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1 A bill to be entitled
2 An act relating to corporations; amending s. 607.0728,
3 F.S.; authorizing certain alternative procedures for
4 the election of members of the board of directors;
5 amending s. 607.0807, F.S.; revising resignation
6 procedures for members of the board of directors;
7 providing that a resignation may be irrevocable under
8 certain conditions; amending s. 607.0809, F.S.;
9 revising procedures for filling a vacancy on the board
10 of directors; amending s. 607.0501, F.S.; deleting a
11 provision providing that there shall be no charge for
12 telephone requests for certain general corporate
13 information; amending s. 607.1406, F.S.; requiring
14 notice to known claimants of a dissolved corporation;
15 amending s. 607.1620, F.S.; requiring that certain
16 corporations furnish annual financial statements to
17 shareholders within a specified period after the close
18 of a fiscal year; providing an exception; providing a
19 means by which such requirement may be satisfied;
20 amending s. 617.01201, F.S.; requiring a document that
21 is electronically transmitted to be in a format that
22 may be retrieved in typewritten or printed form;
23 requiring that a document be executed by a director of
24 the domestic or foreign corporation; authorizing the
25 delivery of a document by electronic transmission to
26 the extent allowed by the Department of State;
27 amending s. 617.0122, F.S.; requiring the department
28 to collect a fee for filing an agent's statement of
29 resignation from an inactive corporation; amending s.

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30 617.0124, F.S.; authorizing a domestic or foreign
31 corporation to correct a document filed by the
32 department within 30 days under certain circumstances;
33 amending s. 617.01401, F.S.; defining the terms
34 "department," "distribution," "mutual benefit
35 corporation," "successor entity," and "voting power";
36 amending s. 617.0205, F.S.; requiring the
37 incorporators to hold an organizational meeting after
38 incorporation if the initial directors are not named
39 in the articles of incorporation; amending s.
40 617.0302, F.S.; authorizing a corporation not for
41 profit to make guaranties; amending s. 617.0501, F.S.;
42 deleting a provision providing that there shall be no
43 charge for telephone requests for certain general
44 corporate information; amending s. 617.0503, F.S.;
45 providing that an alien business organization may
46 withdraw its registered agent designation by
47 delivering an application for certificate of
48 withdrawal to the department; amending s. 617.0505,
49 F.S.; prohibiting a corporation not for profit from
50 making distributions to its members; providing an
51 exception; deleting provisions related to the issuance
52 of certificates; amending s. 617.0601, F.S.;
53 correcting a reference to the Solicitation of
54 Contributions Act; providing that certain stock
55 certificates constitute certificates of membership;
56 requiring that a resignation, expulsion, or
57 termination of membership be recorded in the
58 membership book; creating s. 617.0605, F.S.;

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59 prohibiting a member of a corporation from
60 transferring a membership under certain circumstances;
61 creating s. 617.0606, F.S.; providing that the
62 resignation of a member does not relieve the member
63 from obligations incurred and commitments made prior
64 to resignation; creating s. 617.0607, F.S.; requiring
65 that a member of a corporation be terminated or
66 suspended pursuant to a procedure that is fair and
67 reasonable; requiring that written notice given and
68 delivered by certified mail or first-class mail;
69 requiring that a proceeding challenging an expulsion,
70 suspension, or termination be commenced within 1 year
71 after the effective date of such expulsion,
72 suspension, or termination; providing that a member
73 who has been expelled or suspended may be liable to
74 the corporation for dues, assessments, or fees;
75 creating s. 617.0608, F.S.; prohibiting a corporation
76 from purchasing any of its memberships; authorizing a
77 mutual benefit corporation to purchase the membership
78 of a member who resigns or whose membership is
79 terminated; amending s. 617.0701, F.S.; authorizing
80 the holders of at least 5 percent of the voting power
81 of a corporation to call a special meeting of the
82 members under certain circumstances; authorizing a
83 person who signs a demand for a special meeting to
84 call a special meeting of the members under certain
85 circumstances; revising the timeframes relating to
86 written member consent to actions; clarifying the
87 types of corporations that are not subject to certain

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88 requirements; amending s. 617.0721, F.S.; authorizing
89 the corporation to reject a proxy action if it has
90 reasonable doubt as the validity of an appointment;
91 providing that members and proxy holders who are not
92 physically present at a meeting may participate by
93 means of remote communication and are deemed to be
94 present at the meeting under certain circumstances;
95 amending s. 617.0725, F.S.; requiring an amendment to
96 the articles of incorporation or the bylaws which adds
97 a greater or lesser quorum or voting requirement to
98 meet certain requirements; creating s. 617.07401,
99 F.S.; prohibiting a person from commencing a
100 proceeding in the right of a domestic or foreign
101 corporation unless the person was a member of the
102 corporation or became a member through transfer by
103 operation of law; requiring that a complaint in a
104 proceeding brought in the right of a domestic or
105 foreign corporation be verified and allege the demand
106 with particularity; authorizing the court to dismiss a
107 derivative proceeding if the court finds that a
108 determination was made in good faith after a
109 reasonable investigation; prohibiting certain
110 proceedings from being discontinued or settled without
111 the approval of the court; authorizing the court to
112 require a plaintiff to pay a defendant's reasonable
113 expenses upon termination of a proceeding, including
114 attorney's fees; amending s. 617.0801, F.S.; providing
115 the duties of the board of directors; amending s.
116 617.0802, F.S.; providing an exception to the required

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117 minimum age of a member of the board of directors for
118 certain corporations; excluding certain corporations
119 from eligibility for such exception; amending s.
120 617.0806, F.S.; providing that directors may be
121 divided into classes; amending s. 617.0808, F.S.;
122 providing that any member of the board of directors
123 may be removed from office with or without cause by a
124 certain vote; providing that a director who is elected
125 by a class, chapter, or other organizational unit may
126 be removed only by members of that class, chapter, or
127 organizational unit; providing that a director elected
128 or appointed by the board may be removed without cause
129 by a vote of two-thirds of the directors then in
130 office; providing that a director of a corporation
131 described in s. 501(c) of the Internal Revenue Code
132 may be removed from office pursuant to procedures
133 provided in the articles of incorporation or the
134 bylaws; amending s. 617.0809, F.S.; providing that a
135 vacancy on the board of directors for a director
136 elected by a class, chapter, unit, or group may be
137 filled only by members of that class, chapter, unit,
138 or group; providing that the term of a director
139 elected or appointed to fill a vacancy expires at the
140 next annual meeting at which directors are elected;
141 amending s. 617.0824, F.S.; prohibiting certain
142 directors from being counted toward a quorum; amending
143 s. 617.0832, F.S.; deleting a provision that
144 authorizes common or interested directors to be
145 counted in determining the presence of a quorum at a

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146 meeting that ratifies a contract between a corporation
147 and one of its directors and any other corporation in
148 which one of its directors is financially interested;
149 providing circumstances under which a conflict-of-
150 interest transaction is authorized; amending s.
151 617.0833, F.S.; providing an exception to the
152 requirement that a loan not be made by a corporation
153 to its directors; amending s. 617.0834, F.S.;
154 providing that an officer or director of a certain
155 nonprofit organization or agricultural or
156 horticultural organization is immune from civil
157 liability; amending s. 617.1007, F.S.; providing that
158 a restatement of the articles of incorporation of a
159 corporation may include one or more amendments;
160 amending s. 617.1101, F.S.; providing requirements for
161 a plan of merger; creating s. 617.1102, F.S.;
162 providing a limitation on the merger of a corporation
163 not for profit; creating s. 617.1301, F.S.;
164 prohibiting a corporation from making distributions to
165 its members under certain circumstances; creating s.
166 617.1302, F.S.; providing that a mutual benefit
167 corporation may purchase its memberships only under
168 certain circumstances; authorizing a corporation to
169 make distributions upon dissolution; amending s.
170 617.1405, F.S.; providing that the name of a dissolved
171 corporation may be available for immediate assumption
172 by another corporation if the dissolved corporation
173 provides the department with an affidavit authorizing
174 such use; creating s. 617.1407, F.S.; authorizing a

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175 dissolved corporation or successor entity to execute
176 certain procedures to resolve payment of unknown
177 claims against it; providing that certain claims
178 against a dissolved corporation are barred; providing
179 that a claim may be entered against a dissolved
180 corporation under certain circumstances; creating s.
181 617.1408, F.S.; authorizing a dissolved corporation or
182 successor entity to execute certain procedures to
183 dispose of known claims against it; requiring that a
184 dissolved corporation deliver written notice of the
185 dissolution to each of its known claimants; providing
186 a procedure under which a dissolved corporation may
187 reject a claim made against it; requiring that a
188 dissolved corporation give notice of the dissolution
189 to persons having known claims that are contingent,
190 conditional, or unmatured; requiring that a dissolved
191 corporation follow certain procedures in offering
192 compensation to a claimant if the claim matures;
193 requiring that a dissolved corporation petition the
194 circuit court to determine the amount and form of
195 security that is sufficient to provide compensation to
196 certain claimants; providing that the giving of notice
197 or making of an offer does not revive a claim that has
198 been barred; providing that directors of a dissolved
199 corporation or governing persons of a successor entity
200 that has complied with certain procedures are not
201 personally liable to the claimants of a dissolved
202 corporation; providing that certain members of a
203 dissolved corporation are not liable for any claim

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204 against the corporation; providing a limit on the
205 aggregate liability of any member of a dissolved
206 corporation; repealing s. 617.1421(6), F.S., relating
207 to the assumption and use of the name of a dissolved
208 corporation; amending s. 617.1422, F.S.; deleting
209 certain requirements for an application to reinstate a
210 corporation that has been dissolved; requiring that a
211 corporation submit a reinstatement form prescribed and
212 furnished by the department; providing that the name
213 of a dissolved corporation is not available for
214 assumption or use by another corporation until 1 year
215 after the effective date of dissolution; providing an
216 exception; amending s. 617.1430, F.S.; revising the
217 requirements for members to dissolve a corporation in
218 circuit court; amending s. 617.1503, F.S.; requiring a
219 foreign corporation to deliver a certificate of
220 existence authenticated by the Secretary of State;
221 amending s. 617.1504, F.S.; requiring that a foreign
222 corporation make application to the department to
223 obtain an amended certificate of authority within 90
224 days after the occurrence of a change; amending s.
225 617.1506, F.S.; requiring that an alternate corporate
226 name adopted for use in this state be cross-referenced
227 to the real corporate name in the records of the
228 Division of Corporations; requiring that the corporate
229 name of a foreign corporation be distinguishable from
230 the corporate name of a corporation for profit
231 incorporated or authorized to transact business in
232 this state; amending s. 617.1530, F.S.; requiring that

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233 the department receive an authenticated certificate
234 from the Secretary of State before commencing a
235 proceeding to revoke the certificate of authority of a
236 foreign corporation; amending s. 617.1601, F.S.;
237 requiring that a corporation keep a copy of its
238 articles of incorporation; amending s. 617.1602, F.S.;
239 providing that a member of a corporation is entitled
240 to inspect and copy certain records of the corporation
241 at a reasonable location specified by the corporation;
242 requiring that a member give the corporation written
243 notice 10 days before the date on which he or she
244 wishes to inspect and copy records; amending s.
245 617.1605, F.S.; revising the circumstances under which
246 a corporation is required to furnish a member with its
247 latest annual financial statement; creating s.
248 617.1703, F.S.; providing for the applicability of
249 certain provisions to corporations regulated under the
250 act; amending s. 617.1803, F.S.; providing for certain
251 changes when a foreign not-for-profit corporation
252 becomes domesticated; amending s. 617.1806, F.S.;
253 revising the provisions for conversion to a
254 corporation not for profit; amending s. 617.1907,
255 F.S.; providing that the repeal or amendment of a
256 statute does not affect certain operations and
257 proceedings; repealing s. 617.2103, F.S., relating to
258 exemptions for certain corporations; providing
259 effective dates.

260
261 Be It Enacted by the Legislature of the State of Florida:

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263 Section 1. Subsection (1) of section 607.0728, Florida
264 Statutes, is amended to read:

265 607.0728 Voting for directors; cumulative voting.—

266 (1) Unless otherwise provided in the articles of
267 incorporation, or in a bylaw that fixes a greater voting
268 requirement for the election of directors and that is adopted by
269 the board of directors or shareholders of a corporation having
270 shares listed on a national securities exchange at the time of
271 adoption, directors are elected by a plurality of the votes cast
272 by the shares entitled to vote in the election at a meeting at
273 which a quorum is present. A bylaw provision or amendment
274 adopted by shareholders which specifies the votes necessary for
275 the election of directors may not be further amended or repealed
276 by the board of directors.

277 Section 2. Subsection (2) of section 607.0807, Florida
278 Statutes, is amended, and subsection (3) is added to that
279 section, to read:

280 607.0807 Resignation of directors.—

281 (2) A resignation is effective when the notice is delivered
282 unless the notice specifies a later effective date or an
283 effective date determined upon the subsequent happening of an
284 event. If a resignation is made effective at a later date or
285 upon the subsequent happening of an event, the board of
286 directors may fill the pending vacancy before the effective date
287 occurs if the board of directors provides that the successor
288 does not take office until the effective date.

289 (3) A resignation that specifies a later effective date or
290 that is conditioned upon the subsequent happening of an event

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291 may provide that the resignation is irrevocable.

292 Section 3. Subsection (3) of section 607.0809, Florida
293 Statutes, is amended to read:

294 607.0809 Vacancy on board.—

295 (3) A vacancy that may ~~will~~ occur at a ~~specific~~ later date
296 (under s. 607.0807(2) by reason of a resignation effective at a
297 later date or upon the subsequent happening of an event ~~under s.~~
298 ~~607.0807(2) or otherwise~~) may be filled before the vacancy
299 occurs but the new director may not take office until the
300 vacancy occurs.

301 Section 4. Subsection (4) of section 607.0501, Florida
302 Statutes, is amended to read:

303 607.0501 Registered office and registered agent.—

304 (4) The Department of State shall maintain an accurate
305 record of the registered agents and registered offices for the
306 service of process and shall furnish any information disclosed
307 thereby promptly upon request and payment of the required fee.
308 ~~There shall be no charge for telephone requests for general~~
309 ~~corporate information, including the corporation's status, names~~
310 ~~of officers and directors, address of principal place of~~
311 ~~business, and name and address of registered agent.~~

312 Section 5. Subsection (4) of section 607.1406, Florida
313 Statutes, is amended to read:

314 607.1406 Known claims against dissolved corporation.—

315 (4) A dissolved corporation or successor entity electing to
316 follow the procedures described in subsections (2) and (3) shall
317 also give notice of the dissolution of the corporation to
318 persons with known claims, that are contingent upon the
319 occurrence or nonoccurrence of future events or otherwise

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320 conditional or unmatured, and request that such persons present
321 such claims in accordance with the terms of such notice. Such
322 notice shall be in substantially the same form, and sent in the
323 same manner, as described in subsection (2).

324 Section 6. Effective upon this act becoming a law and
325 applicable to all fiscal years ending on or after December 31,
326 2008, subsection (3) of section 607.1620, Florida Statutes, is
327 amended, and subsection (5) is added to that section, to read:

328 607.1620 Financial statements for shareholders.—

329 (3) Any A corporation required by subsection (1) to furnish
330 annual financial statements to its shareholders shall furnish
331 ~~mail~~ the annual financial statements to each shareholder within
332 120 days after the close of each fiscal year or within such
333 additional time thereafter as is reasonably necessary to enable
334 the corporation to prepare its financial statements if, for
335 reasons beyond the corporation's control, it is unable to
336 prepare its financial statements within the prescribed period.
337 Thereafter, on written request from a shareholder who was not
338 furnished ~~mailed~~ the statements, the corporation shall furnish
339 ~~mail~~ him or her the latest annual financial statements.

340 (5) The requirement to furnish annual financial statements
341 as described in this section shall be satisfied by sending the
342 annual financial statements by mail or by electronic
343 transmission. If a corporation has an outstanding class of
344 securities registered under s. 12 of the Securities Exchange Act
345 of 1934, as amended, the requirement to furnish annual financial
346 statements may be satisfied by complying with 17 C.F.R. s.
347 240.14a-16, as amended, with respect to the obligation of a
348 corporation to furnish an annual report to shareholders pursuant

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349 to 17 C.F.R. s. 240.14a-3(b), as amended.

350 Section 7. Subsections (4), (6), and (9) of section
351 617.01201, Florida Statutes, are amended to read:

352 617.01201 Filing requirements.—

353 (4) The document must be typewritten or printed and must be
354 legible. If electronically transmitted, the document must be in
355 a format that may be retrieved or reproduced in typewritten or
356 printed form.

357 (6) The document must be executed:

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

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

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

366 (9) The document must be delivered to the ~~office of the~~
367 department ~~of State~~ for filing. Delivery may be made by
368 electronic transmission if and to the extent allowed by the
369 department. If the document is filed in typewritten or printed
370 form and not transmitted electronically, the department may
371 require that ~~and may be accompanied by~~ one exact or conformed
372 copy be delivered with the document, ~~(except as provided in s.~~
373 ~~617.1508. The document),~~ and must be accompanied by the correct
374 filing fee and any other tax or penalty required by ~~this act or~~
375 ~~other~~ law.

376 Section 8. Subsection (7) of section 617.0122, Florida
377 Statutes, is amended to read:

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378 617.0122 Fees for filing documents and issuing
379 certificates.—The Department of State shall collect the
380 following fees on documents delivered to the department for
381 filing:

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

384
385 Any citizen support organization that is required by rule of the
386 Department of Environmental Protection to be formed as a
387 nonprofit organization and is under contract with the department
388 is exempt from any fees required for incorporation as a
389 nonprofit organization, and the Secretary of State may not
390 assess any such fees if the citizen support organization is
391 certified by the Department of Environmental Protection to the
392 Secretary of State as being under contract with the Department
393 of Environmental Protection.

394 Section 9. Subsections (1) and (2) of section 617.0124,
395 Florida Statutes, are amended to read:

396 617.0124 Correcting filed document.—

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

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

401 (b) The document was defectively executed, attested,
402 sealed, verified, or acknowledged; ~~or~~

403 (c) The electronic transmission of the document was
404 defective.

405 (2) A document is corrected:

406 (a) By preparing articles of correction that:

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407 1. Describe the document, including its filing date ~~or~~
408 ~~attach a copy of it to the articles;~~

409 2. Specify the incorrect statement and the reason it is
410 incorrect or the manner in which the execution was defective;
411 and

412 3. Correct the incorrect statement or defective execution;
413 and

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

416 Section 10. Section 617.01401, Florida Statutes, is amended
417 to read:

418 617.01401 Definitions.—As used in this chapter act, ~~unless~~
419 ~~the context otherwise requires~~, the term:

420 (1) "Articles of incorporation" includes original, amended,
421 and restated articles of incorporation, articles of
422 consolidation, and articles of merger, and all amendments
423 thereto, including documents designated by the laws of this
424 state as charters, and, in the case of a foreign corporation,
425 documents equivalent to articles of incorporation in the
426 jurisdiction of incorporation.

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

431 (3) "Bylaws" means the code or codes of rules adopted for
432 the regulation or management of the affairs of the corporation
433 irrespective of the name or names by which such rules are
434 designated.

435 (4) "Corporation" or "domestic corporation" means a

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436 corporation not for profit, subject to the provisions of this
437 chapter ~~act~~, except a foreign corporation.

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

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

443 (7) "Distribution" means the payment of a dividend or any
444 part of the income or profit of a corporation to its members,
445 directors, or officers. A donation or transfer of corporate
446 assets or income to or from another not-for-profit corporation
447 qualified as tax-exempt under s. 501(c) of the Internal Revenue
448 Code or a governmental organization exempt from federal and
449 state income taxes, if such corporation or governmental
450 organization is a member of the corporation making such donation
451 or transfer, is not a distribution for purposes of this chapter.

452 (8) ~~(6)~~ "Electronic transmission" means any form of
453 communication, not directly involving the physical transmission
454 or transfer of paper, which creates a record that may be
455 retained, retrieved, and reviewed by a recipient ~~thereof~~ and
456 which may be directly reproduced in a comprehensible and legible
457 paper form by such recipient through an automated process.
458 Examples of electronic transmission include, but are not limited
459 to, telegrams, facsimile transmissions of images, and text that
460 is sent via electronic mail between computers.

461 (9) ~~(7)~~ "Foreign corporation" means a corporation not for
462 profit organized under laws other than the laws of this state.

463 (10) ~~(8)~~ "Insolvent" means the inability of a corporation to
464 pay its debts as they become due in the usual course of its

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465 affairs.

466 (11)~~(9)~~ "Mail" means the United States mail, facsimile
467 transmissions, and private mail carriers handling nationwide
468 mail services.

469 (12)~~(10)~~ "Member" means one having membership rights in a
470 corporation in accordance with the provisions of its articles of
471 incorporation or bylaws or the provisions of this chapter ~~act~~.

472 (13) "Mutual benefit corporation" means a domestic
473 corporation that is not organized primarily or exclusively for
474 religious purposes; is not recognized as exempt under s.
475 501(c) (3) of the Internal Revenue Code; and is not organized for
476 a public or charitable purpose that is required upon its
477 dissolution to distribute its assets to the United States, a
478 state, a local subdivision thereof, or a person that is
479 recognized as exempt under s. 501(c) (3) of the Internal Revenue
480 Code. The term does not include an association organized under
481 chapter 718, chapter 719, chapter 720, or chapter 721, or any
482 corporation where membership in the corporation is required
483 pursuant to a document recorded in county property records.

484 (14)~~(11)~~ "Person" includes individual and entity.

485 (15) "Successor entity" means any trust, receivership, or
486 other legal entity that is governed by the laws of this state to
487 which the remaining assets and liabilities of a dissolved
488 corporation are transferred and that exists solely for the
489 purposes of prosecuting and defending suits by or against the
490 dissolved corporation and enabling the dissolved corporation to
491 settle and close the business of the dissolved corporation, to
492 dispose of and convey the property of the dissolved corporation,
493 to discharge the liabilities of the dissolved corporation, and

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494 to distribute to the dissolved corporation's members any
495 remaining assets, but not for the purpose of continuing the
496 business for which the dissolved corporation was organized.

497 (16) "Voting power" means the total number of votes
498 entitled to be cast for the election of directors at the time
499 the determination of voting power is made, excluding a vote that
500 is contingent upon the happening of a condition or event that
501 has not yet occurred. If the members of a class are entitled to
502 vote as a class to elect directors, the determination of the
503 voting power of the class is based on the percentage of the
504 number of directors the class is entitled to elect relative to
505 the total number of authorized directors. If the corporation's
506 directors are not elected by the members, voting power shall,
507 unless otherwise provided in the articles of incorporation or
508 bylaws, be on a one-member, one-vote basis.

509 Section 11. Subsection (1) of section 617.0205, Florida
510 Statutes, is amended to read:

511 617.0205 Organizational meeting of directors.—

512 (1) After incorporation:

513 (a) If initial directors are named in the articles of
514 incorporation, the initial directors shall hold an
515 organizational meeting, at the call of a majority of the
516 directors, to complete the organization of the corporation by
517 appointing officers, adopting bylaws, and carrying on any other
518 business brought before the meeting;

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

522 1. To elect directors and complete the organization of the

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523 corporation; or

524 2. To elect a board of directors who shall complete the
525 organization of the corporation.

526 Section 12. Section 617.0302, Florida Statutes, is amended
527 to read:

528 617.0302 Corporate powers.—Every corporation not for profit
529 organized under this chapter act, unless otherwise provided in
530 its articles of incorporation or bylaws, shall have power to:

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

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

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

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

541 (5) Adopt, change, amend, and repeal bylaws, not
542 inconsistent with law or its articles of incorporation, for the
543 administration of the affairs of the corporation and the
544 exercise of its corporate powers.

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

548 (7) Make contracts and guaranties, incur liabilities,
549 borrow money at such rates of interest as the corporation may
550 determine, issue its notes, bonds, and other obligations, and
551 secure ~~any of~~ its obligations by mortgage and pledge of all or

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552 any of its property, franchises, or income.

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

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

561 (10) Acquire, enjoy, utilize, and dispose of patents,
562 copyrights, and trademarks and any licenses and other rights or
563 interests thereunder or therein.

564 (11) Sell, convey, mortgage, pledge, lease, exchange,
565 transfer, or otherwise dispose of all or any part of its
566 property and assets.

567 (12) Purchase, take, receive, subscribe for, or otherwise
568 acquire, own, hold, vote, use, employ, sell, mortgage, lend,
569 pledge, or otherwise dispose of and otherwise use and deal in
570 and with, shares and other interests in, or obligations of,
571 other domestic or foreign corporations, whether for profit or
572 not for profit, associations, partnerships, or individuals, or
573 direct or indirect obligations of the United States, or of any
574 other government, state, territory, governmental district,
575 municipality, or of any instrumentality thereof.

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

580 (14) Make donations for the public welfare or for

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581 religious, charitable, scientific, educational, or other similar
582 purposes.

583 (15) Have and exercise all powers necessary or convenient
584 to effect any or all of the purposes for which the corporation
585 is organized.

586 (16) Merge with other corporations or other business
587 entities identified in s. 607.1108(1), both for profit and not
588 for profit, domestic and foreign, if the surviving corporation
589 or other surviving business entity is a corporation not for
590 profit or other business entity that has been organized as a
591 not-for-profit entity under a governing statute or other
592 applicable law that permits such a merger.

593 Section 13. Subsection (4) of section 617.0501, Florida
594 Statutes, is amended to read:

595 617.0501 Registered office and registered agent.—

596 (4) The Department of State shall maintain an accurate
597 record of the registered agents and registered offices for the
598 service of process and shall furnish any information disclosed
599 thereby promptly upon request and payment of the required fee.
600 ~~There shall be no charge for telephone requests for general~~
601 ~~corporate information, including the corporation's status, names~~
602 ~~of officers and directors, address of principal place of~~
603 ~~business, and name and address of resident agent.~~

604 Section 14. Subsection (12) is added to section 617.0503,
605 Florida Statutes, to read:

606 617.0503 Registered agent; duties; confidentiality of
607 investigation records.—

608 (12) Any alien business organization may withdraw its
609 registered agent designation by delivering an application for

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610 certificate of withdrawal to the department for filing. The
611 application shall set forth:

612 (a) The name of the alien business organization and the
613 jurisdiction under the law of which it is incorporated or
614 organized; and

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

617 Section 15. Section 617.0505, Florida Statutes, is amended
618 to read:

619 617.0505 Distributions; exceptions ~~Payment of dividends and~~
620 ~~distribution of income to members prohibited; issuance of~~
621 ~~certificates of membership; effect of stock issued under prior~~
622 ~~law.-~~

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

627 (1) A mutual benefit corporation, such as a private club
628 that is established for social, pleasure, or recreational
629 purposes and that is organized as a corporation of which the
630 equity interests are held by the members, may, subject to s.
631 617.1302, purchase the equity membership interest of any member,
632 and the payment for such interest is not a distribution for
633 purposes of this section.

634 (2) A corporation may pay compensation in a reasonable
635 amount to its members, directors, or officers for services
636 rendered, may confer benefits upon its members in conformity
637 with its purposes, and, upon dissolution or final liquidation,
638 may make distributions to its members as permitted by this

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639 chapter act.

640 (3) If expressly permitted by its articles of
641 incorporation, a corporation may make distributions upon partial
642 liquidation to its members, as permitted by this section. Any
643 such payment, benefit, or distribution does not constitute a
644 dividend or a distribution of income or profit for purposes of
645 this section.

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

654 (5) A corporation that is regulated by chapter 718, chapter
655 719, chapter 720, chapter 721, or chapter 723, or a corporation
656 where membership in such corporation is required pursuant to a
657 document recorded in the county property records, may make
658 refunds to its members, giving credits to its members,
659 disbursing insurance proceeds to its members, or disbursing or
660 paying settlements to its members without violating this
661 section.

662 ~~(2) Subject to subsection (1), a corporation may issue~~
663 ~~certificates in any form evidencing membership in the~~
664 ~~corporation.~~

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

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668 Section 16. Subsections (1), (2), and (5) of section
669 617.0601, Florida Statutes, are amended to read:

670 617.0601 Members, generally.—

671 (1) (a) A corporation may have one or more classes of
672 members or may have no members. If the corporation has one or
673 more classes of members, the designation of such class or
674 classes, the qualifications and rights of the members of each
675 class, any quorum and voting requirements for meetings and
676 activities of the members, and notice requirements sufficient to
677 provide notice of meetings and activities of the members must be
678 set forth in the articles of incorporation or in the bylaws.

679 (b) The articles of incorporation or bylaws of any
680 corporation not for profit that maintains chapters or affiliates
681 may grant representatives of such chapters or affiliates the
682 right to vote in conjunction with the board of directors of the
683 corporation notwithstanding applicable quorum or voting
684 requirements of this chapter act if the corporation is
685 registered with the department ~~of State~~ pursuant to ss. 496.401-
686 496.424 ~~ss. 496.001-496.011~~, the Solicitation of Contributions
687 ~~Funds~~ Act.

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

690 (2) A corporation may issue certificates of membership.
691 Stock certificates issued under former s. 617.011(2), Florida
692 Statutes (1989), constitute certificates of membership for
693 purposes of this section.

694 (5) ~~Membership in the corporation may be terminated in the~~
695 ~~manner provided by law, by the articles of incorporation, or by~~
696 ~~the bylaws, and~~ A resignation, expulsion, suspension, or

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697 termination of membership pursuant to s. 617.0606 or s. 617.0607
698 shall be recorded in the membership book. Unless otherwise
699 provided in the articles of incorporation or the bylaws, all the
700 rights and privileges of a member cease on termination of
701 membership.

702 Section 17. Section 617.0605, Florida Statutes, is created
703 to read:

704 617.0605 Transfer of membership interests.-

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

708 (2) Except as set forth in the articles of incorporation or
709 bylaws of a mutual benefit corporation, a member of a mutual
710 benefit corporation may not transfer a membership or any right
711 arising from membership.

712 (3) If transfer rights have been provided for one or more
713 members of a mutual benefit corporation, a restriction on such
714 rights is not binding with respect to a member holding a
715 membership issued before the adoption of the restriction unless
716 the restriction is approved by the members and the affected
717 member.

718 Section 18. Section 617.0606, Florida Statutes, is created
719 to read:

720 617.0606 Resignation of members.-

721 (1) Except as may be provided in the articles of
722 incorporation or bylaws of a corporation, a member of a mutual
723 benefit corporation may not transfer a membership or any right
724 arising from membership.

725 (2) The resignation of a member does not relieve the member

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726 from any obligations that the member may have to the corporation
727 as a result of obligations incurred or commitments made before
728 resignation.

729 Section 19. Section 617.0607, Florida Statutes, is created
730 to read:

731 617.0607 Termination, expulsion, and suspension.—

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

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

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

743 (4) A member who has been expelled or suspended may be
744 liable to the corporation for dues, assessments, or fees as a
745 result of obligations incurred or commitments made before
746 expulsion or suspension.

747 Section 20. Section 617.0608, Florida Statutes, is created
748 to read:

749 617.0608 Purchase of memberships.—

750 (1) A corporation may not purchase any of its memberships
751 or any right arising from membership except as provided in s.
752 617.0505 or subsection (2).

753 (2) Subject to s. 617.1302, a mutual benefit corporation
754 may purchase the membership of a member who resigns, or whose

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755 membership is terminated, for the amount and pursuant to the
756 conditions set forth in its articles of incorporation or bylaws.

757 Section 21. Subsections (3), (4), and (6) of section
758 617.0701, Florida Statutes, are amended to read:

759 617.0701 Meetings of members, generally; failure to hold
760 annual meeting; special meeting; consent to corporate actions
761 without meetings; waiver of notice of meetings.-

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

764 (a) The president;~~τ~~

765 (b) The chair of the board of directors;~~τ~~

766 (c) The board of directors;~~τ or such~~

767 (d) Other officers or persons as are provided for in the
768 articles of incorporation or the bylaws;~~τ~~

769 (e) The holders of at least 5 percent of the voting power
770 of a corporation when one or more written demands for the
771 meeting, which describe the purpose for which the meeting is to
772 be held, are signed, dated, and delivered to a corporate
773 officer; or

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

779 (4)~~(a)~~ Unless otherwise provided in the articles of
780 incorporation, action required or permitted by this chapter ~~act~~
781 to be taken at an annual or special meeting of members may be
782 taken without a meeting, without prior notice, and without a
783 vote if the action is taken by the members entitled to vote on

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784 such action and having not less than the minimum number of votes
785 necessary to authorize such action at a meeting at which all
786 members entitled to vote on such action were present and voted.

787 (a) ~~In order~~ To be effective, the action must be evidenced
788 by one or more written consents describing the action taken,
789 dated and signed by approving members having the requisite
790 number of votes and entitled to vote on such action, and
791 delivered to the corporation ~~by delivery~~ to its principal office
792 in this state, its principal place of business, the corporate
793 secretary, or another officer or agent of the corporation having
794 custody of the book in which proceedings of meetings of members
795 are recorded. Written consent ~~shall not be effective~~ to take the
796 corporate action referred to in the consent is not effective
797 unless the consent is signed by members having the requisite
798 number of votes necessary to authorize the action within 90 ~~60~~
799 days after ~~of~~ the date of the earliest dated consent and is
800 delivered in the manner required by this section.

801 (b) Any written consent may be revoked prior to the date
802 that the corporation receives the required number of consents to
803 authorize the proposed action. A revocation is not effective
804 unless in writing and until received by the corporation at its
805 principal office in this state or its principal place of
806 business, or received by the corporate secretary or other
807 officer or agent of the corporation having custody of the book
808 in which proceedings of meetings of members are recorded.

809 (c) Within 30 ~~10~~ days after obtaining ~~such~~ authorization by
810 written consent, notice must be given to those members who are
811 entitled to vote on the action but who have not consented in
812 writing. The notice must fairly summarize the material features

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813 of the authorized action.

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

816 (e) If the action to which the members consent is such as
817 would have required the filing of articles or a certificate
818 under any other section of this chapter ~~act~~ if such action had
819 been voted on by members at a meeting ~~thereof~~, the articles or
820 certificate filed under such other section must state that
821 written consent has been given in accordance with ~~the provisions~~
822 ~~of~~ this section.

823 (f) Whenever action is taken pursuant to this section, the
824 written consent of the members consenting to such action or the
825 written reports of inspectors appointed to tabulate such
826 consents must be filed with the minutes of member proceedings ~~of~~
827 ~~members~~.

828 (6) Subsections (1) and (3) do not apply to any corporation
829 that is an association as defined in s. 720.301; a corporation
830 regulated by chapter 718, chapter 719, chapter 720, chapter 721,
831 or chapter 723; or a corporation where membership in such
832 corporation is required pursuant to a document recorded in the
833 county property records.

834 Section 22. Section 617.0721, Florida Statutes, is amended
835 to read:

836 617.0721 Voting by members.—

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

839 (2) A member who is entitled to vote may vote in person or,
840 unless the articles of incorporation or the bylaws otherwise
841 provide, may vote by proxy executed in writing by the member or

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842 by his or her duly authorized attorney in fact. An appointment
843 of a proxy is not valid after 11 months following the date of
844 its execution unless otherwise provided in the proxy.

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

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

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

857 (a) Participate in the meeting.

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

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

863 2. The corporation implements reasonable measures to
864 provide such members or proxy holders with a reasonable
865 opportunity to participate in the meeting and to vote on matters
866 submitted to the members, including an opportunity to
867 communicate and to read or hear the proceedings of the meeting
868 substantially concurrent with the proceedings.

869
870 If any member or proxy holder votes or takes other action by

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871 means of remote communication, a record of that member's
872 participation in the meeting must be maintained by the
873 corporation in accordance with s. 617.1601.

874 (4)~~(3)~~ If any corporation, whether for profit or not for
875 profit, is a member of a corporation organized under this
876 chapter ~~act~~, the chair of the board, president, any vice
877 president, the secretary, or the treasurer of the member
878 corporation, and any such officer or cashier or trust officer of
879 a banking or trust corporation holding such membership, and any
880 like officer of a foreign corporation whether for profit or not
881 for profit, holding membership in a domestic corporation, shall
882 be deemed by the corporation in which membership is held to have
883 the authority to vote on behalf of the member corporation and to
884 execute proxies and written waivers and consents in relation
885 thereto, unless, before a vote is taken or a waiver or consent
886 is acted upon, it appears pursuant to ~~is made to appear by~~ a
887 certified copy of the bylaws or resolution of the board of
888 directors or executive committee of the member corporation that
889 such authority does not exist or is vested in some other officer
890 or person. In the absence of such certification, a person
891 executing any such proxies, waivers, or consents or presenting
892 himself or herself at a meeting as one of such officers of a
893 corporate member shall be, for the purposes of this section,
894 conclusively deemed to be duly elected, qualified, and acting as
895 such officer and to be fully authorized. In the case of
896 conflicting representation, the corporate member shall be ~~deemed~~
897 ~~to be~~ represented by its senior officer, in the order ~~first~~
898 stated in this subsection.

899 (5)~~(4)~~ The articles of incorporation or the bylaws may

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900 provide that, in all elections for directors, every member
901 entitled to vote has the right to cumulate his or her votes and
902 to give one candidate a number of votes equal to the number of
903 votes he or she could give if one director were being elected
904 multiplied by the number of directors to be elected or to
905 distribute such votes on the same principles among any number of
906 such candidates. A corporation may not have cumulative voting
907 unless such voting is expressly authorized in the articles of
908 incorporation.

909 ~~(6)-(5)~~ If a corporation has no members or its members do
910 not have the right to vote, the directors shall have the sole
911 voting power.

912 ~~(7)-(6)~~ Subsections (1), (2), ~~(5) -(4)~~, and ~~(6) -(5)~~ do not
913 apply to a corporation that is an association as defined in s.
914 720.301.

915 Section 23. Section 617.0725, Florida Statutes, is amended
916 to read:

917 617.0725 Quorum.—An amendment to the articles of
918 incorporation or the bylaws which adds, that changes, or deletes
919 a greater or lesser quorum or voting requirement must meet the
920 same quorum or voting requirement and be adopted by the same
921 vote and voting groups required to take action under the quorum
922 and voting requirements then in effect or proposed to be
923 adopted, whichever is greater ~~prescribed in the provision being~~
924 ~~amended.~~

925 Section 24. Section 617.07401, Florida Statutes, is created
926 to read:

927 617.07401 Members' derivative actions.—

928 (1) A person may not commence a proceeding in the right of

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929 a domestic or foreign corporation unless the person was a member
930 of the corporation when the transaction complained of occurred
931 or unless the person became a member through transfer by
932 operation of law from one who was a member at that time.

933 (2) A complaint in a proceeding brought in the right of a
934 domestic or foreign corporation must be verified and allege with
935 particularity the demand made to obtain action by the board of
936 directors and that the demand was refused or ignored by the
937 board of directors for at least 90 days after the date of the
938 first demand unless, before the expiration of the 90 days, the
939 person was notified in writing that the corporation rejected the
940 demand, or unless irreparable injury to the corporation would
941 result by waiting for the expiration of the 90-day period. If
942 the corporation commences an investigation of the charges made
943 in the demand or complaint, the court may stay any proceeding
944 until the investigation is completed.

945 (3) The court may dismiss a derivative proceeding if, on
946 motion by the corporation, the court finds that one of the
947 groups specified in paragraphs (a)-(c) has made a good faith
948 determination after conducting a reasonable investigation upon
949 which its conclusions are based that the maintenance of the
950 derivative suit is not in the best interests of the corporation.
951 The corporation has the burden of proving the independence and
952 good faith of the group making the determination and the
953 reasonableness of the investigation. The determination shall be
954 made by:

955 (a) A majority vote of independent directors present at a
956 meeting of the board of directors, if the independent directors
957 constitute a quorum;

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958 (b) A majority vote of a committee consisting of two or
959 more independent directors appointed by a majority vote of
960 independent directors present at a meeting of the board of
961 directors, whether or not such independent directors constitute
962 a quorum; or

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

965 (4) A proceeding commenced under this section may not be
966 discontinued or settled without the approval of the court. If
967 the court determines that a proposed discontinuance or
968 settlement substantially affects the interest of the members of
969 the corporation, or a class, series, or voting group of members,
970 the court shall direct that notice be given to the members
971 affected. The court may determine which party or parties to the
972 proceeding shall bear the expense of giving the notice.

973 (5) Upon termination of the proceeding, the court may
974 require the plaintiff to pay any defendant's reasonable
975 expenses, including reasonable attorney's fees, incurred in
976 defending the proceeding if it finds that the proceeding was
977 commenced without reasonable cause.

978 (6) The court may award reasonable expenses for maintaining
979 the proceeding, including reasonable attorney's fees, to a
980 successful plaintiff or to the person commencing the proceeding
981 who receives any relief, whether by judgment, compromise, or
982 settlement, and may require that the person account for the
983 remainder of any proceeds to the corporation; however, this
984 subsection does not apply to any relief rendered for the benefit
985 of injured members only and is limited to a recovery of the loss
986 or damage of the injured members.

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987 Section 25. Section 617.0801, Florida Statutes, is amended
988 to read:

989 617.0801 ~~Requirement for and~~ Duties of board of directors.-
990 All corporate powers must be exercised by or under the authority
991 of, and the affairs of the corporation managed under the
992 direction of, its board of directors, subject to any limitation
993 set forth in the articles of incorporation.

994 Section 26. Subsection (1) of section 617.0802, Florida
995 Statutes, is amended to read:

996 617.0802 Qualifications of directors.-

997 (1) Directors must be natural persons who are 18 years of
998 age or older but need not be residents of this state or members
999 of the corporation unless the articles of incorporation or
1000 bylaws so require. For a corporation organized according to the
1001 provisions of s. 501(c) (3) of the Internal Revenue Code of 1986,
1002 as amended, but not for a corporation regulated by chapter 718,
1003 chapter 719, chapter 720, chapter 721, or chapter 723 or a
1004 corporation for which membership in such corporation is required
1005 pursuant to a document recorded in the county property records,
1006 one director may be 15 years of age or older if so permitted in
1007 the articles of incorporation or bylaws or by resolution of the
1008 board of directors. The articles of incorporation or the bylaws
1009 may prescribe additional qualifications for directors.

1010 Section 27. Section 617.0806, Florida Statutes, is amended
1011 to read:

1012 617.0806 Staggered terms for directors.-The articles of
1013 incorporation or bylaws may provide that directors may be
1014 divided into classes and the terms of office of the several
1015 classes need not be uniform. Each director shall hold office for

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1016 the term to which he or she is elected or appointed and until
1017 his or her successor has been elected or appointed and qualified
1018 or until his or her earlier resignation, removal from office, or
1019 death.

1020 Section 28. Section 617.0808, Florida Statutes, is amended
1021 to read:

1022 617.0808 Removal of directors.—

1023 (1) Subject to subsection (2), a director may be removed
1024 from office pursuant to procedures provided in the articles of
1025 incorporation or the bylaws, which shall provide the following,
1026 and if they do not do so, shall be deemed to include the
1027 following:

1028 (a)~~(1)~~ Any member of the board of directors may be removed
1029 from office with or without cause by:

1030 1. Except as provided in paragraph (i), a majority of all
1031 votes of the directors, if the director was elected or appointed
1032 by the directors; or

1033 2. A majority of all votes of the members, if the director
1034 was elected or appointed by the members.

1035 (b) If a director is elected by a class, chapter, or other
1036 organizational unit, or by region or other geographic grouping,
1037 the director may be removed only by the members of that class,
1038 chapter, unit, or grouping. However:

1039 1. A director may be removed only if the number of votes
1040 cast to remove the director would be sufficient to elect the
1041 director at a meeting to elect directors, except as provided in
1042 subparagraphs 2. and 3.

1043 2. If cumulative voting is authorized, a director may not
1044 be removed if the number of votes sufficient to elect the

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1045 director under cumulative voting is voted against the removal of
1046 the director.

1047 3. If at the beginning of the term of a director the
1048 articles of incorporation or bylaws provide that the director
1049 may be removed for missing a specified number of board meetings,
1050 the board may remove the director for failing to attend the
1051 specified number of meetings. The director may be removed only
1052 if a majority of the directors then in office vote for the
1053 removal ~~the vote or agreement in writing by a majority of all~~
1054 ~~votes of the membership.~~

1055 ~~(c)(2)~~ The notice of a meeting ~~of the members~~ to recall a
1056 member or members of the board of directors shall state the
1057 specific directors sought to be removed.

1058 ~~(d)(3)~~ A proposed removal of a director at a meeting shall
1059 require a separate vote for each director whose removal is board
1060 ~~member sought to be removed.~~ Where removal is sought by written
1061 consent agreement, a separate consent agreement is required for
1062 each director board member to be removed.

1063 ~~(e)(4)~~ If removal is effected at a meeting, any vacancies
1064 created ~~thereby~~ shall be filled by the members or directors
1065 eligible to vote for the removal ~~at the same meeting.~~

1066 ~~(f)(5)~~ Any director who is removed from the board is shall
1067 ~~be~~ eligible to stand for reelection until the next annual
1068 meeting at which directors are elected ~~of the members.~~

1069 ~~(g)(6)~~ Any director removed from office shall turn over to
1070 the board of directors within 72 hours any and all records of
1071 the corporation in his or her possession.

1072 ~~(h)(7)~~ If a director who is removed does shall not
1073 relinquish his or her office or turn over records as required

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1074 under this section, the circuit court in the county where the
1075 corporation's principal office is located may summarily order
1076 the director to relinquish his or her office and turn over
1077 corporate records upon application of any member.

1078 (i) A director elected or appointed by the board may be
1079 removed without cause by a vote of two-thirds of the directors
1080 then in office or such greater number as is set forth in the
1081 articles of incorporation or bylaws.

1082 (2) A director of a corporation described in s. 501(c) of
1083 the Internal Revenue Code may be removed from office pursuant to
1084 procedures provided in the articles of incorporation or the
1085 bylaws, and the corporation may provide in the articles of
1086 incorporation or the bylaws that it is subject to the provisions
1087 of subsection (1).

1088 Section 29. Section 617.0809, Florida Statutes, is amended
1089 to read:

1090 617.0809 Board vacancy ~~on board.~~-

1091 (1) Except as provided in s. 617.0808(1)(f), any vacancy
1092 occurring on the board of directors may be filled by the
1093 affirmative vote of the majority of the remaining directors,
1094 even though the remaining directors constitute less than a
1095 quorum, or by the sole remaining director, ~~as the case may be,~~
1096 or, if the vacancy is not so filled or if no director remains,
1097 by the members or, on the application of any person, by the
1098 circuit court of the county where the registered office of the
1099 corporation is located.

1100 (2) Whenever a vacancy occurs with respect to a director
1101 elected by a class, chapter, unit, or group, the vacancy may be
1102 filled only by members of that class, chapter, unit, or group,

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1103 or by a majority of the directors then in office elected by such
1104 class, chapter, unit, or group.

1105 (3)(2) The term of a director elected or appointed to fill
1106 a vacancy expires at the next annual meeting at which directors
1107 are elected ~~shall be elected or appointed for the unexpired term~~
1108 ~~of his or her predecessor in office.~~ Any directorship to be
1109 filled by reason of an increase in the number of directors may
1110 be filled by the board of directors, but only for a term of
1111 office continuing until the next election of directors by the
1112 members or, if the corporation has no members or no members
1113 having the right to vote thereon, for such term of office as is
1114 provided in the articles of incorporation or the bylaws.

1115 (4)(3) A vacancy that will occur at a specific later date,
1116 by reason of a resignation effective at a later date under s.
1117 617.0807 or otherwise, may be filled before the vacancy occurs.
1118 However, the new director may not take office until the vacancy
1119 occurs.

1120 Section 30. Subsection (1) of section 617.0824, Florida
1121 Statutes, is amended to read:

1122 617.0824 Quorum and voting.—

1123 (1) Unless the articles of incorporation or the bylaws
1124 require a different number, a quorum of a board of directors
1125 consists of a majority of the number of directors prescribed by
1126 the articles of incorporation or the bylaws. Directors younger
1127 than 18 years of age may not be counted toward a quorum.

1128 Section 31. Present subsection (2) of section 617.0832,
1129 Florida Statutes, is renumbered as subsection (3) and amended,
1130 and a new subsection (2) is added to that section, to read:

1131 617.0832 Director conflicts of interest.—

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1132 (2) For purposes of paragraph (1)(a) only, a conflict-of-
1133 interest transaction is authorized, approved, or ratified if it
1134 receives the affirmative vote of a majority of the directors on
1135 the board of directors, or on the committee, who have no
1136 relationship or interest in the transaction described in
1137 subsection (1), but a transaction may not be authorized,
1138 approved, or ratified under this section by a single director.
1139 If a majority of the directors who have no relationship or
1140 interest in the transaction vote to authorize, approve, or
1141 ratify the transaction, a quorum is present for the purpose of
1142 taking action under this section. The presence of, or a vote
1143 cast by, a director having a relationship or interest in the
1144 transaction does not affect the validity of any action taken
1145 under paragraph (1)(a) if the transaction is otherwise
1146 authorized, approved, or ratified as provided in subsection (1),
1147 but such presence or vote of such a director may be counted for
1148 purposes of determining whether the transaction is approved
1149 under other sections of this chapter.

1150 (3)~~(2)~~ For purposes of paragraph (1)(b), a conflict-of-
1151 interest transaction is authorized, approved, or ratified if it
1152 receives the vote of a majority in interest of the members
1153 entitled to vote under this subsection. A director who has a
1154 relationship or interest in the transaction described in
1155 subsection (1) may not vote to determine whether to authorize,
1156 approve, or ratify a conflict-of-interest transaction under
1157 paragraph (1)(b). However, the vote of that director is counted
1158 in determining whether the transaction is approved under other
1159 sections of this chapter. A majority in interest of the members
1160 entitled to vote on the transaction under this subsection

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1161 constitutes a quorum for the purpose of taking action under this
1162 section. As used in this subsection, the term "majority in
1163 interest" refers to a majority of the voting shares or other
1164 voting units allotted to the members. ~~Common or interested~~
1165 ~~directors may be counted in determining the presence of a quorum~~
1166 ~~at a meeting of the board of directors or a committee thereof~~
1167 ~~which authorizes, approves, or ratifies such contract or~~
1168 ~~transaction.~~

1169 Section 32. Section 617.0833, Florida Statutes, is amended
1170 to read:

1171 617.0833 Loans to directors or officers.—Loans, other than
1172 through the purchase of bonds, debentures, or similar
1173 obligations of the type customarily sold in public offerings, or
1174 through ordinary deposit of funds in a bank, may not be made by
1175 a corporation to its directors or officers, or to any other
1176 corporation, firm, association, or other entity in which one or
1177 more of its directors or officers is a director or officer or
1178 holds a substantial financial interest, except a loan by one
1179 corporation which is exempt from federal income taxation under
1180 s. 501(c)(3) of the Internal Revenue Code of 1986, as amended,
1181 to another corporation which is exempt from federal income
1182 taxation under s. 501(c)(3) of the Internal Revenue Code of
1183 1986, as amended. A loan made in violation of this section is a
1184 violation of the duty to the corporation of the directors or
1185 officers authorizing it or participating in it, but the
1186 obligation of the borrower with respect to the loan is ~~shall~~ not
1187 ~~be affected thereby.~~

1188 Section 33. Subsection (1) of section 617.0834, Florida
1189 Statutes, is amended to read:

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1190 617.0834 Officers and directors of certain corporations and
1191 associations not for profit; immunity from civil liability.—

1192 (1) An officer or director of a nonprofit organization
1193 recognized under s. 501(c)(3) or s. 501(c)(4) or s. 501(c)(6) of
1194 the Internal Revenue Code of 1986, as amended, or of an
1195 agricultural or a horticultural organization recognized under s.
1196 501(c)(5), of the Internal Revenue Code of 1986, as amended, is
1197 not personally liable for monetary damages to any person for any
1198 statement, vote, decision, or failure to take an action,
1199 regarding organizational management or policy by an officer or
1200 director, unless:

1201 (a) The officer or director breached or failed to perform
1202 his or her duties as an officer or director; and

1203 (b) The officer's or director's breach of, or failure to
1204 perform, his or her duties constitutes:

1205 1. A violation of the criminal law, unless the officer or
1206 director had reasonable cause to believe his or her conduct was
1207 lawful or had no reasonable cause to believe his or her conduct
1208 was unlawful. A judgment or other final adjudication against an
1209 officer or director in any criminal proceeding for violation of
1210 the criminal law estops that officer or director from contesting
1211 the fact that his or her breach, or failure to perform,
1212 constitutes a violation of the criminal law, but does not estop
1213 the officer or director from establishing that he or she had
1214 reasonable cause to believe that his or her conduct was lawful
1215 or had no reasonable cause to believe that his or her conduct
1216 was unlawful;

1217 2. A transaction from which the officer or director derived
1218 an improper personal benefit, ~~either~~ directly or indirectly; or

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1219 3. Recklessness or an act or omission that ~~which~~ was
1220 committed in bad faith or with malicious purpose or in a manner
1221 exhibiting wanton and willful disregard of human rights, safety,
1222 or property.

1223 Section 34. Subsections (2) and (3) of section 617.1007,
1224 Florida Statutes, are amended to read:

1225 617.1007 Restated articles of incorporation.—

1226 (2) The restatement may include one or more amendments to
1227 the articles of incorporation. If the restatement includes an
1228 amendment requiring member approval, it must be adopted as
1229 provided in s. 617.1002.

1230 (3) A corporation restating its articles of incorporation
1231 shall deliver to the department ~~of State~~ for filing articles of
1232 restatement, executed in accordance with ~~the provisions of~~ s.
1233 617.01201, setting forth the name of the corporation and the
1234 text of the restated articles of incorporation together with a
1235 certificate setting forth:

1236 (a) Whether the restatement contains an amendment to the
1237 articles of incorporation requiring member approval and, if it
1238 does not, that the board of directors adopted the restatement;
1239 or

1240 (b) If the restatement contains an amendment to the
1241 articles of incorporation requiring member approval, the
1242 information required by s. 617.1006.

1243 Section 35. Subsection (2) of section 617.1101, Florida
1244 Statutes, is amended, and subsection (3) is added to that
1245 section, to read:

1246 617.1101 Plan of merger.—

1247 (2) Each corporation must adopt a plan of merger setting

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1248 forth:

1249 (a) The names of the corporations proposing to merge and
1250 the name of the surviving corporation into which each other
1251 corporation plans to merge, which is ~~hereinafter~~ designated as
1252 the surviving corporation;

1253 (b) The terms and conditions of the proposed merger;

1254 (c) A statement of any changes in the articles of
1255 incorporation of the surviving corporation to be effected by
1256 such merger; and

1257 (d) The manner and basis, if any, of converting the
1258 memberships of each merging corporation into memberships,
1259 obligations, or securities of the surviving corporation or any
1260 other corporation or, in whole or in part, into cash or other
1261 property. Such other provisions with respect to the proposed
1262 merger as are deemed necessary or desirable.

1263 (3) The plan of merger may set forth:

1264 (a) Amendments to, or a restatement of, the articles of
1265 incorporation of the surviving corporation;

1266 (b) The effective date of the merger, which may be on or
1267 after the date of filing the articles of incorporation or
1268 merger; or

1269 (c) Other provisions relating to the merger.

1270 Section 36. Section 617.1102, Florida Statutes, is created
1271 to read:

1272 617.1102 Limitation on merger.—A corporation not for profit
1273 organized under this chapter may merge with one or more other
1274 business entities, as identified in s. 607.1108(1), only if the
1275 surviving entity of such merger is a corporation not for profit
1276 or other business entity that has been organized as a not-for-

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1277 profit entity under a governing statute or other applicable law
1278 that allows such a merger.

1279 Section 37. Section 617.1301, Florida Statutes, is created
1280 to read:

1281 617.1301 Prohibited distributions.—Except as authorized in
1282 ss. 617.0505 and 617.1302, a corporation may not make any
1283 distributions to its members.

1284 Section 38. Section 617.1302, Florida Statutes, is created
1285 to read:

1286 617.1302 Authorized distributions.—

1287 (1) A mutual benefit corporation may purchase its
1288 memberships pursuant to s. 617.0608 only if, after the purchase
1289 is completed:

1290 (a) The mutual benefit corporation is able to pay its debts
1291 as they become due in the usual course of its activities; and

1292 (b) The total assets of the mutual benefit corporation at
1293 least equal the sum of its total liabilities.

1294 (2) A corporation may make distributions upon dissolution
1295 in conformity with the dissolution provisions of this chapter.

1296 Section 39. Subsection (4) of section 617.1405, Florida
1297 Statutes, is amended to read:

1298 617.1405 Effect of dissolution.—

1299 (4) The name of a dissolved corporation is ~~shall~~ not be
1300 available for assumption or use by another corporation until
1301 after 120 days after the effective date of dissolution unless
1302 the dissolved corporation provides the department with an
1303 affidavit, executed pursuant to s. 617.01201, authorizing the
1304 immediate assumption or use of the name by another corporation.

1305 Section 40. Section 617.1407, Florida Statutes, is created

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1306 to read:

1307 617.1407 Unknown claims against dissolved corporation.—

1308 (1) A dissolved corporation or successor entity may execute
1309 one of the following procedures to resolve payment of unknown
1310 claims:

1311 (a) A dissolved corporation or successor entity may file
1312 notice of its dissolution with the department on the form
1313 prescribed by the department and request that persons having
1314 claims against the corporation which are not known to the
1315 corporation or successor entity present them in accordance with
1316 the notice. The notice must:

1317 1. State the name of the corporation and the date of
1318 dissolution;

1319 2. Describe the information that must be included in a
1320 claim and provide a mailing address to which the claim may be
1321 sent; and

1322 3. State that a claim against the corporation under this
1323 subsection is barred unless a proceeding to enforce the claim is
1324 commenced within 4 years after the filing of the notice.

1325 (b) A dissolved corporation or successor entity may, within
1326 10 days after filing articles of dissolution with the
1327 department, publish a "Notice of Corporate Dissolution." The
1328 notice must appear once a week for 2 consecutive weeks in a
1329 newspaper of general circulation in the county in the state in
1330 which the corporation has its principal office, if any, or, if
1331 none, in a county in the state in which the corporation owns
1332 real or personal property. Such newspaper shall meet the
1333 requirements as are prescribed by law for such purposes. The
1334 notice must:

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1335 1. State the name of the corporation and the date of
1336 dissolution;

1337 2. Describe the information that must be included in a
1338 claim and provide a mailing address to which the claim may be
1339 sent; and

1340 3. State that a claim against the corporation under this
1341 subsection is barred unless a proceeding to enforce the claim is
1342 commenced within 4 years after the date of the second
1343 consecutive weekly publication of the notice.

1344 (2) If the dissolved corporation or successor entity
1345 complies with paragraph (1) (a) or paragraph (1) (b), the claim of
1346 each of the following claimants is barred unless the claimant
1347 commences a proceeding to enforce the claim against the
1348 dissolved corporation within 4 years after the date of filing
1349 the notice with the department or the date of the second
1350 consecutive weekly publication, as applicable:

1351 (a) A claimant who did not receive written notice under s.
1352 617.1408(9), or whose claim is not provided for under s.
1353 617.1408(10), regardless of whether such claim is based on an
1354 event occurring before or after the effective date of
1355 dissolution.

1356 (b) A claimant whose claim was timely sent to the dissolved
1357 corporation but on which no action was taken.

1358 (3) A claim may be entered under this section:

1359 (a) Against the dissolved corporation, to the extent of its
1360 undistributed assets; or

1361 (b) If the assets have been distributed in liquidation,
1362 against a member of the dissolved corporation to the extent of
1363 such member's pro rata share of the claim or the corporate

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1364 assets distributed to such member in liquidation, whichever is
1365 less; however, the aggregate liability of any member of a
1366 dissolved corporation may not exceed the amount distributed to
1367 the member in dissolution.

1368 Section 41. Section 617.1408, Florida Statutes, is created
1369 to read:

1370 617.1408 Known claims against dissolved corporation.-

1371 (1) A dissolved corporation or successor entity may dispose
1372 of the known claims against it by following the procedures
1373 described in subsections (2), (3), and (4).

1374 (2) The dissolved corporation or successor entity shall
1375 deliver to each of its known claimants written notice of the
1376 dissolution at any time after its effective date. The written
1377 notice must:

1378 (a) Provide a reasonable description of the claim that the
1379 claimant may be entitled to assert;

1380 (b) State whether the claim is admitted or not admitted, in
1381 whole or in part, and, if admitted:

1382 1. The amount that is admitted, which may be as of a given
1383 date; and

1384 2. Any interest obligation if fixed by an instrument of
1385 indebtedness;

1386 (c) Provide a mailing address where a claim may be sent;

1387 (d) State the deadline, which must be at least 120 days
1388 after the effective date of the written notice, by which
1389 confirmation of the claim must be delivered to the dissolved
1390 corporation or successor entity; and

1391 (e) State that the corporation or successor entity may make
1392 distributions thereafter to other claimants and the members of

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1393 the corporation or persons interested as having been such
1394 without further notice.

1395 (3) A dissolved corporation or successor entity may reject,
1396 in whole or in part, any claim made by a claimant pursuant to
1397 this section by mailing notice of such rejection to the claimant
1398 within 90 days after receipt of such claim and, in all events,
1399 at least 150 days before expiration of 3 years following the
1400 effective date of dissolution. The notice must be accompanied by
1401 a copy of this section.

1402 (4) A dissolved corporation or successor entity electing to
1403 follow the procedures described in subsections (2) and (3) must
1404 also give notice of dissolution to persons having known claims
1405 that are contingent upon the occurrence or nonoccurrence of
1406 future events, or are otherwise conditional or unmatured, and
1407 request that such persons present such claims in accordance with
1408 the terms of the notice. The notice must be in substantially the
1409 same form, and sent in the same manner, as described in
1410 subsection (2).

1411 (5) A dissolved corporation or successor entity shall offer
1412 any claimant whose known claim is contingent, conditional, or
1413 unmatured such security as the corporation or entity determines
1414 is sufficient to provide compensation to the claimant if the
1415 claim matures. The dissolved corporation or successor entity
1416 shall deliver such offer to the claimant within 90 days after
1417 receipt of such claim and, in all events, at least 150 days
1418 before expiration of 3 years following the effective date of
1419 dissolution. If the claimant offered such security does not
1420 deliver in writing to the dissolved corporation or successor
1421 entity a notice rejecting the offer within 120 days after

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1422 receipt of such offer, the claimant is deemed to have accepted
1423 such security as the sole source from which to satisfy his or
1424 her claim against the corporation.

1425 (6) A dissolved corporation or successor entity that has
1426 given notice in accordance with subsections (2) and (4) shall
1427 petition the circuit court in the county where the corporation's
1428 principal office is located or was located on the effective date
1429 of dissolution to determine the amount and form of security
1430 which is sufficient to provide compensation to a claimant who
1431 has rejected the offer for security made pursuant to subsection
1432 (5).

1433 (7) A dissolved corporation or successor entity that has
1434 given notice in accordance with subsection (2) shall petition
1435 the circuit court in the county where the corporation's
1436 principal office is located or was located on the effective date
1437 of dissolution to determine the amount and form of security
1438 which is sufficient to provide compensation to claimants whose
1439 claims are known to the corporation or successor entity but
1440 whose identities are unknown. The court shall appoint a guardian
1441 ad litem to represent all claimants whose identities are unknown
1442 in any proceeding brought under this subsection. The reasonable
1443 fees and expenses of such guardian, including all reasonable
1444 expert witness fees, shall be paid by the petitioner in such
1445 proceeding.

1446 (8) The giving of any notice or making of any offer
1447 pursuant to this section does not revive any claim then barred,
1448 does not constitute acknowledgment by the dissolved corporation
1449 or successor entity that any person to whom such notice is sent
1450 is a proper claimant, and does not operate as a waiver of any

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1451 defense or counterclaim in respect of any claim asserted by any
1452 person to whom such notice is sent.

1453 (9) A dissolved corporation or successor entity that has
1454 followed the procedures described in subsections (2)-(7) shall:

1455 (a) Pay the claims admitted or made and not rejected in
1456 accordance with subsection (3);

1457 (b) Post the security offered and not rejected pursuant to
1458 subsection (5);

1459 (c) Post any security ordered by the circuit court in any
1460 proceeding under subsections (6) and (7); and

1461 (d) Pay or make provision for all other known obligations
1462 of the corporation or the successor entity. Such claims or
1463 obligations shall be paid in full, and any provision for
1464 payments shall be made in full if there are sufficient funds. If
1465 there are insufficient funds, the claims and obligations shall
1466 be paid or provided for according to their priority and, among
1467 claims of equal priority, ratably to the extent of funds legally
1468 available for payment. Any remaining funds shall be distributed
1469 in accordance with s. 617.1406; however, such distribution may
1470 not be made until 150 days after the date of the last notice of
1471 rejections given pursuant to subsection (3). In the absence of
1472 actual fraud, the judgment of the directors of the dissolved
1473 corporation or the governing persons of the successor entity as
1474 to the provisions made for the payment of all obligations under
1475 this paragraph is conclusive.

1476 (10) A dissolved corporation or successor entity that has
1477 not followed the procedures described in subsections (2) and (3)
1478 shall pay or make reasonable provision to pay all known claims
1479 and obligations, including all contingent, conditional, or

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1480 unmatured claims known to the corporation or the successor
1481 entity and all claims that are known to the dissolved
1482 corporation or the successor entity but for which the identity
1483 of the claimant is unknown. Such claims shall be paid in full,
1484 and any provision for payment made shall be made in full if
1485 there are sufficient funds. If there are insufficient funds,
1486 such claims and obligations shall be paid or provided for
1487 according to their priority and, among claims of equal priority,
1488 ratably to the extent of funds legally available for payment
1489 thereof. Any remaining funds shall be distributed in accordance
1490 with s. 617.1406.

1491 (11) Directors of a dissolved corporation or governing
1492 persons of a successor entity that has complied with subsection
1493 (9) or subsection (10) are not personally liable to the
1494 claimants of the dissolved corporation.

1495 (12) A member of a dissolved corporation the assets of
1496 which were distributed pursuant to subsection (9) or subsection
1497 (10) is not liable for any claim against the corporation greater
1498 than the member's pro rata share of the claim or the amount
1499 distributed to the member, whichever is less.

1500 (13) A member of a dissolved corporation, the assets of
1501 which were distributed pursuant to subsection (9), is not liable
1502 for any claim against the corporation which is known to the
1503 corporation or successor entity and on which a proceeding is
1504 begun after the expiration of 3 years following the effective
1505 date of dissolution.

1506 (14) The aggregate liability of any member of a dissolved
1507 corporation for claims against the dissolved corporation may not
1508 be greater than the amount distributed to the member in

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1509 dissolution.

1510 Section 42. Subsection (6) of section 617.1421, Florida
1511 Statutes, is repealed.

1512 Section 43. Section 617.1422, Florida Statutes, is amended
1513 to read:

1514 617.1422 Reinstatement following administrative
1515 dissolution.—

1516 (1)~~(a)~~ A corporation administratively dissolved under s.
1517 617.1421 may apply to the department ~~of State~~ for reinstatement
1518 at any time after the effective date of dissolution. The
1519 corporation must submit a reinstatement form prescribed and
1520 furnished by the department or a current uniform business report
1521 signed by a registered agent and an officer or director and
1522 submit application must:

1523 1. ~~Recite the name of the corporation and the effective~~
1524 ~~date of its administrative dissolution;~~

1525 2. ~~State that the ground or grounds for dissolution either~~
1526 ~~did not exist or have been eliminated and that no further~~
1527 ~~grounds currently exist for dissolution;~~

1528 3. ~~State that the corporation's name satisfies the~~
1529 ~~requirements of s. 617.0401; and~~

1530 4. ~~State that all fees owed by the corporation and computed~~
1531 ~~at the rate provided by law at the time the corporation applies~~
1532 ~~for reinstatement. have been paid; or~~

1533 ~~(b) Submit a current annual report, signed by the~~
1534 ~~registered agent and an officer or director, which substantially~~
1535 ~~complies with the requirements of paragraph (a).~~

1536 (2) If the department ~~of State~~ determines that the
1537 application contains the information required by subsection (1)

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1538 and that the information is correct, it shall ~~file the document,~~
1539 ~~cancel the certificate of dissolution,~~ and reinstate the
1540 corporation effective on the date which the reinstatement
1541 ~~document is filed.~~

1542 (3) When the reinstatement is effective, it relates back to
1543 and takes effect as of the effective date of the administrative
1544 dissolution and the corporation resumes carrying on its business
1545 ~~affairs~~ as if the administrative dissolution had never occurred.

1546 (4) The name of the dissolved corporation is not available
1547 for assumption or use by another corporation until 1 year after
1548 the effective date of dissolution unless the dissolved
1549 corporation provides the department with an affidavit executed
1550 pursuant to s. 617.01201 authorizing the immediate assumption or
1551 use of the name by another corporation.

1552 (5)~~(4)~~ If the name of the dissolved corporation has been
1553 lawfully assumed in this state by another corporation, the
1554 department ~~of State~~ shall require the dissolved corporation to
1555 amend its articles of incorporation to change its name before
1556 accepting its application for reinstatement.

1557 Section 44. Subsection (2) of section 617.1430, Florida
1558 Statutes, is amended to read:

1559 617.1430 Grounds for judicial dissolution.—A circuit court
1560 may dissolve a corporation:

1561 (2) In a proceeding brought by at least 50 members or
1562 members holding at least 10 percent of the voting power,
1563 whichever is less, or by a member or group or percentage of
1564 members as otherwise provided in the articles of incorporation
1565 or bylaws, or by a director or any person authorized in the
1566 articles of incorporation, ~~by a member~~ if it is established

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1567 that:

1568 (a) The directors are deadlocked in the management of the
1569 corporate affairs, the members are unable to break the deadlock,
1570 and irreparable injury to the corporation is threatened or being
1571 suffered;

1572 (b) The members are deadlocked in voting power and have
1573 failed to elect successors to directors whose terms have expired
1574 or would have expired upon qualification of their successors; or

1575 (c) The corporate assets are being misapplied or wasted.

1576 Section 45. Subsection (2) of section 617.1503, Florida
1577 Statutes, is amended to read:

1578 617.1503 Application for certificate of authority.—

1579 (2) The foreign corporation shall deliver with the
1580 completed application a certificate of existence, for a document
1581 of similar import, to duly authenticated, within ~~not more than~~ 90
1582 days prior to delivery of the application to the department ~~of~~
1583 ~~State~~, by the Secretary of State or other official having
1584 custody of corporate records in the jurisdiction under the law
1585 of which it is incorporated. A translation of the certificate,
1586 under oath of the translator, must be attached to a certificate
1587 that ~~which~~ is in a language other than the English language.

1588 Section 46. Subsection (2) of section 617.1504, Florida
1589 Statutes, is amended to read:

1590 617.1504 Amended certificate of authority.—

1591 (2) Such application shall be made within 90 ~~30~~ days after
1592 the occurrence of any change mentioned in subsection (1), shall
1593 be made on forms prescribed by the department ~~of State~~, shall be
1594 executed and filed in the same manner as an original application
1595 for authority, and shall set forth:

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1596 (a) The name of the foreign corporation as it appears on
1597 the department's records ~~of the Department of State~~;

1598 (b) The jurisdiction of its incorporation;

1599 (c) The date it was authorized to conduct its affairs in
1600 this state;

1601 (d) If the name of the foreign corporation has ~~been~~
1602 changed, the name relinquished, the new name, a statement that
1603 the change of name has been effected under the laws of the
1604 jurisdiction of its incorporation, and the date the change was
1605 effected;

1606 (e) If the period of duration has ~~been~~ changed, a statement
1607 of such change and the date the change was effected;

1608 (f) If the jurisdiction of incorporation has ~~been~~ changed,
1609 a statement of such change and the date the change was effected;
1610 and

1611 (g) If the ~~purpose or purposes~~ that ~~which~~ the corporation
1612 intends to pursue in this state have ~~been~~ changed, a statement
1613 of such new ~~purpose or purposes~~, and a further statement that
1614 the corporation is authorized to pursue such ~~purpose or purposes~~
1615 in the jurisdiction of its incorporation.

1616 Section 47. Section 617.1506, Florida Statutes, is amended
1617 to read:

1618 617.1506 Corporate name of foreign corporation.—

1619 (1) A foreign corporation may ~~is not entitled to~~ file an
1620 application for a certificate of authority unless the corporate
1621 name of such corporation satisfies the requirements of s.
1622 617.0401. To obtain or maintain a certificate of authority to
1623 transact business in this state, the foreign corporation:

1624 (a) May add the word "corporation" or "incorporated" or the

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1625 abbreviation "corp." or "inc." or words of like import, which as
1626 ~~will~~ clearly indicate that it is a corporation instead of a
1627 natural person or partnership or other business entity; however,
1628 ~~to its corporate name for use in this state, provided,~~ the name
1629 of a foreign corporation may not contain the word "company" or
1630 the abbreviation "co."; or

1631 (b) May use an alternate name to transact business in this
1632 state if its real name is unavailable. Any alternate corporate
1633 name adopted for use in this state must be cross-referenced to
1634 the real corporate name in the records of the Division of
1635 Corporations. If the real corporate name of the corporation
1636 becomes available in this state or if the corporation chooses to
1637 change its alternate name and it delivers to the Department of
1638 State, for filing, a copy of the resolution of its board of
1639 directors, changing or withdrawing the alternate name and
1640 executed as required by s. 617.01201, must be delivered for
1641 filing adopting an alternate name.

1642 (2) The corporate name, including the alternate name, of a
1643 foreign corporation must be distinguishable, within the records
1644 of the Division of Corporations, from:

1645 (a) Any corporate name of a corporation for profit
1646 incorporated or authorized to transact business in this state.

1647 (b) ~~(a)~~ The alternate name of another foreign corporation
1648 authorized to transact business in this state.

1649 (c) ~~(b)~~ The corporate name of a not-for-profit corporation
1650 incorporated or authorized to transact business in this state.

1651 (d) ~~(e)~~ The names of all other entities or filings, except
1652 fictitious name registrations pursuant to s. 865.09, organized,
1653 or registered under the laws of this state, that are on file

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1654 with the Division of Corporations.

1655 (3) If a foreign corporation authorized to transact
1656 business in this state changes its corporate name to one that
1657 does not satisfy the requirements of s. 617.0401 ~~s. 607.0401~~,
1658 such corporation may not transact business in this state under
1659 the changed name until the corporation adopts a name satisfying
1660 the requirements of s. 617.0401 ~~s. 607.0401~~.

1661 ~~(4) The corporate name must be distinguishable from the~~
1662 ~~names of all other entities or filings, organized, registered,~~
1663 ~~or reserved under the laws of the state that are on file with~~
1664 ~~the Division of Corporations, except fictitious name~~
1665 ~~registrations pursuant to s. 865.09.~~

1666 Section 48. Subsection (6) of section 617.1530, Florida
1667 Statutes, is amended to read:

1668 617.1530 Grounds for revocation of authority to conduct
1669 affairs.—The department of State may commence a proceeding under
1670 s. 617.1531 to revoke the certificate of authority of a foreign
1671 corporation authorized to conduct its affairs in this state if:

1672 (6) The department ~~of State~~ receives a duly authenticated
1673 certificate from the secretary of state or other official having
1674 custody of corporate records in the jurisdiction under the law
1675 of which the foreign corporation is incorporated stating that it
1676 has been dissolved or disappeared as the result of a merger.

1677 Section 49. Paragraph (a) of subsection (5) of section
1678 617.1601, Florida Statutes, is amended to read:

1679 617.1601 Corporate records.—

1680 (5) A corporation shall keep a copy of the following
1681 records:

1682 (a) Its articles of incorporation or restated articles of

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1683 incorporation and all amendments to them currently in effect.

1684 Section 50. Subsections (1), (2), and (4) of section
1685 617.1602, Florida Statutes, are amended to read:

1686 617.1602 Inspection of records by members.—

1687 (1) A member of a corporation is entitled to inspect and
1688 copy, during regular business hours at the corporation's
1689 principal office or at a reasonable location specified by the
1690 corporation, any of the records of the corporation described in
1691 s. 617.1601(5), if the member gives the corporation written
1692 notice of his or her demand at least 10 ~~5~~ business days before
1693 the date on which he or she wishes to inspect and copy.

1694 (2) A member of a corporation is entitled to inspect and
1695 copy, during regular business hours at a reasonable location
1696 specified by the corporation, any of the following records of
1697 the corporation if the member meets the requirements of
1698 subsection (3) and gives the corporation written notice of his
1699 or her demand at least 10 ~~5~~ business days before the date on
1700 which he or she wishes to inspect and copy:

1701 (a) Excerpts from minutes of any meeting of the board of
1702 directors, records of any action of a committee of the board of
1703 directors while acting in place of the board of directors on
1704 behalf of the corporation, minutes of any meeting of the
1705 members, and records of action taken by the members or board of
1706 directors without a meeting, to the extent not subject to
1707 inspection under subsection (1).

1708 (b) Accounting records of the corporation.

1709 (c) The record of members.

1710 (d) Any other books and records.

1711 (4) This section does not affect:

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1712 (a) The right of a member ~~to inspect and copy records under~~
1713 ~~s. 617.0730(6), or, if the member is in litigation with the~~
1714 ~~corporation to inspect and copy records,~~ to the same extent as
1715 any other litigant.

1716 (b) The power of a court, independently of this chapter
1717 ~~act,~~ to compel the production of corporate records for
1718 examination.

1719 Section 51. Section 617.1605, Florida Statutes, is amended
1720 to read:

1721 617.1605 Financial reports for members.—A corporation, upon
1722 a member's written demand, shall furnish that member its latest
1723 annual financial statements, which may be consolidated or
1724 combined statements of the corporation and one or more of its
1725 subsidiaries or affiliates, as appropriate, and which include a
1726 balance sheet as of the end of the fiscal year and a statement
1727 of operations for that year. If financial statements are
1728 prepared for the corporation on the basis of generally accepted
1729 accounting principles, the annual financial statements must also
1730 be prepared on such basis. Within 60 days following the end of
1731 the fiscal or calendar year or annually on such date as is
1732 otherwise provided in the bylaws of the corporation, the board
1733 of directors of the corporation shall mail or furnish by
1734 personal delivery to each member a complete financial report of
1735 actual receipts and expenditures for the previous 12 months. The
1736 report shall show the amounts of receipts by accounts and
1737 receipt classifications and shall show the amounts of expenses
1738 by accounts and expense classifications.

1739 Section 52. Section 617.1703, Florida Statutes, is created
1740 to read:

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1741 617.1703 Application of chapter.—In the event of any
1742 conflict between the provisions of this chapter and chapter 718
1743 regarding condominiums, chapter 719 regarding cooperatives,
1744 chapter 720 regarding homeowners' associations, chapter 721
1745 regarding timeshares, or chapter 723 regarding mobile home
1746 owners' associations, the provisions of such other chapters
1747 shall apply. The provisions of ss. 617.0605-617.0608 do not
1748 apply to corporations regulated by any of the foregoing chapters
1749 or to any other corporation where membership in the corporation
1750 is required pursuant to a document recorded in the county
1751 property records.

1752 Section 53. Subsection (8) is added to section 617.1803,
1753 Florida Statutes, to read:

1754 617.1803 Domestication of foreign not-for-profit
1755 corporations.—

1756 (8) When a domestication becomes effective:

1757 (a) The title to all real and personal property, both
1758 tangible and intangible, of the foreign corporation remains in
1759 the domesticated corporation without reversion or impairment;

1760 (b) The liabilities of the foreign corporation remain the
1761 liabilities of the domesticated corporation;

1762 (c) An action or proceeding against the foreign corporation
1763 continues against the domesticated corporation as if the
1764 domestication had not occurred;

1765 (d) The articles of incorporation attached to the
1766 certificate of domestication constitute the articles of
1767 incorporation of the domesticated corporation; and

1768 (e) Membership interests in the foreign corporation remain
1769 identical in the domesticated corporation.

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1770 Section 54. Section 617.1806, Florida Statutes, is amended
1771 to read:

1772 617.1806 Conversion to corporation not for profit; petition
1773 and contents.—A petition for conversion to a corporation not for
1774 profit pursuant to s. 617.1805 shall be accompanied by the
1775 written consent of all the shareholders authorizing the change
1776 in the corporate nature and directing an authorized officer to
1777 file such petition before the court, together with a statement
1778 agreeing to accept all the property of the petitioning
1779 corporation and agreeing to assume and pay all its indebtedness
1780 and liabilities, and the proposed articles of incorporation
1781 signed by the president and secretary of the petitioning
1782 corporation which shall set forth the provisions required in
1783 original articles of incorporation by s. 617.0202.

1784 Section 55. Section 617.1907, Florida Statutes, is amended
1785 to read:

1786 617.1907 Effect of repeal or amendment of prior acts.—

1787 (1) Except as provided in subsection (2), the repeal or
1788 amendment of a statute by this chapter act does not affect:

1789 (a) The operation of the statute or any action taken under
1790 it before its repeal or amendment;

1791 (b) Any ratification, right, remedy, privilege, obligation,
1792 or liability acquired, accrued, or incurred under the statute
1793 before its repeal or amendment;

1794 (c) Any violation of the statute, or any penalty,
1795 forfeiture, or punishment incurred because of the violation,
1796 before its repeal or amendment; or

1797 (d) Any proceeding, reorganization, or dissolution
1798 commenced ~~under the statute~~ before its repeal or amendment, and

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1799 the proceeding, reorganization, or dissolution may be completed
1800 ~~in accordance with the statute~~ as if it had not been repealed or
1801 amended.

1802 (2) If a penalty or punishment imposed for violation of a
1803 statute repealed or amended by this chapter ~~act~~ is reduced by
1804 this act, the penalty or punishment if not already imposed shall
1805 be imposed in accordance with this chapter ~~act~~.

1806 Section 56. Section 617.2103, Florida Statutes, is
1807 repealed.

1808 Section 57. Except as otherwise expressly provided in this
1809 act and except for this section, which shall take effect upon
1810 becoming a law, this act shall take effect October 1, 2009.