consists of a majority of the number of directors prescribed by
1075 the articles of incorporation or the bylaws. Directors younger
1076 than 18 years of age may not be counted toward a quorum.

1077 Section 28. Present subsection (2) of section 617.0832,
1078 Florida Statutes, is renumbered as subsection (3) and amended,
1079 and a new subsection (2) is added to that section, to read:

1080 617.0832 Director conflicts of interest.—

1081 (2) For purposes of paragraph (1)(a) only, a conflict-of-
1082 interest transaction is authorized, approved, or ratified if it
1083 receives the affirmative vote of a majority of the directors on
1084 the board of directors, or on the committee, who have no
1085 relationship or interest in the transaction described in
1086 subsection (1), but a transaction may not be authorized,
1087 approved, or ratified under this section by a single director.
1088 If a majority of the directors who have no relationship or
1089 interest in the transaction vote to authorize, approve, or
1090 ratify the transaction, a quorum is present for the purpose of
1091 taking action under this section. The presence of, or a vote
1092 cast by, a director having a relationship or interest in the
1093 transaction does not affect the validity of any action taken
1094 under paragraph (1)(a) if the transaction is otherwise
1095 authorized, approved, or ratified as provided in subsection (1),
1096 but such presence or vote of such a director may be counted for
1097 purposes of determining whether the transaction is approved
1098 under other sections of this chapter.

1099 (3)~~(2)~~ For purposes of paragraph (1)(b), a conflict-of-
1100 interest transaction is authorized, approved, or ratified if it
1101 receives the vote of a majority in interest of the members
1102 entitled to vote under this subsection. A director who has a

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1103 relationship or interest in the transaction described in
1104 subsection (1) may not vote to determine whether to authorize,
1105 approve, or ratify a conflict-of-interest transaction under
1106 paragraph (1)(b). However, the vote of that director is counted
1107 in determining whether the transaction is approved under other
1108 sections of this chapter. A majority in interest of the members
1109 entitled to vote on the transaction under this subsection
1110 constitutes a quorum for the purpose of taking action under this
1111 section. As used in this subsection, the term "majority in
1112 interest" refers to a majority of the voting shares or other
1113 voting units allotted to the members. ~~Common or interested~~
1114 ~~directors may be counted in determining the presence of a quorum~~
1115 ~~at a meeting of the board of directors or a committee thereof~~
1116 ~~which authorizes, approves, or ratifies such contract or~~
1117 ~~transaction.~~

1118 Section 29. Section 617.0833, Florida Statutes, is amended
1119 to read:

1120 617.0833 Loans to directors or officers.—Loans, other than
1121 through the purchase of bonds, debentures, or similar
1122 obligations of the type customarily sold in public offerings, or
1123 through ordinary deposit of funds in a bank, may not be made by
1124 a corporation to its directors or officers, or to any other
1125 corporation, firm, association, or other entity in which one or
1126 more of its directors or officers is a director or officer or
1127 holds a substantial financial interest, except a loan by one
1128 corporation which is exempt from federal income taxation under
1129 s. 501(c)(3) of the Internal Revenue Code of 1986, as amended,
1130 to another corporation which is exempt from federal income
1131 taxation under s. 501(c)(3) of the Internal Revenue Code of

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1132 1986, as amended. A loan made in violation of this section is a
1133 violation of the duty to the corporation of the directors or
1134 officers authorizing it or participating in it, but the
1135 obligation of the borrower with respect to the loan is ~~shall~~ not
1136 ~~be~~ affected ~~thereby~~.

1137 Section 30. Subsection (1) of section 617.0834, Florida
1138 Statutes, is amended to read:

1139 617.0834 Officers and directors of certain corporations and
1140 associations not for profit; immunity from civil liability.—

1141 (1) An officer or director of a nonprofit organization
1142 recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of
1143 the Internal Revenue Code of 1986, as amended, or of an
1144 agricultural or a horticultural organization recognized under s.
1145 501(c)(5), of the Internal Revenue Code of 1986, as amended, is
1146 not personally liable for monetary damages to any person for any
1147 statement, vote, decision, or failure to take an action,
1148 regarding organizational management or policy by an officer or
1149 director, unless:

1150 (a) The officer or director breached or failed to perform
1151 his or her duties as an officer or director; and

1152 (b) The officer's or director's breach of, or failure to
1153 perform, his or her duties constitutes:

1154 1. A violation of the criminal law, unless the officer or
1155 director had reasonable cause to believe his or her conduct was
1156 lawful or had no reasonable cause to believe his or her conduct
1157 was unlawful. A judgment or other final adjudication against an
1158 officer or director in any criminal proceeding for violation of
1159 the criminal law estops that officer or director from contesting
1160 the fact that his or her breach, or failure to perform,

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1161 constitutes a violation of the criminal law, but does not estop
1162 the officer or director from establishing that he or she had
1163 reasonable cause to believe that his or her conduct was lawful
1164 or had no reasonable cause to believe that his or her conduct
1165 was unlawful;

1166 2. A transaction from which the officer or director derived
1167 an improper personal benefit, ~~either~~ directly or indirectly; or

1168 3. Recklessness or an act or omission that ~~which~~ was
1169 committed in bad faith or with malicious purpose or in a manner
1170 exhibiting wanton and willful disregard of human rights, safety,
1171 or property.

1172 Section 31. Subsections (2) and (3) of section 617.1007,
1173 Florida Statutes, are amended to read:

1174 617.1007 Restated articles of incorporation.—

1175 (2) The restatement may include one or more amendments to
1176 the articles of incorporation. If the restatement includes an
1177 amendment requiring member approval, it must be adopted as
1178 provided in s. 617.1002.

1179 (3) A corporation restating its articles of incorporation
1180 shall deliver to the department ~~of State~~ for filing articles of
1181 restatement, executed in accordance with ~~the provisions of s.~~
1182 617.01201, setting forth the name of the corporation and the
1183 text of the restated articles of incorporation together with a
1184 certificate setting forth:

1185 (a) Whether the restatement contains an amendment to the
1186 articles of incorporation requiring member approval and, if it
1187 does not, that the board of directors adopted the restatement;
1188 or

1189 (b) If the restatement contains an amendment to the

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1190 articles of incorporation requiring member approval, the
1191 information required by s. 617.1006.

1192 Section 32. Subsection (2) of section 617.1101, Florida
1193 Statutes, is amended, and subsection (3) is added to that
1194 section, to read:

1195 617.1101 Plan of merger.—

1196 (2) Each corporation must adopt a plan of merger setting
1197 forth:

1198 (a) The names of the corporations proposing to merge and
1199 the name of the surviving corporation into which each other
1200 corporation plans to merge, which is ~~hereinafter~~ designated as
1201 the surviving corporation;

1202 (b) The terms and conditions of the proposed merger;

1203 (c) A statement of any changes in the articles of
1204 incorporation of the surviving corporation to be effected by
1205 such merger; and

1206 (d) The manner and basis, if any, of converting the
1207 memberships of each merging corporation into memberships,
1208 obligations, or securities of the surviving corporation or any
1209 other corporation or, in whole or in part, into cash or other
1210 property. Such other provisions with respect to the proposed
1211 merger as are deemed necessary or desirable.

1212 (3) The plan of merger may set forth:

1213 (a) Amendments to, or a restatement of, the articles of
1214 incorporation of the surviving corporation;

1215 (b) The effective date of the merger, which may be on or
1216 after the date of filing the articles of incorporation or
1217 merger; or

1218 (c) Other provisions relating to the merger.

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1219 Section 33. Section 617.1102, Florida Statutes, is created
1220 to read:

1221 617.1102 Limitation on merger.—A corporation not for profit
1222 organized under this chapter may merge with one or more other
1223 business entities, as identified in s. 607.1108(1), only if the
1224 surviving entity of such merger is a corporation not for profit
1225 or other business entity that has been organized as a not-for-
1226 profit entity under a governing statute or other applicable law
1227 that allows such a merger.

1228 Section 34. Section 617.1301, Florida Statutes, is created
1229 to read:

1230 617.1301 Prohibited distributions.—Except as authorized in
1231 ss. 617.0505 and 617.1302, a corporation may not make any
1232 distributions to its members.

1233 Section 35. Section 617.1302, Florida Statutes, is created
1234 to read:

1235 617.1302 Authorized distributions.—

1236 (1) A mutual benefit corporation may purchase its
1237 memberships pursuant to s. 617.0608 only if, after the purchase
1238 is completed:

1239 (a) The mutual benefit corporation is able to pay its debts
1240 as they become due in the usual course of its activities; and

1241 (b) The total assets of the mutual benefit corporation at
1242 least equal the sum of its total liabilities.

1243 (2) A corporation may make distributions upon dissolution
1244 in conformity with the dissolution provisions of this chapter.

1245 Section 36. Subsection (4) of section 617.1405, Florida
1246 Statutes, is amended to read:

1247 617.1405 Effect of dissolution.—

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1248 (4) The name of a dissolved corporation is shall not be
1249 available for assumption or use by another corporation until
1250 ~~after~~ 120 days after the effective date of dissolution unless
1251 the dissolved corporation provides the department with an
1252 affidavit, executed pursuant to s. 617.01201, authorizing the
1253 immediate assumption or use of the name by another corporation.

1254 Section 37. Section 617.1407, Florida Statutes, is created
1255 to read:

1256 617.1407 Unknown claims against dissolved corporation.—

1257 (1) A dissolved corporation or successor entity may execute
1258 one of the following procedures to resolve payment of unknown
1259 claims:

1260 (a) A dissolved corporation or successor entity may file
1261 notice of its dissolution with the department on the form
1262 prescribed by the department and request that persons having
1263 claims against the corporation which are not known to the
1264 corporation or successor entity present them in accordance with
1265 the notice. The notice must:

1266 1. State the name of the corporation and the date of
1267 dissolution;

1268 2. Describe the information that must be included in a
1269 claim and provide a mailing address to which the claim may be
1270 sent; and

1271 3. State that a claim against the corporation under this
1272 subsection is barred unless a proceeding to enforce the claim is
1273 commenced within 4 years after the filing of the notice.

1274 (b) A dissolved corporation or successor entity may, within
1275 10 days after filing articles of dissolution with the
1276 department, publish a "Notice of Corporate Dissolution." The

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1277 notice must appear once a week for 2 consecutive weeks in a
1278 newspaper of general circulation in the county in the state in
1279 which the corporation has its principal office, if any, or, if
1280 none, in a county in the state in which the corporation owns
1281 real or personal property. Such newspaper shall meet the
1282 requirements as are prescribed by law for such purposes. The
1283 notice must:

1284 1. State the name of the corporation and the date of
1285 dissolution;

1286 2. Describe the information that must be included in a
1287 claim and provide a mailing address to which the claim may be
1288 sent; and

1289 3. State that a claim against the corporation under this
1290 subsection is barred unless a proceeding to enforce the claim is
1291 commenced within 4 years after the date of the second
1292 consecutive weekly publication of the notice.

1293 (2) If the dissolved corporation or successor entity
1294 complies with paragraph (1)(a) or paragraph (1)(b), the claim of
1295 each of the following claimants is barred unless the claimant
1296 commences a proceeding to enforce the claim against the
1297 dissolved corporation within 4 years after the date of filing
1298 the notice with the department or the date of the second
1299 consecutive weekly publication, as applicable:

1300 (a) A claimant who did not receive written notice under s.
1301 617.1408(9), or whose claim is not provided for under s.
1302 617.1408(10), regardless of whether such claim is based on an
1303 event occurring before or after the effective date of
1304 dissolution.

1305 (b) A claimant whose claim was timely sent to the dissolved

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1306 corporation but on which no action was taken.

1307 (3) A claim may be entered under this section:

1308 (a) Against the dissolved corporation, to the extent of its
1309 undistributed assets; or

1310 (b) If the assets have been distributed in liquidation,
1311 against a member of the dissolved corporation to the extent of
1312 such member's pro rata share of the claim or the corporate
1313 assets distributed to such member in liquidation, whichever is
1314 less; however, the aggregate liability of any member of a
1315 dissolved corporation may not exceed the amount distributed to
1316 the member in dissolution.

1317 Section 38. Section 617.1408, Florida Statutes, is created
1318 to read:

1319 617.1408 Known claims against dissolved corporation.-

1320 (1) A dissolved corporation or successor entity may dispose
1321 of the known claims against it by following the procedures
1322 described in subsections (2), (3), and (4).

1323 (2) The dissolved corporation or successor entity shall
1324 deliver to each of its known claimants written notice of the
1325 dissolution at any time after its effective date. The written
1326 notice must:

1327 (a) Provide a reasonable description of the claim that the
1328 claimant may be entitled to assert;

1329 (b) State whether the claim is admitted or not admitted, in
1330 whole or in part, and, if admitted:

1331 1. The amount that is admitted, which may be as of a given
1332 date; and

1333 2. Any interest obligation if fixed by an instrument of
1334 indebtedness;

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- 1335 (c) Provide a mailing address where a claim may be sent;
1336 (d) State the deadline, which must be at least 120 days
1337 after the effective date of the written notice, by which
1338 confirmation of the claim must be delivered to the dissolved
1339 corporation or successor entity; and
1340 (e) State that the corporation or successor entity may make
1341 distributions thereafter to other claimants and the members of
1342 the corporation or persons interested as having been such
1343 without further notice.
- 1344 (3) A dissolved corporation or successor entity may reject,
1345 in whole or in part, any claim made by a claimant pursuant to
1346 this section by mailing notice of such rejection to the claimant
1347 within 90 days after receipt of such claim and, in all events,
1348 at least 150 days before expiration of 3 years following the
1349 effective date of dissolution. The notice must be accompanied by
1350 a copy of this section.
- 1351 (4) A dissolved corporation or successor entity electing to
1352 follow the procedures described in subsections (2) and (3) must
1353 also give notice of dissolution to persons having known claims
1354 that are contingent upon the occurrence or nonoccurrence of
1355 future events, or are otherwise conditional or unmatured, and
1356 request that such persons present such claims in accordance with
1357 the terms of the notice. The notice must be in substantially the
1358 same form, and sent in the same manner, as described in
1359 subsection (2).
- 1360 (5) A dissolved corporation or successor entity shall offer
1361 any claimant whose known claim is contingent, conditional, or
1362 unmatured such security as the corporation or entity determines
1363 is sufficient to provide compensation to the claimant if the

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1364 claim matures. The dissolved corporation or successor entity
1365 shall deliver such offer to the claimant within 90 days after
1366 receipt of such claim and, in all events, at least 150 days
1367 before expiration of 3 years following the effective date of
1368 dissolution. If the claimant offered such security does not
1369 deliver in writing to the dissolved corporation or successor
1370 entity a notice rejecting the offer within 120 days after
1371 receipt of such offer, the claimant is deemed to have accepted
1372 such security as the sole source from which to satisfy his or
1373 her claim against the corporation.

1374 (6) A dissolved corporation or successor entity that has
1375 given notice in accordance with subsections (2) and (4) shall
1376 petition the circuit court in the county where the corporation's
1377 principal office is located or was located on the effective date
1378 of dissolution to determine the amount and form of security
1379 which is sufficient to provide compensation to a claimant who
1380 has rejected the offer for security made pursuant to subsection
1381 (5).

1382 (7) A dissolved corporation or successor entity that has
1383 given notice in accordance with subsection (2) shall petition
1384 the circuit court in the county where the corporation's
1385 principal office is located or was located on the effective date
1386 of dissolution to determine the amount and form of security
1387 which is sufficient to provide compensation to claimants whose
1388 claims are known to the corporation or successor entity but
1389 whose identities are unknown. The court shall appoint a guardian
1390 ad litem to represent all claimants whose identities are unknown
1391 in any proceeding brought under this subsection. The reasonable
1392 fees and expenses of such guardian, including all reasonable

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1393 expert witness fees, shall be paid by the petitioner in such
1394 proceeding.

1395 (8) The giving of any notice or making of any offer
1396 pursuant to this section does not revive any claim then barred,
1397 does not constitute acknowledgment by the dissolved corporation
1398 or successor entity that any person to whom such notice is sent
1399 is a proper claimant, and does not operate as a waiver of any
1400 defense or counterclaim in respect of any claim asserted by any
1401 person to whom such notice is sent.

1402 (9) A dissolved corporation or successor entity that has
1403 followed the procedures described in subsections (2)-(7) shall:

1404 (a) Pay the claims admitted or made and not rejected in
1405 accordance with subsection (3);

1406 (b) Post the security offered and not rejected pursuant to
1407 subsection (5);

1408 (c) Post any security ordered by the circuit court in any
1409 proceeding under subsections (6) and (7); and

1410 (d) Pay or make provision for all other known obligations
1411 of the corporation or the successor entity. Such claims or
1412 obligations shall be paid in full, and any provision for
1413 payments shall be made in full if there are sufficient funds. If
1414 there are insufficient funds, the claims and obligations shall
1415 be paid or provided for according to their priority and, among
1416 claims of equal priority, ratably to the extent of funds legally
1417 available for payment. Any remaining funds shall be distributed
1418 in accordance with s. 617.1406; however, such distribution may
1419 not be made until 150 days after the date of the last notice of
1420 rejections given pursuant to subsection (3). In the absence of
1421 actual fraud, the judgment of the directors of the dissolved

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1422 corporation or the governing persons of the successor entity as
1423 to the provisions made for the payment of all obligations under
1424 this paragraph is conclusive.

1425 (10) A dissolved corporation or successor entity that has
1426 not followed the procedures described in subsections (2) and (3)
1427 shall pay or make reasonable provision to pay all known claims
1428 and obligations, including all contingent, conditional, or
1429 unmatured claims known to the corporation or the successor
1430 entity and all claims that are known to the dissolved
1431 corporation or the successor entity but for which the identity
1432 of the claimant is unknown. Such claims shall be paid in full,
1433 and any provision for payment made shall be made in full if
1434 there are sufficient funds. If there are insufficient funds,
1435 such claims and obligations shall be paid or provided for
1436 according to their priority and, among claims of equal priority,
1437 ratably to the extent of funds legally available for payment
1438 thereof. Any remaining funds shall be distributed in accordance
1439 with s. 617.1406.

1440 (11) Directors of a dissolved corporation or governing
1441 persons of a successor entity that has complied with subsection
1442 (9) or subsection (10) are not personally liable to the
1443 claimants of the dissolved corporation.

1444 (12) A member of a dissolved corporation the assets of
1445 which were distributed pursuant to subsection (9) or subsection
1446 (10) is not liable for any claim against the corporation greater
1447 than the member's pro rata share of the claim or the amount
1448 distributed to the member, whichever is less.

1449 (13) A member of a dissolved corporation, the assets of
1450 which were distributed pursuant to subsection (9), is not liable

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1451 for any claim against the corporation which is known to the
1452 corporation or successor entity and on which a proceeding is
1453 begun after the expiration of 3 years following the effective
1454 date of dissolution.

1455 (14) The aggregate liability of any member of a dissolved
1456 corporation for claims against the dissolved corporation may not
1457 be greater than the amount distributed to the member in
1458 dissolution.

1459 Section 39. Subsection (6) of section 617.1421, Florida
1460 Statutes, is repealed.

1461 Section 40. Section 617.1422, Florida Statutes, is amended
1462 to read:

1463 617.1422 Reinstatement following administrative
1464 dissolution.-

1465 (1) ~~(a)~~ A corporation administratively dissolved under s.
1466 617.1421 may apply to the department ~~of State~~ for reinstatement
1467 at any time after the effective date of dissolution. The
1468 corporation must submit a reinstatement form prescribed and
1469 furnished by the department or a current uniform business report
1470 signed by a registered agent and an officer or director and
1471 submit application must:

1472 1. Recite the name of the corporation and the effective
1473 date of its administrative dissolution;

1474 2. State that the ground or grounds for dissolution either
1475 did not exist or have been eliminated and that no further
1476 grounds currently exist for dissolution;

1477 3. State that the corporation's name satisfies the
1478 requirements of s. 617.0401; and

1479 4. State that all fees owed by the corporation and computed

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1480 at the rate provided by law at the time the corporation applies
1481 for reinstatement. ~~have been paid; or~~

1482 ~~(b) Submit a current annual report, signed by the~~
1483 ~~registered agent and an officer or director, which substantially~~
1484 ~~complies with the requirements of paragraph (a).~~

1485 (2) If the department ~~of State~~ determines that the
1486 application contains the information required by subsection (1)
1487 and that the information is correct, it shall ~~file the document,~~
1488 ~~cancel the certificate of dissolution,~~ and reinstate the
1489 corporation ~~effective on the date which the reinstatement~~
1490 ~~document is filed.~~

1491 (3) When the reinstatement is effective, it relates back to
1492 and takes effect as of the effective date of the administrative
1493 dissolution and the corporation resumes carrying on its business
1494 ~~affairs~~ as if the administrative dissolution had never occurred.

1495 (4) The name of the dissolved corporation is not available
1496 for assumption or use by another corporation until 1 year after
1497 the effective date of dissolution unless the dissolved
1498 corporation provides the department with an affidavit executed
1499 pursuant to s. 617.01201 authorizing the immediate assumption or
1500 use of the name by another corporation.

1501 ~~(5)-(4)~~ If the name of the dissolved corporation has been
1502 lawfully assumed in this state by another corporation, the
1503 department ~~of State~~ shall require the dissolved corporation to
1504 amend its articles of incorporation to change its name before
1505 accepting its application for reinstatement.

1506 Section 41. Subsection (2) of section 617.1430, Florida
1507 Statutes, is amended to read:

1508 617.1430 Grounds for judicial dissolution.—A circuit court

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1509 may dissolve a corporation:

1510 (2) In a proceeding brought by at least 50 members or
1511 members holding at least 10 percent of the voting power,
1512 whichever is less, or by a member or group or percentage of
1513 members as otherwise provided in the articles of incorporation
1514 or bylaws, or by a director or any person authorized in the
1515 articles of incorporation, ~~by a member~~ if it is established
1516 that:

1517 (a) The directors are deadlocked in the management of the
1518 corporate affairs, the members are unable to break the deadlock,
1519 and irreparable injury to the corporation is threatened or being
1520 suffered;

1521 (b) The members are deadlocked in voting power and have
1522 failed to elect successors to directors whose terms have expired
1523 or would have expired upon qualification of their successors; or

1524 (c) The corporate assets are being misapplied or wasted.

1525 Section 42. Subsection (2) of section 617.1503, Florida
1526 Statutes, is amended to read:

1527 617.1503 Application for certificate of authority.—

1528 (2) The foreign corporation shall deliver with the
1529 completed application a certificate of existence, ~~for a document~~
1530 ~~of similar import,~~ duly authenticated, within ~~not more than~~ 90
1531 days prior to delivery of the application to the department ~~of~~
1532 ~~State,~~ by the Secretary of State or other official having
1533 custody of corporate records in the jurisdiction under the law
1534 of which it is incorporated. A translation of the certificate,
1535 under oath of the translator, must be attached to a certificate
1536 that ~~which~~ is in a language other than the English language.

1537 Section 43. Subsection (2) of section 617.1504, Florida

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1538 Statutes, is amended to read:

1539 617.1504 Amended certificate of authority.-

1540 (2) Such application shall be made within 90 ~~30~~ days after
1541 the occurrence of any change mentioned in subsection (1), shall
1542 be made on forms prescribed by the department ~~of State~~, shall be
1543 executed and filed in the same manner as an original application
1544 for authority, and shall set forth:

1545 (a) The name of the foreign corporation as it appears on
1546 the department's records ~~of the Department of State~~;

1547 (b) The jurisdiction of its incorporation;

1548 (c) The date it was authorized to conduct its affairs in
1549 this state;

1550 (d) If the name of the foreign corporation has ~~been~~
1551 changed, the name relinquished, the new name, a statement that
1552 the change of name has been effected under the laws of the
1553 jurisdiction of its incorporation, and the date the change was
1554 effected;

1555 (e) If the period of duration has ~~been~~ changed, a statement
1556 of such change and the date the change was effected;

1557 (f) If the jurisdiction of incorporation has ~~been~~ changed,
1558 a statement of such change and the date the change was effected;
1559 and

1560 (g) If the ~~purpose or purposes~~ that ~~which~~ the corporation
1561 intends to pursue in this state have ~~been~~ changed, a statement
1562 of such new ~~purpose or purposes~~, and a further statement that
1563 the corporation is authorized to pursue such ~~purpose or purposes~~
1564 in the jurisdiction of its incorporation.

1565 Section 44. Section 617.1506, Florida Statutes, is amended
1566 to read:

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1567 617.1506 Corporate name of foreign corporation.-

1568 (1) A foreign corporation may ~~is not entitled to~~ file an
1569 application for a certificate of authority unless the corporate
1570 name of such corporation satisfies the requirements of s.

1571 617.0401. To obtain or maintain a certificate of authority to
1572 transact business in this state, the foreign corporation:

1573 (a) May add the word "corporation" or "incorporated" or the
1574 abbreviation "corp." or "inc." or words of like import, which ~~as~~
1575 ~~will~~ clearly indicate that it is a corporation instead of a
1576 natural person or partnership or other business entity; however,
1577 ~~to its corporate name for use in this state, provided,~~ the name
1578 of a foreign corporation may not contain the word "company" or
1579 the abbreviation "co."; or

1580 (b) May use an alternate name to transact business in this
1581 state if its real name is unavailable. Any alternate corporate
1582 name adopted for use in this state must be cross-referenced to
1583 the real corporate name in the records of the Division of
1584 Corporations. If the real corporate name of the corporation
1585 becomes available in this state or if the corporation chooses to
1586 change its alternate name and it delivers to the Department of
1587 State, for filing, a copy of the resolution of its board of
1588 directors, changing or withdrawing the alternate name and
1589 executed as required by s. 617.01201, must be delivered for
1590 filing adopting an alternate name.

1591 (2) The corporate name, including the alternate name, of a
1592 foreign corporation must be distinguishable, within the records
1593 of the Division of Corporations, from:

1594 (a) Any corporate name of a corporation for profit
1595 incorporated or authorized to transact business in this state.

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1596 (b)~~(a)~~ The alternate name of another foreign corporation
1597 authorized to transact business in this state.

1598 (c)~~(b)~~ The corporate name of a not-for-profit corporation
1599 incorporated or authorized to transact business in this state.

1600 (d)~~(e)~~ The names of all other entities or filings, except
1601 fictitious name registrations pursuant to s. 865.09, organized,
1602 or registered under the laws of this state, that are on file
1603 with the Division of Corporations.

1604 (3) If a foreign corporation authorized to transact
1605 business in this state changes its corporate name to one that
1606 does not satisfy the requirements of s. 617.0401 ~~s. 607.0401~~,
1607 such corporation may not transact business in this state under
1608 the changed name until the corporation adopts a name satisfying
1609 the requirements of s. 617.0401 ~~s. 607.0401~~.

1610 ~~(4) The corporate name must be distinguishable from the
1611 names of all other entities or filings, organized, registered,
1612 or reserved under the laws of the state that are on file with
1613 the Division of Corporations, except fictitious name
1614 registrations pursuant to s. 865.09.~~

1615 Section 45. Subsection (6) of section 617.1530, Florida
1616 Statutes, is amended to read:

1617 617.1530 Grounds for revocation of authority to conduct
1618 affairs.—The department of State may commence a proceeding under
1619 s. 617.1531 to revoke the certificate of authority of a foreign
1620 corporation authorized to conduct its affairs in this state if:

1621 (6) The department ~~of State~~ receives a duly authenticated
1622 certificate from the secretary of state or other official having
1623 custody of corporate records in the jurisdiction under the law
1624 of which the foreign corporation is incorporated stating that it

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1625 has been dissolved or disappeared as the result of a merger.

1626 Section 46. Paragraph (a) of subsection (5) of section
1627 617.1601, Florida Statutes, is amended to read:

1628 617.1601 Corporate records.—

1629 (5) A corporation shall keep a copy of the following
1630 records:

1631 (a) Its articles of incorporation or restated articles of
1632 incorporation and all amendments to them currently in effect.

1633 Section 47. Subsections (1), (2), and (4) of section
1634 617.1602, Florida Statutes, are amended to read:

1635 617.1602 Inspection of records by members.—

1636 (1) A member of a corporation is entitled to inspect and
1637 copy, during regular business hours at the corporation's
1638 principal office or at a reasonable location specified by the
1639 corporation, any of the records of the corporation described in
1640 s. 617.1601(5), if the member gives the corporation written
1641 notice of his or her demand at least 10 ~~5~~ business days before
1642 the date on which he or she wishes to inspect and copy.

1643 (2) A member of a corporation is entitled to inspect and
1644 copy, during regular business hours at a reasonable location
1645 specified by the corporation, any of the following records of
1646 the corporation if the member meets the requirements of
1647 subsection (3) and gives the corporation written notice of his
1648 or her demand at least 10 ~~5~~ business days before the date on
1649 which he or she wishes to inspect and copy:

1650 (a) Excerpts from minutes of any meeting of the board of
1651 directors, records of any action of a committee of the board of
1652 directors while acting in place of the board of directors on
1653 behalf of the corporation, minutes of any meeting of the

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1654 members, and records of action taken by the members or board of
1655 directors without a meeting, to the extent not subject to
1656 inspection under subsection (1).

1657 (b) Accounting records of the corporation.

1658 (c) The record of members.

1659 (d) Any other books and records.

1660 (4) This section does not affect:

1661 (a) The right of a member ~~to inspect and copy records under~~
1662 ~~s. 617.0730(6), or, if the member is~~ in litigation with the
1663 corporation to inspect and copy records, to the same extent as
1664 any other litigant.

1665 (b) The power of a court, independently of this chapter
1666 ~~act~~, to compel the production of corporate records for
1667 examination.

1668 Section 48. Section 617.1605, Florida Statutes, is amended
1669 to read:

1670 617.1605 Financial reports for members.—A corporation, upon
1671 a member's written demand, shall furnish that member its latest
1672 annual financial statements, which may be consolidated or
1673 combined statements of the corporation and one or more of its
1674 subsidiaries or affiliates, as appropriate, and which include a
1675 balance sheet as of the end of the fiscal year and a statement
1676 of operations for that year. If financial statements are
1677 prepared for the corporation on the basis of generally accepted
1678 accounting principles, the annual financial statements must also
1679 be prepared on such basis. ~~Within 60 days following the end of~~
1680 ~~the fiscal or calendar year or annually on such date as is~~
1681 ~~otherwise provided in the bylaws of the corporation, the board~~
1682 ~~of directors of the corporation shall mail or furnish by~~

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1683 ~~personal delivery to each member a complete financial report of~~
1684 ~~actual receipts and expenditures for the previous 12 months. The~~
1685 ~~report shall show the amounts of receipts by accounts and~~
1686 ~~receipt classifications and shall show the amounts of expenses~~
1687 ~~by accounts and expense classifications.~~

1688 Section 49. Section 617.1703, Florida Statutes, is created
1689 to read:

1690 617.1703 Application of chapter.-In the event of any
1691 conflict between the provisions of this chapter and chapter 718
1692 regarding condominiums, chapter 719 regarding cooperatives,
1693 chapter 720 regarding homeowners' associations, chapter 721
1694 regarding timeshares, or chapter 723 regarding mobile home
1695 owners' associations, the provisions of such other chapters
1696 shall apply. The provisions of ss. 617.0605-617.0608 do not
1697 apply to corporations regulated by any of the foregoing chapters
1698 or to any other corporation where membership in the corporation
1699 is required pursuant to a document recorded in the county
1700 property records.

1701 Section 50. Subsection (8) is added to section 617.1803,
1702 Florida Statutes, to read:

1703 617.1803 Domestication of foreign not-for-profit
1704 corporations.-

1705 (8) When a domestication becomes effective:

1706 (a) The title to all real and personal property, both
1707 tangible and intangible, of the foreign corporation remains in
1708 the domesticated corporation without reversion or impairment;

1709 (b) The liabilities of the foreign corporation remain the
1710 liabilities of the domesticated corporation;

1711 (c) An action or proceeding against the foreign corporation

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1712 continues against the domesticated corporation as if the
1713 domestication had not occurred;

1714 (d) The articles of incorporation attached to the
1715 certificate of domestication constitute the articles of
1716 incorporation of the domesticated corporation; and

1717 (e) Membership interests in the foreign corporation remain
1718 identical in the domesticated corporation.

1719 Section 51. Section 617.1806, Florida Statutes, is amended
1720 to read:

1721 617.1806 Conversion to corporation not for profit; petition
1722 and contents.—A petition for conversion to a corporation not for
1723 profit pursuant to s. 617.1805 shall be accompanied by the
1724 written consent of all the shareholders authorizing the change
1725 in the corporate nature and directing an authorized officer to
1726 file such petition before the court, together with a statement
1727 agreeing to accept all the property of the petitioning
1728 corporation and agreeing to assume and pay all its indebtedness
1729 and liabilities, and the proposed articles of incorporation
1730 signed by the president and secretary of the petitioning
1731 corporation which shall set forth the provisions required in
1732 original articles of incorporation by s. 617.0202.

1733 Section 52. Section 617.1907, Florida Statutes, is amended
1734 to read:

1735 617.1907 Effect of repeal or amendment of prior acts.—

1736 (1) Except as provided in subsection (2), the repeal or
1737 amendment of a statute by this chapter ~~act~~ does not affect:

1738 (a) The operation of the statute or any action taken under
1739 it before its repeal or amendment;

1740 (b) Any ratification, right, remedy, privilege, obligation,

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1741 or liability acquired, accrued, or incurred under the statute
1742 before its repeal or amendment;

1743 (c) Any violation of the statute, or any penalty,
1744 forfeiture, or punishment incurred because of the violation,
1745 before its repeal or amendment; or

1746 (d) Any proceeding, reorganization, or dissolution
1747 commenced ~~under the statute~~ before its repeal or amendment, and
1748 the proceeding, reorganization, or dissolution may be completed
1749 ~~in accordance with the statute~~ as if it had not been repealed or
1750 amended.

1751 (2) If a penalty or punishment imposed for violation of a
1752 statute repealed or amended by this chapter act is reduced by
1753 this act, the penalty or punishment if not already imposed shall
1754 be imposed in accordance with this chapter act.

1755 Section 53. Section 617.2103, Florida Statutes, is
1756 repealed.

1757 Section 54. Except as otherwise expressly provided in this
1758 act and except for this section, which shall take effect upon
1759 becoming a law, this act shall take effect October 1, 2009.