Senate Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 193

SENATE BILL 1353

AN ACT

AMENDING SECTION 10-122, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, FIRST SPECIAL SESSION, CHAPTER 2, SECTION 3; CHANGING THE DESIGNATION OF TITLE 10, CHAPTER 2, ARIZONA REVISED STATUTES, TO "INCORPORATION"; REPEALING TITLE 10, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 10, CHAPTER 11, ARIZONA REVISED STATUTES, TO "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS"; REPEALING SECTIONS 10-1101 AND 10-1102, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 11, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 10-1101 AND 10-1102; AMENDING SECTIONS 10-1103, 10-1104 AND 10-1105, ARIZONA REVISED STATUTES; REPEALING SECTIONS 10-1106, 10-1107 AND 10-1108, ARIZONA REVISED STATUTES; AMENDING SECTION 10-1302, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 165, SECTION 2; REPEALING SECTION 10-1817, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 18, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-1817; REPEALING SECTION 10-1818, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 18, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-1875; AMENDING SECTION 10-2020, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2026; AMENDING SECTION 10-2054, ARIZONA REVISED STATUTES; REPEALING SECTIONS 10-2073, 10-2074, 10-2075 AND 10-2076, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-2073; AMENDING SECTION 10-2079, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2107; REPEALING SECTIONS 10-2139, 10-2140 AND 10-2142, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-2139; AMENDING SECTION 10-2145, ARIZONA REVISED STATUTES; REPEALING SECTION 10-2240, ARIZONA REVISED STATUTES;

AMENDING TITLE 10, CHAPTER 20, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-2240; AMENDING TITLE 10, CHAPTER 21, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2267; AMENDING SECTION 10-2405, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 22, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2406; AMENDING SECTION 10-3122, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 10, CHAPTER 25, ARIZONA REVISED STATUTES, TO "INCORPORATION-NONPROFIT CORPORATIONS"; REPEALING TITLE 10, CHAPTER 25, ARTICLE 2, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 10, CHAPTER 34, ARIZONA REVISED STATUTES, TO "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS-NONPROFIT CORPORATIONS"; REPEALING SECTIONS 10-11101 AND 10-11102, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 34, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 10-11101 AND 10-11102; AMENDING SECTIONS 10-11103 AND 10-11105, ARIZONA REVISED STATUTES; REPEALING SECTIONS 10-11106 AND 10-11107, ARIZONA REVISED STATUTES; AMENDING SECTION 10-11108, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 42, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-11909; AMENDING SECTION 29-366, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 29, CHAPTER 3, ARTICLE 13, ARIZONA REVISED STATUTES, TO "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS"; REPEALING SECTIONS 29-368, 29-369, 29-370, 29-371 AND 29-372, ARIZONA REVISED STATUTES; AMENDING TITLE 29, CHAPTER 3, ARTICLE 13, ARIZONA REVISED STATUTES, BY ADDING NEW SECTIONS 29-368, 29-369 AND 29-370; AMENDING SECTION 29-373, ARIZONA REVISED STATUTES; REPEALING SECTIONS 29-374, 29-375 AND 29-376, ARIZONA REVISED STATUTES; AMENDING SECTION 29-681, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 29, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, TO "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS"; REPEALING SECTION 29-751, ARIZONA REVISED STATUTES; AMENDING TITLE 29, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 29-751; AMENDING SECTION 29-752, ARIZONA REVISED STATUTES; REPEALING SECTION 29-753, ARIZONA REVISED STATUTES; AMENDING TITLE 29, CHAPTER 4, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 29-753; AMENDING SECTION 29-754, ARIZONA REVISED STATUTES; REPEALING SECTIONS 29-755, 29-756 AND 29-757, ARIZONA REVISED STATUTES; AMENDING TITLE 29, CHAPTER 4, ARTICLE 11, ARIZONA REVISED STATUTES, BY ADDING SECTION 29-848; AMENDING SECTIONS 29-851 AND 29-1001, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 29, CHAPTER 5, ARTICLE 9, ARIZONA REVISED STATUTES, TO "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS"; REPEALING SECTIONS 29-1082, 29-1083, 29-1084 AND 29-1085, ARIZONA REVISED STATUTES; AMENDING TITLE 29, CHAPTER 5, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 29-1081 AND NEW SECTIONS 29-1082 AND 29-1083; AMENDING SECTION 29-1086, ARIZONA REVISED STATUTES; REPEALING SECTIONS 29-1087 AND 29-1088, ARIZONA REVISED STATUTES; AMENDING TITLE 29, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 6; RELATING TO ENTITY RESTRUCTURING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 10-122, Arizona Revised Statutes, as amended by Laws 2013, first special session, chapter 2, section 3, is amended to read:

10-122. Filing, service and copying fees; expedited report filing and access; same day and next day services; posted wait times; advance monies; definition

A. The commission shall collect and deposit, pursuant to sections 35-146 and 35-147, the following nonrefundable fees when the documents described in this subsection are delivered to the commission:

Document	Fee
1. Articles of incorporation	$50
2. Application for use of indistinguishable name	10
3. Application for reserved name	10
4. Notice of transfer of reserved name	10
5. Application for registered name	10
6. Application for renewal of registered name	10
7. Agent's statement of resignation	10
8. Amendment of articles of incorporation	25
9. Restatement of articles of incorporation with amendment of articles	25
10. ~~Articles of merger or share exchange~~ STATEMENT OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION IF THE ENTITY RESPONSIBLE FOR FILING THE STATEMENT IS A CORPORATION	100
11. Articles of dissolution	25
~~12. Articles of domestication~~	~~100~~
~~13.~~ 12. Articles of revocation of dissolution	25
~~14.~~ 13. Application for reinstatement following administrative dissolution, in addition to other fees and penalties due	100
~~15.~~ 14. Application for authority	150
~~16.~~ 15. Application for withdrawal	25
~~17.~~ 16. Annual report	45
~~18.~~ 17. Articles of correction	25
~~19.~~ 18. Application for certificate of good standing	10
~~20.~~ 19. Any other document required or permitted to be filed by chapters 1 through 17 of this title	25

B. The commission shall collect a nonrefundable fee of twenty-five dollars each time process is served on it under chapters 1 through 17 of this title. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding.

C. The commission shall charge and collect a reasonable fee for copying documents on request, provided the fee does not exceed the cost of

providing the service as determined by the commission. The commission shall also charge a reasonable fee for certifying the copy of a filed document, provided the fee does not exceed the cost of providing the service as determined by the commission.

D. A penalty of one hundred dollars payable in addition to other fees accrues and is payable if a foreign corporation fails to file an amendment, restated articles that include an amendment, or articles of merger within sixty days of the time of filing in the jurisdiction in which the corporation is domiciled. The penalty collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

E. One-third of the fees for the annual report of domestic and foreign corporations paid pursuant to subsection A, paragraph ~~17~~ 16 of this section shall be deposited in the Arizona arts trust fund established by section 41-983.01 and two-thirds of these fees shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

F. The commission shall provide for and establish an expedited service for the filing of all documents and services provided pursuant to this title as follows:

1. The expedited filing shall be a priority service to be completed as soon as possible after the documents are delivered to the commission.

2. In addition to any other fees required by this section or any other law, the commission shall charge a nonrefundable fee for expedited services, including those requested by fax. The fee shall be determined by a supermajority vote of the commissioners.

3. The commission may provide for and establish same day and next day services for the filing of any documents and services provided pursuant to this title as follows:

(a) The commission shall suspend same day or next day service if the commission determines that it does not have the necessary resources to perform the service within the established time period.

(b) In addition to any other fees required by this section or any other law, the commissioners may charge a nonrefundable fee for the same day or next day service or both. The fee shall be determined by a supermajority vote of the commissioners.

4. The commission shall publicly post the current wait times for processing regular, expedited and same day and next day services.

G. The commission may charge persons who access the commission's data processing system that is maintained pursuant to section 10-122.01 from remote locations and persons requesting special computer generated printouts, reports and tapes a reasonable fee that does not exceed the cost of the time, equipment and personnel necessary to provide this service or product as determined by the commission.

H. Except as provided in section 10-122.01, subsection B, paragraph 3, in addition to any fee charged pursuant to this section, the commission may

charge and collect the following nonrefundable fees to help defray the cost of the improved data processing system that is maintained pursuant to section 10-122.01:

1. Filing articles of incorporation of a domestic corporation, ten dollars.

2. Filing an application of a foreign corporation for authority to transact business in this state, twenty-five dollars.

I. All monies received pursuant to subsections F, G and H of this section shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

J. Fees charged pursuant to this section are exempt from section 39-121.03, subsection A, paragraph 3.

K. Any person may advance monies to the commission to pay fees required pursuant to this section for future filings and services. All monies received pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the money on deposit account in the public access fund established by section 10-122.01.

L. In addition to any other fees prescribed by law, the commission may establish a fee for the filing of an annual benefit report delivered to the commission pursuant to section 10-2442. The fee shall be determined by a majority vote of the commissioners.

M. For the purposes of this section, "supermajority" means an affirmative vote of at least four commissioners.

Sec. 2. Heading change

The chapter heading of title 10, chapter 2, Arizona Revised Statutes, is changed from "INCORPORATION AND TRANSFER OF DOMICILE" to "INCORPORATION".

Sec. 3. Repeal

Title 10, chapter 2, article 2, Arizona Revised Statutes, is repealed.

Sec. 4. Heading change

The chapter heading of title 10, chapter 11, Arizona Revised Statutes, is changed from "MERGER AND SHARE EXCHANGE" to "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS".

Sec. 5. Repeal

Sections 10-1101 and 10-1102, Arizona Revised Statutes, are repealed.

Sec. 6. Title 10, chapter 11, article 1, Arizona Revised Statutes, is amended by adding new sections 10-1101 and 10-1102, to read:

10-1101. Definitions

A. IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION.

2. "TRANSACTION" MEANS A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION.

B. EXCEPT FOR TERMS DEFINED IN CHAPTERS 1 THROUGH 17 OF THIS TITLE OR UNLESS THE CONTEXT OTHERWISE REQUIRES, TERMS USED IN THIS ARTICLE HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 29-2102.

10-1102. Entity restructuring transactions

A. IF THE BOARD OF DIRECTORS OF A DOMESTIC CORPORATION ADOPTS A PLAN AND, IF REQUIRED BY SECTION 10-1103, THE SHAREHOLDERS APPROVE A PLAN, THE DOMESTIC CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A TRANSACTION BY ADOPTING A PLAN AND COMPLYING WITH THIS ARTICLE AND THE FOLLOWING:

1. WITH RESPECT TO A MERGER, TITLE 29, CHAPTER 6, ARTICLE 2.

2. WITH RESPECT TO AN INTEREST EXCHANGE, TITLE 29, CHAPTER 6, ARTICLE 3.

3. WITH RESPECT TO A CONVERSION, TITLE 29, CHAPTER 6, ARTICLE 4.

4. WITH RESPECT TO A DOMESTICATION, TITLE 29, CHAPTER 6, ARTICLE 5.

5. WITH RESPECT TO A DIVISION, TITLE 29, CHAPTER 6, ARTICLE 6.

B. THE EFFECTIVE TIME AND DATE OF THE TRANSACTION ARE AS PROVIDED IN TITLE 29, CHAPTER 6. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE, THE PROCEDURES REGARDING THE EFFECT OF AND ALL OTHER ASPECTS OF THE TRANSACTION ARE GOVERNED BY TITLE 29, CHAPTER 6.

C. THIS SECTION DOES NOT LIMIT THE POWER OF A CORPORATION TO ACQUIRE ALL OR PART OF THE INTERESTS OF ANOTHER ENTITY THROUGH A VOLUNTARY EXCHANGE OR OTHERWISE.

Sec. 7. Section 10-1103, Arizona Revised Statutes, is amended to read:

10-1103. Action on plan

A. Except as provided in subsection G of this section, after adopting a plan ~~of merger or share exchange~~, the board of directors of ~~each~~ A DOMESTIC corporation that is a party to OR THAT IS OTHERWISE UNDERTAKING the ~~merger~~ TRANSACTION and, IN THE CASE OF A DOMESTIC CORPORATION WHOSE SHARES WILL BE ACQUIRED IN AN INTEREST EXCHANGE, the board of directors of the corporation whose shares will be acquired in the ~~share~~ INTEREST exchange shall submit the plan ~~of merger or share exchange~~ for approval by its shareholders.

B. For a plan ~~of merger or share exchange~~ to be approved, both:

1. The board of directors shall recommend the plan ~~of merger or share exchange~~ to the shareholders, unless the board of directors determines that because of a conflict of interest or other special circumstances it should not make a recommendation and communicates the basis for its determination to the shareholders with the plan.

2. The shareholders entitled to vote on the plan ~~of merger or share exchange~~ shall approve the plan.

C. The board of directors may condition its submission of the ~~proposed merger or share exchange~~ PLAN on any basis.

D. The corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting at which the plan ~~of merger or share exchange~~ is to be submitted for approval in accordance with section 10-705. The notice shall state that the purpose or one of the purposes of the meeting is to consider the plan ~~of merger or share exchange~~ and shall contain or be accompanied by a copy or summary of the plan.

E. Unless chapters 1 through 17 of this title, the articles of incorporation or the board of directors acting pursuant to subsection C of

this section requires a greater vote or a vote by voting groups, the plan ~~of merger or share exchange~~ to be authorized shall be approved by each voting group entitled to vote separately on the plan by a majority of all the votes entitled to be cast on the plan by that voting group.

F. Separate voting by voting groups is required:

1. On a plan ~~of merger~~, OTHER THAN A PLAN OF INTEREST EXCHANGE, if either:

(a) The plan contains a provision that, if contained in a proposed amendment to the articles of incorporation, would require action by one or more separate voting groups on the proposed amendment under section 10-1004.

(b) One or more voting groups are entitled under the articles of incorporation to vote as a voting group on the plan ~~of merger~~.

2. On a plan of ~~share~~ INTEREST exchange by each class or series of shares included in the exchange, with each class or series constituting a separate voting group.

G. Unless the articles of incorporation otherwise require, action by the shareholders of A DOMESTIC CORPORATION THAT IS the surviving corporation on a plan of merger is not required if all of the following conditions exist:

1. The articles of incorporation of the surviving corporation will not differ, except for amendments enumerated in section 10-1002, from its articles of incorporation before the merger.

2. Each shareholder of the surviving corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares with identical designations, preferences, limitations and relative rights immediately after the effective date of the merger.

3. The number of voting shares outstanding immediately after the merger, plus the number of voting shares issuable as a result of the merger either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed by more than twenty per cent the total number of voting shares of the surviving corporation outstanding immediately before the merger.

4. The number of participating shares outstanding immediately after the merger, plus the number of participating shares issuable as a result of the merger either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger, will not exceed by more than twenty per cent the total number of participating shares outstanding immediately before the merger.

H. ~~As used in~~ FOR THE PURPOSES OF subsection G of this section:

1. "Participating shares" means shares that entitle their holders to participate without limitation in distributions.

2. "Voting shares" means shares that entitle their holders to vote unconditionally in elections of directors.

~~I. At any time before the filing of the articles of merger or share exchange, the plan of merger or share exchange may be abandoned, subject to any contractual rights, without further shareholder action, in accordance~~

~~with the procedure set forth in the plan of merger or share exchange or, if none is set forth, in the manner determined by the board of directors.~~

Sec. 8. Section 10-1104, Arizona Revised Statutes, is amended to read:

10-1104. Merger or other transaction involving subsidiary

A. A parent ~~corporation~~ ENTITY owning at least ninety per cent of the outstanding shares of each class of a subsidiary DOMESTIC corporation may merge the subsidiary into itself, CAUSE THE CONVERSION, DOMESTICATION OR DIVISION OF THE SUBSIDIARY OR CAUSE THE SHARES OF THE SUBSIDIARY TO BE ACQUIRED IN AN INTEREST EXCHANGE without approval of the ~~shareholders~~ INTEREST HOLDERS of the parent or THE SHAREHOLDERS OF the subsidiary.

B. The ~~board of directors~~ GOVERNORS of the parent shall adopt a plan ~~of merger~~ that ~~sets forth:~~

~~1. The names of the parent and subsidiary.~~

~~2. The manner and basis of converting the shares of the subsidiary into shares, obligations or other securities of the parent or any other corporation or into cash or other property in whole or in part~~ COMPLIES WITH TITLE 29, CHAPTER 6.

C. The parent shall mail a copy or summary of the plan ~~of merger~~ to each shareholder, other than the parent, of the subsidiary who does not waive the mailing requirement in writing.

D. The parent may not deliver ~~articles~~ A STATEMENT of merger OR OTHER TRANSACTION to the commission for filing until at least thirty days after the date it mailed a copy of the plan ~~of merger~~ to each shareholder of the subsidiary who did not waive the mailing requirement.

E. ~~Articles~~ A STATEMENT of merger ~~under~~ OR OTHER TRANSACTION IN CONNECTION WITH A TRANSACTION THAT IS GOVERNED BY this section shall not contain amendments to the ~~articles of incorporation~~ PUBLIC ORGANIZATIONAL DOCUMENT of the parent ~~corporation~~ ENTITY.

Sec. 9. Section 10-1105, Arizona Revised Statutes, is amended to read:

10-1105. Statement of merger or interest exchange; publication

~~A. After a plan of merger or share exchange is approved by the shareholders or adopted by the board of directors if shareholder approval is not required, the surviving or acquiring corporation shall deliver to the commission for filing both:~~

~~1. The plan of merger or share exchange.~~

~~2. Articles of merger or share exchange setting forth:~~

~~(a) The names of the corporations that were parties to the merger or share exchange.~~

~~(b) The name and address of the known place of business of the surviving or acquiring corporation.~~

~~(c) The name and address of the statutory agent of the surviving or acquiring corporation.~~

~~(d) Any amendments to the articles of incorporation of the surviving corporation.~~

~~(e) If shareholder approval was not required, a statement to that effect.~~

~~(f) If approval of the shareholders of one or more corporations party to the merger or share exchange was required:~~

~~(i) The designation, number of outstanding shares and number of votes entitled to be cast by each voting group entitled to vote separately on the plan as to each corporation.~~

~~(ii) Either the total number of votes cast for and against the plan by each voting group entitled to vote separately on the plan or the total number of undisputed votes cast for the plan separately by each voting group and a statement that the number cast for the plan by each voting group was sufficient for approval by that voting group.~~

~~B. A merger or share exchange takes effect at the effective time and date of the articles of merger or share exchange, as determined pursuant to section 10-123.~~

~~C. If the articles of merger include amendments to the articles of incorporation of the surviving corporation, the document required to be filed and published under this section shall be styled "articles of amendment and merger".~~

~~D.~~ Within sixty days after the commission approves the filing OF A STATEMENT OF MERGER OR STATEMENT OF INTEREST EXCHANGE, a copy of the ~~articles of merger or share~~ STATEMENT OF MERGER OR STATEMENT OF INTEREST exchange shall be published. An affidavit evidencing the publication may be filed with the commission.

Sec. 10. Repeal

Sections 10-1106, 10-1107 and 10-1108, Arizona Revised Statutes, are repealed.

Sec. 11. Section 10-1302, Arizona Revised Statutes, as amended by Laws 2013, chapter 165, section 2, is amended to read:

10-1302. Right to dissent; applicability

A. A shareholder OF A DOMESTIC CORPORATION is entitled to dissent from and obtain payment of the fair value of the shareholder's shares in the event of any of the following corporate actions:

1. Consummation of a plan of merger to which the corporation is a party if either:

(a) Shareholder approval is required for the merger by section 10-1103 or the articles of incorporation and if the shareholder is entitled to vote on the merger.

(b) The corporation is a subsidiary that is merged with its parent under section 10-1104.

2. Consummation of a plan of ~~share~~ INTEREST exchange to which the corporation is a party as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the plan.

3. Consummation of a sale or exchange of all or substantially all of the property of the corporation other than in the usual and regular course of

business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, but not including a sale pursuant to a court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one year after the date of sale.

4. An amendment of the articles of incorporation that materially and adversely affects rights in respect of a dissenter's shares because it either:

(a) Alters or abolishes a preferential right of the shares.

(b) Creates, alters or abolishes a right in respect of redemption, including a provision respecting a sinking fund for the redemption or repurchase, of the shares.

(c) Alters or abolishes a preemptive right of the holder of the shares to acquire shares or other securities.

(d) Excludes or limits the right of the shares to vote on any matter or to cumulate votes other than a limitation by dilution through issuance of shares or other securities with similar voting rights.

(e) Reduces the number of shares owned by the shareholder to a fraction of a share if the fractional share so created is to be acquired for cash under section 10-604.

5. Any corporate action taken pursuant to a shareholder vote to the extent the articles of incorporation, the bylaws or a resolution of the board of directors provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

6. An election of the shareholders pursuant to section 10-2404 to have benefit corporation status or an election of the shareholders pursuant to section 10-2405 to terminate status as a benefit corporation.

7. CONSUMMATION OF A PLAN OF DOMESTICATION IF THE SHAREHOLDER DOES NOT RECEIVE INTERESTS IN THE FOREIGN DOMESTICATED ENTITY THAT HAVE TERMS AS FAVORABLE TO THE SHAREHOLDER IN ALL MATERIAL RESPECTS AND THAT REPRESENT AT LEAST THE SAME PERCENTAGE INTEREST OF THE TOTAL VOTING RIGHTS OF THE OUTSTANDING INTERESTS OF THE DOMESTICATED ENTITY AS THE SHARES HELD BY THE SHAREHOLDER BEFORE THE DOMESTICATION.

8. CONSUMMATION OF A PLAN OF CONVERSION IF THE SHAREHOLDER DOES NOT RECEIVE INTERESTS IN THE CONVERTED ENTITY THAT HAVE TERMS AS FAVORABLE TO THE SHAREHOLDER IN ALL MATERIAL RESPECTS AND THAT REPRESENT AT LEAST THE SAME PERCENTAGE INTEREST OF THE TOTAL VOTING RIGHTS OF THE OUTSTANDING INTERESTS OF THE CONVERTED ENTITY AS THE SHARES HELD BY THE SHAREHOLDER BEFORE THE CONVERSION.

9. CONSUMMATION OF A PLAN OF DIVISION IF THE SHAREHOLDER DOES NOT RECEIVE INTERESTS IN EACH RESULTING ENTITY THAT HAVE TERMS AS FAVORABLE TO THE SHAREHOLDER IN ALL MATERIAL RESPECTS AND THAT REPRESENT AT LEAST THE SAME PERCENTAGE INTEREST OF THE TOTAL VOTING RIGHTS OF THE OUTSTANDING INTERESTS OF EACH RESULTING ENTITY AS THE SHARES HELD BY THE SHAREHOLDER BEFORE THE DIVISION.

B. A shareholder entitled to dissent and obtain payment for his shares under this chapter may not challenge the corporate action creating the shareholder's entitlement unless the action is unlawful or fraudulent with respect to the shareholder or the corporation.

C. This section does not apply to the holders of shares of any class or series if the shares of the class or series are redeemable securities issued by a registered investment company as defined pursuant to the investment company act of 1940 (15 United States Code section 80a-1 through 80a-64).

D. Unless the articles of incorporation of the corporation provide otherwise, this section does not apply to the holders of shares of a class or series if the shares of the class or series were registered on a national securities exchange, were listed on the national market systems of the national association of securities dealers automated quotation system or were held of record by at least two thousand shareholders on the date fixed to determine the shareholders entitled to vote on the proposed corporate action.

Sec. 12. Repeal

Section 10-1817, Arizona Revised Statutes, is repealed.

Sec. 13. Title 10, chapter 18, article 1, Arizona Revised Statutes, is amended by adding a new section 10-1817, to read:

10-1817. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC CLOSE CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTERS 11 AND 13 OF THIS TITLE AND TITLE 29, CHAPTER 6. FOR THE PURPOSES OF THIS SUBSECTION:

1. REFERENCES IN CHAPTERS 11 AND 13 OF THIS TITLE TO:

(a) "DIRECTORS" ARE DEEMED REFERENCES TO MANAGERS.

(b) "SHARES" ARE DEEMED REFERENCES TO CAPITAL UNITS.

(c) "SHAREHOLDERS" ARE DEEMED REFERENCES TO INVESTORS.

2. REFERENCES IN TITLE 29, CHAPTER 6 TO:

(a) "GOVERNORS" ARE DEEMED REFERENCES TO MANAGERS.

(b) "INTEREST HOLDERS" ARE DEEMED REFERENCES TO INVESTORS.

(c) "INTERESTS" ARE DEEMED REFERENCES TO CAPITAL UNITS.

B. A PLAN OF MERGER MUST BE APPROVED BY ALL OF THE INVESTORS.

C. A PLAN OF CONVERSION MUST BE APPROVED BY AT LEAST TWO-THIRDS OF THE INVESTORS.

D. A PLAN OF INTEREST EXCHANGE, DOMESTICATION OR DIVISION MUST BE APPROVED BY A MAJORITY OF THE INVESTORS.

E. IF A DOMESTIC CLOSE CORPORATION IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION, THE NUMBER OF INVESTORS IN THE CORPORATION ON THE EFFECTIVE DATE OF THE TRANSACTION MAY NOT EXCEED TEN INVESTORS.

F. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 14. Repeal

Section 10-1818, Arizona Revised Statutes, is repealed.

Sec. 15. Title 10, chapter 18, article 4, Arizona Revised Statutes, is amended by adding section 10-1875, to read:

10-1875. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC BUSINESS TRUST MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTERS 11 AND 13 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. IF A DOMESTIC BUSINESS TRUST IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION, THE TRUST MUST COMPLY WITH THE DELIVERY REQUIREMENTS SET FORTH IN SECTION 10-1874, SUBSECTIONS A AND B.

C. FOR THE PURPOSES OF THIS SECTION, REFERENCES IN CHAPTERS 11 AND 13 OF THIS TITLE TO:

1. "CORPORATIONS" ARE DEEMED REFERENCES TO BUSINESS TRUSTS.

2. "DIRECTORS" ARE DEEMED REFERENCES TO TRUSTEES.

3. "SHAREHOLDERS" ARE DEEMED REFERENCES TO HOLDERS OF TRANSFERABLE CERTIFICATES EVIDENCING BENEFICIAL INTERESTS IN THE TRUST ESTATE.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 16. Section 10-2020, Arizona Revised Statutes, is amended to read:

10-2020. License and other fees; tax exemption

Each association shall pay a nonrefundable annual license fee of ten dollars, but shall be exempt from all franchise or license taxes. Each association shall pay a nonrefundable fee of ten dollars for filing articles

of incorporation and a nonrefundable fee of two dollars ~~and~~ fifty cents for filing an amendment to the articles. ALL OTHER FILING, SERVICE AND COPYING FEES ARE DETERMINED PURSUANT TO SECTION 10-3122.

Sec. 17. Title 10, chapter 19, article 1, Arizona Revised Statutes, is amended by adding section 10-2026, to read:

10-2026. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC COOPERATIVE MARKETING ASSOCIATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTER 34 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. IF A DOMESTIC COOPERATIVE MARKETING ASSOCIATION IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION, THE INITIAL MEMBERS OF THE ASSOCIATION MUST CONSIST OF FIVE OR MORE PERSONS ENGAGED IN THE PRODUCTION OF AGRICULTURAL PRODUCTS IN ACCORDANCE WITH SECTION 10-2003, SUBSECTION A.

C. FOR THE PURPOSES OF THIS SECTION, REFERENCES IN CHAPTER 34 OF THIS TITLE TO A "CORPORATION" ARE DEEMED REFERENCES TO A DOMESTIC COOPERATIVE MARKETING ASSOCIATION.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 18. Section 10-2054, Arizona Revised Statutes, is amended to read:

10-2054. Name

A. The name of a cooperative shall include the words "electric" and "cooperative," and the abbreviation "inc.," unless, in a statement executed by the cooperative and filed with the corporation commission, or in an affidavit made by a person signing the articles of incorporation, consolidation, merger or conversion, which relate to the cooperative, and filed, together with the articles, with the corporation commission, it appears that the cooperative desires to do business in another state and is or would be precluded from doing so by reason of the inclusion of either or both of those words in its name.

B. The name of a cooperative shall be distinguishable from the name of any other cooperative or corporation organized under the laws of, or authorized to do business in, this state. Only a cooperative doing business

in this state pursuant to this article shall use both the words "electric" and "cooperative" in its name, but this section shall not apply to any corporation ~~which~~ THAT becomes subject to this article by ~~complying with section 10-2076~~ CONVERTING TO A COOPERATIVE PURSUANT TO TITLE 29, CHAPTER 6 and ~~which~~ THAT elects to retain a corporate name ~~which~~ THAT does not comply with this section. The restriction on the use of the words "electric" and "cooperative" does not apply to generation and transmission cooperatives organized under article 4 of this chapter.

Sec. 19. Repeal

Sections 10-2073, 10-2074, 10-2075 and 10-2076, Arizona Revised Statutes, are repealed.

Sec. 20. Title 10, chapter 19, article 2, Arizona Revised Statutes, is amended by adding a new section 10-2073, to read:

10-2073. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTER 34 OF THIS TITLE AND TITLE 29, CHAPTER 6. A PLAN MUST BE APPROVED BY TWO-THIRDS OF THE MEMBERS.

B. IF A DOMESTIC ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION, BOTH OF THE FOLLOWING APPLY:

1. THE INITIAL MEMBERS OF THE CORPORATION MUST CONSIST OF FIVE OR MORE NATURAL PERSONS OR TWO OR MORE COOPERATIVES IN ACCORDANCE WITH SECTION 10-2053.

2. THE NAME OF THE CORPORATION MUST COMPLY WITH SECTION 10-2054.

C. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

6. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION.

Sec. 21. Section 10-2079, Arizona Revised Statutes, is amended to read:

10-2079. Fees

The corporation commission shall charge and collect the following nonrefundable fees for:

1. Filing articles of incorporation, ten dollars.
2. Filing articles of amendment, ten dollars.
3. Filing ~~articles of consolidation or merger~~ STATEMENT OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, ten dollars.
~~4. Filing articles of conversion, ten dollars.~~
~~5.~~ 4. Filing certificate of election to dissolve, ten dollars.
~~6.~~ 5. Filing articles of dissolution, ten dollars.
~~7.~~ 6. Filing certificate of change of principal office, five dollars.

Sec. 22. Title 10, chapter 19, article 3, Arizona Revised Statutes, is amended by adding section 10-2107, to read:

10-2107. Merger, interest exchange, conversion, domestication or division; definitions

A. A FRATERNAL OR BENEVOLENT SOCIETY MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTER 34 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. FOR THE PURPOSES OF THIS SECTION, REFERENCES IN CHAPTER 34 OF THIS TITLE TO "DIRECTORS" ARE DEEMED REFERENCES TO TRUSTEES, AND REFERENCES TO A "CORPORATION" ARE DEEMED REFERENCES TO A FRATERNAL OR BENEVOLENT SOCIETY.

C. IF A FRATERNAL OR BENEVOLENT SOCIETY GOVERNED BY THIS ARTICLE IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION:

1. THE INITIAL MEMBERS OF THE SOCIETY MUST BE MEMBERS OF THE TYPE DESCRIBED IN SECTION 10-2101.

2. THE TRUSTEES OF THE SOCIETY MUST BE MEMBERS OF THE SOCIETY AND MUST BE NOT LESS THAN THREE NOR MORE THAN NINE IN NUMBER IN ACCORDANCE WITH SECTION 10-2101.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 23. Repeal

Sections 10-2139, 10-2140 and 10-2142, Arizona Revised Statutes, are repealed.

Sec. 24. Title 10, chapter 19, article 4, Arizona Revised Statutes, is amended by adding a new section 10-2139, to read:

10-2139. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC NONPROFIT ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN

INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTER 34 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. EXCEPT AS SET FORTH IN SECTION 10-2141, A PLAN MUST BE APPROVED BY TWO-THIRDS OF THE MEMBERS.

C. IF A DOMESTIC NONPROFIT ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE CORPORATION IS TO BE CREATED IN A MERGER, A CONVERSION, DOMESTICATION OR A DIVISION:

1. THE INITIAL MEMBERS OF THE CORPORATION MUST CONSIST OF TWO OR MORE ELECTRIC UTILITIES OR PERSONS THAT FULFILL THE REQUIREMENTS FOR BEING A MEMBER AS PRESCRIBED BY SECTION 10-2123.

2. THE NAME OF THE CORPORATION MUST COMPLY WITH SECTION 10-2124.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

6. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION.

Sec. 25. Section 10-2145, Arizona Revised Statutes, is amended to read:

10-2145. Fees

The corporation commission shall charge and collect the following nonrefundable fees:

1. Filing articles of incorporation, ten dollars.

2. Filing articles of amendment, ten dollars.

3. Filing ~~articles of consolidation or merger~~ STATEMENT OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, ten dollars.

~~4. Filing articles of conversion, ten dollars.~~

~~5.~~ 4. Filing certificate of election to dissolve, ten dollars.

~~6.~~ 5. Filing articles of dissolution, ten dollars.

~~7.~~ 6. Filing certificate of change of principal office, five dollars.

Sec. 26. Repeal

Section 10-2240, Arizona Revised Statutes, is repealed.

Sec. 27. Title 10, chapter 20, article 5, Arizona Revised Statutes, is amended by adding a new section 10-2240, to read:

10-2240. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC PROFESSIONAL CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A

DIVISION BY COMPLYING WITH CHAPTERS 11 AND 13 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. IF A DOMESTIC PROFESSIONAL CORPORATION IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION, THE SHAREHOLDERS OF THE CORPORATION MUST BE QUALIFIED TO BE SHAREHOLDERS AS PROVIDED IN THIS CHAPTER.

C. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 28. Title 10, chapter 21, article 1, Arizona Revised Statutes, is amended by adding section 10-2267, to read:

10-2267. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC BUSINESS DEVELOPMENT CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTERS 11 AND 13 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. IF A DOMESTIC BUSINESS DEVELOPMENT CORPORATION IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION:

1. THE SHAREHOLDERS OF THE CORPORATION MUST BE RESIDENTS OF THIS STATE AS PRESCRIBED BY SECTION 10-2259, SUBSECTION A.

2. THE FORMATION OF THE CORPORATION MUST OTHERWISE COMPLY WITH THIS CHAPTER.

C. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 29. Section 10-2405, Arizona Revised Statutes, is amended to read:

10-2405. Termination of benefit corporation status

A. A benefit corporation may terminate its status as a benefit corporation and cease to be subject to this chapter by amending its articles of incorporation to delete the provision required by ~~sections~~ SECTION 10-2403 or 10-2404 to be stated in the articles of a benefit corporation. In order to be effective, the amendment must be adopted by at least the minimum status vote.

B. ~~If a plan of merger or share exchange would have the effect of terminating the status of a business corporation as a benefit corporation, the plan must be adopted by at least the minimum status vote in order to be effective.~~ Any sale, lease, exchange or other disposition of all or substantially all of the assets of a benefit corporation, unless the transaction is in the usual and regular course of business, shall not be effective unless the transaction is approved by at least the minimum status vote.

Sec. 30. Title 10, chapter 22, article 1, Arizona Revised Statutes, is amended by adding section 10-2406, to read:

10-2406. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC BENEFIT CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTERS 11 AND 13 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. IF A BENEFIT CORPORATION IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION, THE FORMATION OF THE CORPORATION MUST OTHERWISE COMPLY WITH THIS CHAPTER.

C. IF A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION WOULD HAVE THE EFFECT OF TERMINATING THE STATUS OF A BUSINESS CORPORATION AS A BENEFIT CORPORATION, THE PLAN MUST BE ADOPTED BY AT LEAST THE MINIMUM STATUS VOTE IN ORDER TO BE EFFECTIVE.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

6. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION.

Sec. 31. Section 10-3122, Arizona Revised Statutes, is amended to read:

10-3122. Filing, service and copying fees; public access fund; expedited report filing and access; same day and next day services

A. The commission shall collect and deposit, pursuant to sections 35-146 and 35-147, in the state general fund the following nonrefundable fees when the documents described in this subsection are delivered to the commission for filing or issuance:

	Document	Fee
1.	Articles of incorporation	$ 30
2.	Application for use of indistinguishable name	$ 10
3.	Application for reserved name	$ 10
4.	Notice of transfer of reserved name	$ 10
5.	Application for registered name	$ 10
6.	Application for renewal of registered name	$ 10
7.	Agent's statement of resignation	$ 10
8.	Amendment of articles of incorporation	$ 25
9.	Restatement of articles of incorporation with amendment of articles	$ 25
10.	~~Articles of merger or membership exchange~~ STATEMENT OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION IF THE ENTITY RESPONSIBLE FOR FILING THE STATEMENT IS A NONPROFIT CORPORATION	$100
11.	Articles of dissolution	$ 25
~~12.~~	~~Articles of domestication~~	~~$100~~
~~13.~~ 12.	Articles of revocation of dissolution	$ 25
~~14.~~ 13.	Application for reinstatement following administrative dissolution or revocation, in addition to other fees and penalties due	$ 25
~~15.~~ 14.	Application for authority	$150
~~16.~~ 15.	Application for withdrawal	$ 25
~~17.~~ 16.	Annual report	$ 10
~~18.~~ 17.	Articles of correction	$ 25
~~19.~~ 18.	Application for certificate of good standing	$ 10

B. The commission shall collect a nonrefundable fee of twenty-five dollars each time process is served on it under chapters 24 through 42 of this title. The party to a proceeding causing service of process is entitled to recover this fee as costs if the party prevails in the proceeding. The fee collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

C. The commission shall charge and collect fifty cents per page for copying documents on request. The commission shall also charge five dollars plus fifty cents per page for certifying the copy of a filed document. The

fees collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

D. A penalty of one hundred dollars payable in addition to other fees accrues and is payable if a foreign corporation fails to file an amendment, restated articles that include an amendment, or articles of merger within sixty days of the time of filing in the jurisdiction in which the corporation is domiciled. The penalty collected pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

E. Pursuant to section 10-122, subsection F, the commission shall provide for and establish an expedited service for the filing of all documents and services provided pursuant to chapters 24 through 42 of this title.

F. Pursuant to section 10-122, subsection F, the commission may provide for and establish same day and next day services for the filing of any documents and services provided pursuant to chapters 24 through 42 of this title.

G. The commission may charge persons who access the commission's data processing system that is maintained pursuant to section 10-122.01 from remote locations and persons requesting special computer generated printouts, reports and tapes a reasonable fee that does not exceed the cost of the time, equipment and personnel necessary to provide this service or product as determined by the commission.

H. Except as provided in section 10-122.01, subsection B, paragraph 3, in addition to any fee charged pursuant to this section, the commission may charge and collect the following nonrefundable fees to help defray the cost of the improved data processing system that is maintained pursuant to section 10-122.01:

1. Filing articles of incorporation of a domestic corporation, ten dollars.

2. Filing an application of a foreign corporation for authority to transact business in this state, twenty-five dollars.

I. All monies received pursuant to subsections E through H of this section shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

J. Fees charged pursuant to this section are exempt from section 39-121.03, subsection A, paragraph 3.

K. Any person may advance monies to the commission to pay fees required pursuant to this section for future filings and services. All monies received pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the money on deposit account in the public access fund established by section 10-122.01.

Sec. 32. <u>Heading change</u>

The chapter heading of title 10, chapter 25, Arizona Revised Statutes, is changed from "INCORPORATION AND TRANSFER OF DOMICILE-NONPROFIT CORPORATIONS" to "INCORPORATION-NONPROFIT CORPORATIONS".

Sec. 33. Repeal

Title 10, chapter 25, article 2, Arizona Revised Statutes, is repealed.

Sec. 34. Heading change

The chapter heading of title 10, chapter 34, Arizona Revised Statutes, is changed from "MERGERS-NONPROFIT CORPORATIONS" to "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS-NONPROFIT CORPORATIONS".

Sec. 35. Repeal

Sections 10-11101 and 10-11102, Arizona Revised Statutes, are repealed.

Sec. 36. Title 10, chapter 34, article 1, Arizona Revised Statutes, is amended by adding new sections 10-11101 and 10-11102, to read:

10-11101. Definitions

A. IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, AS APPLICABLE.

2. "TRANSACTION" MEANS A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION, AS APPLICABLE.

B. EXCEPT FOR TERMS DEFINED IN CHAPTERS 24 THROUGH 40 OF THIS TITLE OR UNLESS THE CONTEXT OTHERWISE REQUIRES, TERMS USED IN THIS ARTICLE HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 29-2102.

10-11102. Entity restructuring transactions

A. IF ITS BOARD OF DIRECTORS ADOPTS AND, IF REQUIRED BY SECTION 10-11103, ITS MEMBERS AND OTHER PERSONS APPROVE A PLAN, A DOMESTIC CORPORATION MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A TRANSACTION BY ADOPTING A PLAN AND OTHERWISE COMPLYING WITH THIS ARTICLE AND:

1. TITLE 29, CHAPTER 6, ARTICLE 2 FOR A MERGER.

2. TITLE 29, CHAPTER 6, ARTICLE 3 FOR AN INTEREST EXCHANGE.

3. TITLE 29, CHAPTER 6, ARTICLE 4 FOR A CONVERSION.

4. TITLE 29, CHAPTER 6, ARTICLE 5 FOR A DOMESTICATION.

5. TITLE 29, CHAPTER 6, ARTICLE 6 FOR A DIVISION.

B. THE EFFECTIVE TIME AND DATE OF THE TRANSACTION ARE AS PROVIDED IN TITLE 29, CHAPTER 6. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE, THE PROCEDURES REGARDING THE EFFECT OF AND ALL OTHER ASPECTS OF THE TRANSACTION ARE GOVERNED BY TITLE 29, CHAPTER 6.

C. THIS SECTION DOES NOT LIMIT THE POWER OF A CORPORATION TO ACQUIRE ALL OR PART OF THE INTERESTS OF ANOTHER ENTITY THROUGH A VOLUNTARY EXCHANGE OR OTHERWISE.

Sec. 37. Section 10-11103, Arizona Revised Statutes, is amended to read:

10-11103. Action on plan

A. If the members of ~~any merging~~ A DOMESTIC corporation or other persons are entitled to vote on or approve the plan, except as provided in subsection G of this section, after adopting a plan ~~of merger or membership exchange~~, the board of directors of the corporation shall submit the plan ~~of merger or membership exchange~~ for approval by its members and the other persons.

B. For a plan ~~of merger or membership exchange~~ to be approved all of the following ~~shall have occurred~~ MUST OCCUR:

1. The board of directors ~~shall recommend~~ RECOMMENDS the plan ~~of merger or membership exchange~~ to the members, unless the board of directors determines that because of a conflict of interest or other special circumstances it should not make a recommendation and communicates the basis for its determination to the members with the plan.

2. The members entitled to vote on the plan ~~of merger or membership exchange shall~~ approve the plan.

3. Each person whose approval is required by the articles of incorporation for a ~~merger~~ TRANSACTION OF THE KIND CONTEMPLATED BY THE PLAN ~~shall approve~~ APPROVES the plan in writing.

C. The board of directors may condition its submission of the ~~proposed merger or membership exchange~~ PLAN on any basis.

D. If the corporation submits the transaction for member action at a membership meeting, the corporation shall notify each member of the proposed membership meeting at which the plan ~~of merger or membership exchange~~ is to be submitted for approval in accordance with section 10-3705. The notice shall state that the purpose or one of the purposes of the meeting is to consider the plan ~~of merger or membership~~ and shall contain or be accompanied by a copy or summary of the plan.

E. Unless chapters 24 through 40 of this title, the articles of incorporation or the board of directors acting pursuant to subsection C of this section requires a greater vote or voting by class, the plan ~~of merger or membership exchange~~ to be authorized shall be approved by a majority of the votes cast or a majority of the voting power of the class, whichever is less.

F. Voting by a class of members is required on a plan ~~of merger or membership exchange~~ if the plan contains a provision that, if contained in a proposed amendment to articles of incorporation or bylaws, would entitle the class of members to vote as a class on the proposed amendment under section 10-11004 or 10-11022. The plan is approved by a class of members by two-thirds of the votes cast by the class or a majority of the voting power of the class, whichever is less.

G. Unless the articles of incorporation otherwise require, action by the members of A DOMESTIC CORPORATION THAT IS the surviving corporation on a plan of merger is not required if all of the following conditions exist:

1. The articles of incorporation of the surviving corporation will not differ, except for amendments enumerated in section 10-11002, from its articles of incorporation before the merger.

2. Each member of the surviving corporation who was a member immediately before the effective date of merger will hold the same number of memberships with identical designations, preferences, limitations and relative rights immediately after the effective date of merger.

3. The number of voting members existing immediately after the merger, plus the number of voting memberships issuable as a result of the merger, will not exceed more than twenty per cent the total number of voting memberships of the surviving corporation existing immediately before the merger.

4. The number of memberships, if any, that entitle the holders of the memberships to participate without limitation in distributions existing immediately after the merger, plus the number of participating memberships issuable as a result of the merger, will not exceed the total number of participating memberships existing immediately before the merger by more than ninety per cent.

~~H. At any time before the filing of the articles of merger, the plan of merger or membership exchange may be abandoned, subject to any contractual rights, without further action by the members or other persons who approved the plan, in accordance with the procedure set forth in the plan of merger or membership exchange or, if none is set forth, in the manner determined by the board of directors.~~

Sec. 38. Section 10-11105, Arizona Revised Statutes, is amended to read:

10-11105. Statement of merger or interest exchange; publication

~~A. After a plan of merger or membership exchange is approved by the board of directors and, if required by section 10-11103, by the members and any other persons, the surviving or acquiring corporation shall deliver to the commission for filing both:~~

~~1. The plan of merger or membership exchange.~~

~~2. Articles of merger or membership exchange setting forth:~~

~~(a) The names of the corporations that were parties to the merger or membership exchange.~~

~~(b) The name and address of the known place of business of the surviving or acquiring corporation.~~

~~(c) The name and address of the statutory agent of the surviving or acquiring corporation.~~

~~(d) Any amendments to the articles of incorporation of the surviving corporation.~~

~~(e) A statement that the amendment was duly adopted by act of the board of directors and, if required by section 10-11103, by act of the members and any other persons.~~

~~B. A merger takes effect at the effective time and date of the articles of merger, as determined pursuant to section 10-3123.~~

~~C. If the articles of merger include amendments to the articles of incorporation of the surviving corporation, the document required to be filed and published under this section shall be styled "articles of amendment and merger".~~

~~D.~~ Within sixty days after the commission approves the filing, a copy of the ~~articles~~ STATEMENT of merger or ~~membership~~ INTEREST exchange shall be

published. An affidavit evidencing the publication may be filed with the commission.

Sec. 39. Repeal

Sections 10-11106 and 10-11107, Arizona Revised Statutes, are repealed.

Sec. 40. Section 10-11108, Arizona Revised Statutes, is amended to read:

10-11108. Requests, devises and gifts

UNLESS THE WILL OR OTHER INSTRUMENT OTHERWISE SPECIFICALLY PROVIDES, any bequest, devise, gift, grant or promise THAT IS contained in a will or other instrument of donation, subscription or conveyance, that is made to a ~~constituent~~ DOMESTIC NONPROFIT corporation and that takes effect or remains payable after the ~~merger,~~ TRANSACTION inures, ~~to the surviving corporation unless the will or other instrument otherwise specifically provides~~ AS APPLICABLE, TO THE SURVIVING ENTITY IN A MERGER, THE ACQUIRING ENTITY IN AN INTEREST EXCHANGE, THE CONVERTED ENTITY IN A CONVERSION, THE DOMESTICATED ENTITY IN A DOMESTICATION AND, AS SPECIFIED IN THE STATEMENT OF DIVISION, ONE OR MORE OF THE RESULTING ENTITIES IN A DIVISION.

Sec. 41. Title 10, chapter 42, article 1, Arizona Revised Statutes, is amended by adding section 10-11909, to read:

10-11909. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC CORPORATION SOLE MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH CHAPTER 34 OF THIS TITLE AND TITLE 29, CHAPTER 6.

B. IF A DOMESTIC CORPORATION SOLE IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION:

1. THE ONLY MEMBER AND DIRECTOR OF THE CORPORATION MUST BE THE PERSON COMPRISING THE CORPORATION SOLE IN ACCORDANCE WITH SECTIONS 10-11901 AND 10-11908.

2. THE ARTICLES OF INCORPORATION MUST BE RECORDED AS PROVIDED BY SECTION 10-11902.

C. FOR THE PURPOSES OF THIS SECTION, REFERENCES IN CHAPTER 34 OF THIS TITLE TO "DIRECTORS" OR "MEMBERS" ARE DEEMED REFERENCES TO THE PERSON WHO IS A CORPORATION SOLE AND REFERENCES TO A "CORPORATION" ARE DEEMED REFERENCES TO A CORPORATION SOLE.

D. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 4.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 6.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 5.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 3.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY TITLE 29, CHAPTER 6, ARTICLE 2.

Sec. 42. Section 29-366, Arizona Revised Statutes, is amended to read:

29-366. Fees

The secretary of state shall charge and collect in advance and deposit, pursuant to sections 35-146 and 35-147, in the state general fund the following fees:

1. Filing a certificate of limited partnership, ten dollars, plus three dollars per page.

2. Filing a certificate of amendment OR ANY DOCUMENT DESCRIBED IN CHAPTER 6 OF THIS TITLE, ten dollars, plus three dollars per page.

3. Filing a restated certificate of limited partnership, ten dollars, plus three dollars per page.

4. Filing a certificate of cancellation of limited partnership, ten dollars, plus three dollars per page.

5. Filing an application for registration as a foreign limited partnership, ten dollars, plus three dollars per page.

6. Issuing a certificate of registration to transact business in this state, ten dollars.

7. Filing a certificate correcting a statement contained in an application for registration of a foreign limited partnership, ten dollars, plus three dollars per page.

8. Filing a certificate of cancellation of the registration of a foreign limited partnership, ten dollars, plus three dollars per page.

9. Filing an application for reservation of a name, ten dollars.

10. Filing a certificate declaring withdrawal under section 29-320, subsection A, paragraph 2, ten dollars, plus three dollars per page.

11. At time of any service of process upon the secretary of state as agent for service of process, twenty-five dollars, which amount may be recovered as taxable costs by the party to the suit or action causing such service to be made if such party prevails in the suit or action.

12. Document certification, five dollars per document.

Sec. 43. Heading change

The article heading of title 29, chapter 3, article 13, Arizona Revised Statutes, is changed from "CONVERSIONS AND MERGERS" to "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS".

Sec. 44. Repeal

Sections 29-368, 29-369, 29-370, 29-371 and 29-372, Arizona Revised Statutes, are repealed.

Sec. 45. Title 29, chapter 3, article 13, Arizona Revised Statutes, is amended by adding new sections 29-368, 29-369 and 29-370, to read:

29-368. Definitions

A. IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, AS APPLICABLE.

2. "TRANSACTION" MEANS A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION, AS APPLICABLE.

B. EXCEPT FOR TERMS DEFINED IN CHAPTERS 1 THROUGH 17 OF THIS TITLE OR UNLESS THE CONTEXT OTHERWISE REQUIRES, TERMS USED IN THIS ARTICLE HAVE THE SAME MEANINGS PRESCRIBED IN CHAPTER 6 OF THIS TITLE.

29-369. Entity restructuring transactions

A. IF A PLAN IS APPROVED AS PROVIDED BY SECTION 29-370, A DOMESTIC LIMITED PARTNERSHIP MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A TRANSACTION BY ADOPTING A PLAN AND OTHERWISE COMPLYING WITH THIS ARTICLE AND:

1. CHAPTER 6, ARTICLE 2 OF THIS TITLE FOR A MERGER.
2. CHAPTER 6, ARTICLE 3 OF THIS TITLE FOR AN INTEREST EXCHANGE.
3. CHAPTER 6, ARTICLE 4 OF THIS TITLE FOR A CONVERSION.
4. CHAPTER 6, ARTICLE 5 OF THIS TITLE FOR A DOMESTICATION.
5. CHAPTER 6, ARTICLE 6 OF THIS TITLE FOR A DIVISION.

B. THE EFFECTIVE TIME AND DATE OF THE TRANSACTION ARE AS PROVIDED IN CHAPTER 6 OF THIS TITLE. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE, THE PROCEDURES REGARDING THE EFFECT OF AND ALL OTHER ASPECTS OF THE TRANSACTION ARE GOVERNED BY CHAPTER 6 OF THIS TITLE.

C. THIS SECTION DOES NOT LIMIT THE POWER OF A LIMITED PARTNERSHIP TO ACQUIRE ALL OR PART OF THE INTERESTS OF ANOTHER ENTITY THROUGH A VOLUNTARY EXCHANGE OR OTHERWISE.

29-370. Action on plan

THE PLAN MUST BE APPROVED BY ALL OF THE PARTNERS OR A NUMBER OR PERCENTAGE SPECIFIED FOR THE TRANSACTION IN THE PARTNERSHIP AGREEMENT.

Sec. 46. Section 29-373, Arizona Revised Statutes, is amended to read:

29-373. Effect of transaction; definition

~~A. When a merger takes effect:~~

~~1. The separate existence of every partnership, limited partnership or other business entity that is a party to the merger, other than the surviving entity, ceases.~~

~~2. All property owned by each of the merged partnerships, limited partnerships or other business entities vests in the surviving entity.~~

~~3. All obligations of every partnership, limited partnership or other business entity that is a party to the merger become the obligations of the surviving entity.~~

~~4. An action or proceeding pending against any partnership, limited partnership or other business entity that is a party to the merger may be continued as if the merger had not occurred, or the surviving entity may be substituted as a party to the action or proceeding.~~

~~B. If the surviving entity is a foreign partnership or limited partnership, at any time during which such entity fails to maintain an agent for service of process as required by Arizona law, the secretary of state of this state is the agent for service of process in an action or proceeding against a surviving foreign partnership or limited partnership to enforce an obligation of a domestic partnership, limited partnership or other business~~

~~entity that is a party to a merger. Until the surviving foreign partnership or limited partnership appoints an agent for service of process as required by Arizona law, it shall promptly notify the secretary of state of the mailing address of its chief executive office and of any change of address. On receipt of process, the secretary of state shall mail a copy of the process to the surviving foreign partnership or limited partnership at such address, if one has been provided.~~

~~C.~~ A. If the ~~surviving~~ POST-TRANSACTION entity is a ~~partnership or~~ DOMESTIC limited partnership, a partner of the ~~surviving partnership or limited partnership~~ POST-TRANSACTION ENTITY is liable for:

1. All obligations of AN ENTITY THAT IS a party to OR OTHERWISE UNDERTAKES the ~~merger~~ TRANSACTION for which the partner was personally liable before the ~~merger~~ TRANSACTION.

2. All other obligations of the ~~surviving~~ POST-TRANSACTION entity incurred before the ~~merger~~ TRANSACTION by AN ENTITY THAT IS a party to OR OTHERWISE UNDERTAKES the ~~merger~~ TRANSACTION, but those obligations may be satisfied only out of property of the POST-TRANSACTION entity.

3. All obligations of the ~~surviving~~ POST-TRANSACTION entity incurred after the ~~merger~~ TRANSACTION takes effect, but those obligations may be satisfied only out of property of the entity if the partner is a limited partner.

~~D.~~ B. If the obligations incurred before the ~~merger~~ TRANSACTION by a ~~partnership or~~ DOMESTIC limited partnership that is a party to OR OTHERWISE UNDERTAKES the ~~merger~~ TRANSACTION are not to be satisfied out of the property of the ~~surviving~~ POST-TRANSACTION entity pursuant to the plan ~~of the merger~~, the general partners of that ~~party~~ PARTNERSHIP immediately before the effective date of the ~~merger~~ TRANSACTION shall contribute the amount necessary to satisfy that ~~party's~~ PARTNERSHIP'S obligations to the ~~surviving~~ POST-TRANSACTION entity in the manner provided in section 29-1077 ~~or in the limited partnership act of the jurisdiction in which the party was formed, as the case may be~~, as if ~~the merged party~~ THAT PARTNERSHIP were dissolved.

~~E.~~ C. A partner of a ~~partnership or~~ DOMESTIC limited partnership that is a party to OR OTHERWISE UNDERTAKES a ~~merger~~ TRANSACTION who does not become a partner or other ~~owner~~ INTEREST HOLDER of the ~~surviving~~ POST-TRANSACTION entity is dissociated, as provided in section 29-1051, from the ~~partnership or~~ DOMESTIC limited partnership of which that partner was a partner, as of the date the ~~merger~~ TRANSACTION takes effect. If the dissociated partner was a general partner before the ~~merger~~ TRANSACTION, the ~~surviving~~ POST-TRANSACTION entity shall cause the partner's interest in the ~~merged partnership or~~ limited partnership to be purchased under section 29-334, subsection C or section 29-1061, as applicable, or another statute specifically applicable to that partner's interest with respect to a ~~merger~~ TRANSACTION. If the dissociated partner was a general partner before the ~~merger~~ TRANSACTION, the ~~surviving~~ POST-TRANSACTION entity is bound under section 29-1062 by an act of a general partner dissociated under this

subsection and the partner is liable under section 29-1063 for transactions entered into by the ~~surviving~~ POST-TRANSACTION entity after the ~~merger~~ TRANSACTION takes effect.

D. FOR THE PURPOSES OF THIS SECTION, "POST-TRANSACTION ENTITY" MEANS ANY OF THE FOLLOWING, AS APPLICABLE:

1. THE SURVIVING ENTITY IN A MERGER.
2. THE CONVERTED ENTITY IN A CONVERSION.
3. THE DOMESTICATED ENTITY IN A DOMESTICATION.
4. EACH RESULTING ENTITY IN A DIVISION, JOINTLY AND SEVERALLY.

Sec. 47. Repeal

Sections 29-374, 29-375 and 29-376, Arizona Revised Statutes, are repealed.

Sec. 48. Section 29-681, Arizona Revised Statutes, is amended to read:

29-681. Management of limited liability company

A. Unless the articles of organization provide that management of the limited liability company is vested in one or more managers, management of the limited liability company is vested in the members, subject to any provision in an operating agreement restricting or enlarging the management rights or responsibilities of one or more members or classes of members.

B. If the articles of organization provide that management of the limited liability company is vested in one or more managers, management of the limited liability company is vested in a manager or managers, subject to any provisions in an operating agreement restricting or enlarging the management rights or responsibilities of one or more managers or classes of managers or reserving specified management rights to the members or classes of members. A manager need not be a member of the limited liability company unless otherwise required by an operating agreement. A manager shall be designated or elected and may be removed or replaced in the manner provided in an operating agreement. A manager also holds the office and has the responsibilities that are accorded to him by the members and that are provided in an operating agreement. If an operating agreement does not provide a manner for designating or electing additional or replacement managers, on the withdrawal or resignation of a manager, management of the limited liability company continues to be vested in the remaining managers, or if there are no remaining managers, management is vested in one or more new managers to be designated or elected by a majority of the members.

C. Except as provided in an operating agreement, the affirmative vote, approval or consent of all members is required to:

1. Adopt, amend, amend and restate or revoke an operating agreement or authorize a transaction, agreement or action on behalf of the limited liability company that is unrelated to its purpose or business as stated in an operating agreement or that otherwise violates an operating agreement.

2. Issue an interest in the limited liability company to any person.

3. Approve a plan of merger or consolidation of the limited liability company with or into one or more ~~business~~ entities as defined in section ~~29-751~~ 29-2102.

4. Authorize an amendment to the articles of organization that changes the status of the limited liability company from or to one in which management is vested in a manager or managers to or from one in which management is reserved to the members.

D. Except as provided in an operating agreement, the affirmative vote, approval or consent of a majority of the members, or if management of the limited liability company is vested in one or more managers, the affirmative vote, approval or consent of the sole manager or a majority of the managers, is required to:

1. Resolve any difference concerning matters connected with the business of the limited liability company.

2. Authorize the distribution of limited liability company cash or property to the members.

3. Authorize the limited liability company to repurchase all or part of any member's interest in the limited liability company from that member.

4. Authorize the filing of articles of termination concerning the limited liability company.

5. Subject to subsection C, paragraph 4 of this section, authorize an amendment to the articles of organization, except that an amendment that merely corrects a false or inaccurate statement in the articles of organization may be filed at any time by a manager if management of the limited liability company is vested in one or more managers or by a member if management of the limited liability company is reserved to the members.

E. For purposes of subsections B and D of this section, a majority consists of more than one-half of the members or managers, as the case may be, except that if an operating agreement provides for allocation of voting rights among different members or managers or classes of members or managers on any basis other than a per capita basis, a majority consists of one or more members or managers, as the case may be, who control more than one-half of the votes entitled to be cast with respect to general business decisions as provided in an operating agreement.

Sec. 49. Heading change

The article heading of title 29, chapter 4, article 7, Arizona Revised Statutes, is changed from "MERGER OR CONSOLIDATION" to "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS".

Sec. 50. Repeal

Section 29-751, Arizona Revised Statutes, is repealed.

Sec. 51. Title 29, chapter 4, article 7, Arizona Revised Statutes, is amended by adding a new section 29-751, to read:

29-751. Definitions

A. IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, AS APPLICABLE.

2. "TRANSACTION" MEANS A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION, AS APPLICABLE.

B. EXCEPT FOR TERMS DEFINED IN SECTION 29-601 OR UNLESS THE CONTEXT OTHERWISE REQUIRES, TERMS USED IN THIS ARTICLE HAVE THE SAME MEANINGS PRESCRIBED IN CHAPTER 6 OF THIS TITLE.

Sec. 52. Section 29-752, Arizona Revised Statutes, is amended to read:

29-752. Entity restructuring transactions

A. ~~Pursuant to a plan of merger or consolidation that meets the conditions provided~~ IF A PLAN IS APPROVED AS PROVIDED by section 29-753, a DOMESTIC limited liability company may ~~merge or consolidate with or into one or more business entities. The surviving or resulting business entity shall be designated in the plan of merger or consolidation.~~ BE A PARTY TO OR OTHERWISE UNDERTAKE A TRANSACTION BY ADOPTING A PLAN AND OTHERWISE COMPLYING WITH THIS ARTICLE AND:

1. CHAPTER 6, ARTICLE 2 OF THIS TITLE FOR A MERGER.

2. CHAPTER 6, ARTICLE 3 OF THIS TITLE FOR AN INTEREST EXCHANGE.

3. CHAPTER 6, ARTICLE 4 OF THIS TITLE FOR A CONVERSION.

4. CHAPTER 6, ARTICLE 5 OF THIS TITLE FOR A DOMESTICATION.

5. CHAPTER 6, ARTICLE 6 OF THIS TITLE FOR A DIVISION.

~~B. The plan of merger or consolidation shall be approved by all members of a domestic limited liability company that is to merge or consolidate, unless an operating agreement provides otherwise.~~

~~C. The plan of merger or consolidation shall be approved by each business entity other than a domestic limited liability company in the manner required by the laws of the jurisdiction in which it is organized.~~

~~D. Rights or securities of or interests in a business entity that is a party to the merger or consolidation may be exchanged for or converted into cash, property, obligations, rights or securities of or interests in the surviving or resulting business entity.~~

B. THE EFFECTIVE TIME AND DATE OF THE TRANSACTION ARE AS PROVIDED IN CHAPTER 6 OF THIS TITLE. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE, THE PROCEDURES REGARDING THE EFFECT OF AND ALL OTHER ASPECTS OF THE TRANSACTION ARE GOVERNED BY CHAPTER 6 OF THIS TITLE.

C. THIS SECTION DOES NOT LIMIT THE POWER OF A LIMITED LIABILITY COMPANY TO ACQUIRE ALL OR PART OF THE INTERESTS OF ANOTHER ENTITY THROUGH A VOLUNTARY EXCHANGE OR OTHERWISE.

Sec. 53. Repeal

Section 29-753, Arizona Revised Statutes, is repealed.

Sec. 54. Title 29, chapter 4, article 7, Arizona Revised Statutes, is amended by adding a new section 29-753, to read:

29-753. Action on plan

THE PLAN MUST BE APPROVED BY ALL MEMBERS OF A DOMESTIC LIMITED LIABILITY COMPANY THAT IS TO BE A PARTY TO OR OTHERWISE UNDERTAKE A TRANSACTION, UNLESS THE OPERATING AGREEMENT PROVIDES OTHERWISE.

Sec. 55. Section 29-754, Arizona Revised Statutes, is amended to read:

29-754. Statement of merger or other transaction; publication

~~A. A business entity that survives or results from a merger or consolidation pursuant to this article shall file articles of merger or consolidation with the commission. The articles of merger or consolidation shall:~~

~~1. Include the plan of merger or consolidation or state that the plan of merger or consolidation is on file at a place of business of the surviving or resulting business entity, including the address of the place of business, and that the surviving or resulting business entity will provide a copy of the plan of merger or consolidation on request and without cost to any person who holds an interest in a business entity that is a party to the merger or consolidation.~~

~~2. State that each business entity that is a party to the merger or consolidation approved a plan of merger or consolidation in the manner provided by law.~~

~~3. State the future effective date of the merger or consolidation if it is not effective on the filing of the articles of merger or consolidation.~~

~~4. If the surviving or resulting business entity is not a business entity organized under the laws of this state, state both of the following:~~

~~(a) The surviving or resulting business entity agrees that it may be served with process in this state in an action, suit or proceeding for the enforcement of any obligation of any business entity that was organized under the laws of this state and that is a party to the merger or consolidation and for the enforcement of any obligation of the surviving or resulting business entity arising from the merger or consolidation.~~

~~(b) It irrevocably appoints the commission as its agent to accept service of process in the action, suit or proceeding described in subdivision (a), including the address to which the commission shall mail a copy of the process.~~

~~5. Include any amendments to the articles of organization of the surviving limited liability company if the surviving or resulting business entity is a limited liability company.~~

~~B. The articles of merger or consolidation shall be duly executed as follows:~~

~~1. In the case of a domestic limited liability company, by the member or manager designated in the plan of merger or consolidation.~~

~~2. In the case of a business entity other than a domestic limited liability company, in the manner provided by law.~~

~~C.~~ A. ~~Articles of merger or consolidation~~ A STATEMENT OF MERGER, CONVERSION, DOMESTICATION OR DIVISION shall serve as articles of termination for a DOMESTIC limited liability company that is not the surviving or resulting business entity in ~~the merger or consolidation~~ A TRANSACTION.

~~D.~~ B. If ~~the articles~~ A STATEMENT of merger ~~include~~ INCLUDES amendments to the articles of organization OF A DOMESTIC LIMITED LIABILITY COMPANY, the document shall be published as provided in section 29-633. The document required to be filed and published shall be styled "~~articles of amendment and~~ STATEMENT OF merger".

Sec. 56. Repeal

Sections 29-755, 29-756 and 29-757, Arizona Revised Statutes, are repealed.

Sec. 57. Title 29, chapter 4, article 11, Arizona Revised Statutes, is amended by adding section 29-848, to read:

29-848. Merger, interest exchange, conversion, domestication or division; definitions

A. A DOMESTIC PROFESSIONAL LIMITED LIABILITY COMPANY MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION BY COMPLYING WITH ARTICLE 7 OF THIS CHAPTER AND CHAPTER 6 OF THIS TITLE.

B. IF A DOMESTIC PROFESSIONAL LIMITED LIABILITY COMPANY IS TO BE CREATED IN A MERGER, A CONVERSION, A DOMESTICATION OR A DIVISION:

1. THE MEMBERS OF THE COMPANY MUST BE QUALIFIED TO BE MEMBERS AS PROVIDED BY SECTION 29-844, SUBSECTION B.

2. THE ARTICLES OF ORGANIZATION OF THE COMPANY MUST COMPLY WITH SECTION 29-841.01, SUBSECTION A.

C. FOR THE PURPOSES OF THIS SECTION:

1. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY CHAPTER 6, ARTICLE 4 OF THIS TITLE.

2. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY CHAPTER 6, ARTICLE 6 OF THIS TITLE.

3. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY CHAPTER 6, ARTICLE 5 OF THIS TITLE.

4. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY CHAPTER 6, ARTICLE 3 OF THIS TITLE.

5. "MERGER" MEANS A TRANSACTION AUTHORIZED BY CHAPTER 6, ARTICLE 2 OF THIS TITLE.

Sec. 58. Section 29-851, Arizona Revised Statutes, is amended to read:

29-851. Filing, service and copying fees; expedited filing and services; same day and next day services; posted wait times; advance monies; definition

A. The commission shall collect and deposit, pursuant to sections 35-146 and 35-147, the following nonrefundable fees when the following documents are delivered to the commission:

1. The initial articles of organization, fifty dollars.

2. An application for registration of a foreign limited liability company, one hundred fifty dollars.

3. An amendment to the articles of organization, twenty-five dollars.

4. Articles of termination and a certificate of termination, thirty-five dollars.

5. A certificate for any purpose not otherwise provided for, ten dollars.

6. ~~Articles of merger~~ STATEMENT OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION IF THE ENTITY RESPONSIBLE FOR FILING THE STATEMENT IS A LIMITED LIABILITY COMPANY, fifty dollars.

7. Written information on any limited liability company, ten dollars.

8. A copy of any document or instrument, five dollars plus fifty cents per page.

9. An application for reservation of a name or for filing a notice of the transfer or cancellation of any name reservation, ten dollars.

10. Five dollars for a statement of change of address of one or more of the following:

(a) Known place of business.

(b) Statutory agent.

(c) Manager.

(d) Member.

11. Any service of notice, demand or process on the commission as resident agent of a limited liability company, twenty-five dollars. This amount may be recovered as taxable costs by the party to the suit, action or proceeding causing the service to be made if the party prevails in the suit, action or proceeding.

12. Articles of correction, the fee prescribed in section 10-122, subsection A, paragraph ~~18~~ 17.

13. Application for reinstatement following administrative dissolution, in addition to other fees and penalties due, the fee prescribed in section 10-122, subsection A, paragraph ~~14~~ 13.

B. The commission shall provide for and establish an expedited service for the filing of all documents and services provided pursuant to this chapter as follows:

1. The expedited filing shall be a priority service to be completed as soon as possible after the documents are delivered to the commission.

2. In addition to any other fees required by this section or any other law, the commission shall charge a nonrefundable fee for expedited services, including those requested by fax. The fee shall be determined by a supermajority vote of the commissioners.

C. The commission may provide for and establish same day and next day services for the filing of any documents and services provided pursuant to this chapter as follows:

1. The commission shall suspend same day or next day service if the commission determines that it does not have the necessary resources to perform the service within the established time period.

2. In addition to any other fees required by this section or any other law, the commissioners may charge a nonrefundable fee for the same day or next day service or both. The fee shall be determined by a supermajority vote of the commissioners.

D. The commission shall publicly post the current wait times for processing regular, expedited and same day and next day services.

E. All monies received pursuant to subsections B and C of this section shall be deposited, pursuant to sections 35-146 and 35-147, in the public access fund established by section 10-122.01.

F. Any person may advance monies to the commission to pay fees required pursuant to this section for future filings and services. All monies received pursuant to this subsection shall be deposited, pursuant to sections 35-146 and 35-147, in the money on deposit account in the public access fund established by section 10-122.01.

G. For the purposes of this section, "supermajority" means an affirmative vote of at least four commissioners.

Sec. 59. Section 29-1001, Arizona Revised Statutes, is amended to read:

29-1001. Definitions

In this chapter, unless the context otherwise requires:

1. "Business" includes every trade, occupation and profession.

2. "Chief executive office" means the place from which the main part of the partnership's business is managed.

3. "Debtor in bankruptcy" means a person who is the subject of either:

(a) An order for relief under title 11 of the United States Code or a comparable order under a successor statute of general application.

(b) A comparable order under federal, state or foreign law governing insolvency.

4. "Distribution" means a transfer of money or other property from a partnership to a partner in the partner's capacity as a partner or to the partner's transferee.

5. "Foreign limited liability partnership" means a partnership or limited partnership THAT IS formed or created under laws other than the laws of this state and ~~which~~ THAT is qualified as a limited liability partnership under those laws.

6. "General partner" means a partner in a partnership and a general partner in a limited partnership.

7. "Limited liability partnership" means a partnership or limited partnership that has filed a statement of qualification under section 29-1101.

8. "Limited partner" means a limited partner in a limited partnership.

9. "Limited partnership" means a limited partnership created under chapter 3 of this title, predecessor law or comparable law of another jurisdiction.

10. "Partner" means a general partner and, for purposes of article 9 of this chapter, both a general partner and a limited partner.

11. "Partnership" means an association or entity formed under section 29-1012, A predecessor law or A comparable law of another jurisdiction.

12. "Partnership agreement" means the agreement, whether written, oral or implied, among the partners concerning the partnership, including amendments to the partnership agreement.

13. "Partnership at will" means a partnership in which the partners have not agreed to remain partners until the expiration of a definite term or the completion of a particular undertaking.

14. "Partnership interest" or "partner's interest in the partnership" means all of a partner's interests in the partnership, including the partner's transferable interest and all management and other rights.

15. "Person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision, agency or instrumentality or any other legal or commercial entity.

16. "Property" means all property, real, personal or mixed, tangible or intangible, or any interest in such property.

17. "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico or any territory or insular possession subject to the jurisdiction of the United States.

18. "Statement" means a statement of partnership authority under section 29-1023, a statement of denial under section 29-1024, a statement of dissociation under section 29-1064, a statement of dissolution under section 29-1075, a statement of merger under section ~~29-1087~~ 29-2205, a statement of qualification as a limited liability partnership under section 29-1101, a statement of foreign qualification under section 29-1106 or an amendment or cancellation of any of the foregoing.

19. "Transfer" includes an assignment, conveyance, lease, mortgage, deed and encumbrance.

Sec. 60. Heading change

The article heading of title 29, chapter 5, article 9, Arizona Revised Statutes, is changed from "CONVERSIONS AND MERGERS" to "MERGERS AND OTHER RESTRUCTURING TRANSACTIONS".

Sec. 61. Repeal

Sections 29-1082, 29-1083, 29-1084 and 29-1085, Arizona Revised Statutes, are repealed.

Sec. 62. Title 29, chapter 5, article 9, Arizona Revised Statutes, is amended by adding section 29-1081 and new sections 29-1082 and 29-1083, to read:

29-1081. Definitions

A. IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, AS APPLICABLE.

2. "TRANSACTION" MEANS A MERGER, AN INTEREST EXCHANGE, A CONVERSION, A DOMESTICATION OR A DIVISION, AS APPLICABLE.

B. EXCEPT FOR TERMS DEFINED IN SECTION 29-1001 OR UNLESS THE CONTEXT OTHERWISE REQUIRES, TERMS USED IN THIS ARTICLE HAVE THE SAME MEANINGS PRESCRIBED IN CHAPTER 6 OF THIS TITLE.

29-1082. Entity restructuring transactions

A. IF A PLAN IS APPROVED AS PROVIDED BY SECTION 29-1083, A PARTNERSHIP MAY BE A PARTY TO OR OTHERWISE UNDERTAKE A TRANSACTION BY ADOPTING A PLAN AND OTHERWISE COMPLYING WITH THIS ARTICLE AND:

1. CHAPTER 6, ARTICLE 2 OF THIS TITLE FOR A MERGER.

2. CHAPTER 6, ARTICLE 3 OF THIS TITLE FOR AN INTEREST EXCHANGE.

3. CHAPTER 6, ARTICLE 4 OF THIS TITLE FOR A CONVERSION.

4. CHAPTER 6, ARTICLE 5 OF THIS TITLE FOR A DOMESTICATION.

5. CHAPTER 6, ARTICLE 6 OF THIS TITLE FOR A DIVISION.

B. THE EFFECTIVE TIME AND DATE OF THE TRANSACTION ARE AS PROVIDED IN CHAPTER 6 OF THIS TITLE. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE, THE PROCEDURES REGARDING THE EFFECT OF AND ALL OTHER ASPECTS OF THE TRANSACTION ARE GOVERNED BY CHAPTER 6 OF THIS TITLE.

C. THIS SECTION DOES NOT LIMIT THE POWER OF A PARTNERSHIP TO ACQUIRE ALL OR PART OF THE INTERESTS OF ANOTHER ENTITY THROUGH A VOLUNTARY EXCHANGE OR OTHERWISE.

29-1083. Action on plan

THE PLAN MUST BE APPROVED BY ALL OF THE PARTNERS OR A NUMBER OR PERCENTAGE SPECIFIED FOR THE TRANSACTION IN THE PARTNERSHIP AGREEMENT.

Sec. 63. Section 29-1086, Arizona Revised Statutes, is amended to read:

29-1086. Effect of transaction; definition

~~A. When a merger takes effect:~~

~~1. The separate existence of every partnership, limited partnership or other business entity that is a party to the merger, other than the surviving entity, ceases.~~

~~2. All property owned by each of the merged partnerships, limited partnerships or other business entities vests in the surviving entity.~~

~~3. All obligations of every partnership, limited partnership or other business entity that is a party to the merger become the obligations of the surviving entity.~~

~~4. An action or proceeding pending against a partnership, a limited partnership or any other business entity that is a party to the merger may be~~

~~continued as if the merger had not occurred, or the surviving entity may be substituted as a party to the action or proceeding.~~

~~B. If the surviving entity is a foreign partnership or limited partnership, at any time during which the surviving entity fails to maintain an agent for service of process as required by the law of this state, the secretary of state is the agent for service of process in an action or proceeding against a surviving foreign partnership or limited partnership to enforce an obligation of a domestic partnership, domestic limited partnership or any other domestic business entity that is a party to a merger. Until the surviving foreign partnership or limited partnership appoints an agent for service of process as required by the law of this state, it shall promptly notify the secretary of state of its chief executive office and of any change of address. On receipt of process, the secretary of state shall mail a copy of the process to the surviving foreign partnership or limited partnership.~~

~~C.~~ A. If the ~~surviving~~ POST-TRANSACTION entity is a DOMESTIC partnership ~~or limited partnership~~, a partner of the ~~surviving partnership or limited partnership~~ POST-TRANSACTION ENTITY is liable for:

1. All obligations of AN ENTITY THAT IS a party to OR OTHERWISE UNDERTAKES the ~~merger~~ TRANSACTION for which the partner was personally liable before the ~~merger~~ TRANSACTION.

2. All other obligations of the ~~surviving~~ POST-TRANSACTION entity incurred before the ~~merger~~ TRANSACTION by AN ENTITY THAT IS a party to OR OTHERWISE UNDERTAKES the ~~merger~~ TRANSACTION, but those obligations may be satisfied only out of property of the POST-TRANSACTION entity.

~~3. All obligations of the surviving entity incurred after the merger takes effect, but those obligations may be satisfied only out of property of the entity if the partner is a limited partner.~~

~~D.~~ B. If the obligations incurred before the ~~merger~~ TRANSACTION by a DOMESTIC partnership ~~or a limited partnership~~ that is a party to OR OTHERWISE UNDERTAKES the ~~merger~~ TRANSACTION are not to be satisfied out of the property of the ~~surviving~~ POST-TRANSACTION entity pursuant to the plan ~~of merger~~, the general partners of that ~~party~~ PARTNERSHIP immediately before the effective date of the ~~merger~~ TRANSACTION shall contribute the amount necessary to satisfy that ~~party's~~ PARTNERSHIP'S obligations to the ~~surviving~~ POST-TRANSACTION entity, in the manner provided in section 29-1077 ~~or in the limited partnership act of the jurisdiction in which the party was formed, as the case may be~~, as if ~~the merged party~~ THAT PARTNERSHIP were dissolved.

~~E.~~ C. A partner of a DOMESTIC partnership ~~or limited partnership~~ that is a party to OR OTHERWISE UNDERTAKES a ~~merger~~ TRANSACTION who does not become a partner or any other ~~owner~~ INTEREST HOLDER of the ~~surviving~~ POST-TRANSACTION entity is dissociated from the partnership ~~or limited partnership~~, of which that partner was a partner, as of the date the ~~merger~~ TRANSACTION takes effect. The ~~surviving~~ POST-TRANSACTION entity shall cause the partner's interest in the ~~merged~~ partnership ~~or limited partnership~~ to be purchased under section 29-1061 or another statute specifically applicable to

that partner's interest with respect to a ~~merger~~ TRANSACTION. The ~~surviving~~ POST-TRANSACTION entity is bound under section 29-1062 by an act of a general partner dissociated under this subsection, and the partner is liable under section 29-1063 for transactions entered into by the ~~surviving~~ POST-TRANSACTION entity after the ~~merger~~ TRANSACTION takes effect.

D. FOR THE PURPOSES OF THIS SECTION, "POST-TRANSACTION ENTITY" MEANS ANY OF THE FOLLOWING, AS APPLICABLE:

1. THE SURVIVING ENTITY IN A MERGER.

2. THE CONVERTED ENTITY IN A CONVERSION.

3. THE DOMESTICATED ENTITY IN A DOMESTICATION.

4. EACH RESULTING ENTITY IN A DIVISION, JOINTLY AND SEVERALLY.

Sec. 64. Repeal

Sections 29-1087 and 29-1088, Arizona Revised Statutes, are repealed.

Sec. 65. Title 29, Arizona Revised Statutes, is amended by adding chapter 6, to read:

CHAPTER 6

ARIZONA ENTITY RESTRUCTURING ACT

ARTICLE 1. GENERAL PROVISIONS

29-2101. Short title

THIS CHAPTER MAY BE CITED AS THE "ARIZONA ENTITY RESTRUCTURING ACT".

29-2102. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ACQUIRED ENTITY" MEANS AN ENTITY IN WHICH ALL OF ONE OR MORE CLASSES OR SERIES OF INTERESTS ARE ACQUIRED IN AN INTEREST EXCHANGE.

2. "ACQUIRING ENTITY" MEANS THE ENTITY THAT ACQUIRES ALL OF ONE OR MORE CLASSES OR SERIES OF INTERESTS OF THE ACQUIRED ENTITY IN AN INTEREST EXCHANGE.

3. "APPROPRIATE FILING AUTHORITY" MEANS:

(a) WITH RESPECT TO CORPORATIONS, BUSINESS TRUSTS AND LIMITED LIABILITY COMPANIES, THE COMMISSION.

(b) WITH RESPECT TO LIMITED PARTNERSHIPS AND LIMITED LIABILITY PARTNERSHIPS, THE SECRETARY OF STATE.

4. "APPROVE" MEANS, IN THE CASE OF AN ENTITY, THAT ITS GOVERNORS AND INTEREST HOLDERS TAKE WHATEVER STEPS ARE NECESSARY UNDER ITS ORGANIZATIONAL DOCUMENTS, GOVERNING STATUTE AND OTHER LAW TO DO ALL OF THE FOLLOWING:

(a) PROPOSE A TRANSACTION SUBJECT TO THIS CHAPTER.

(b) ADOPT AND APPROVE THE TERMS AND CONDITIONS OF THE TRANSACTION.

(c) CONDUCT ANY REQUIRED PROCEEDINGS OR OTHERWISE OBTAIN ANY REQUIRED VOTES OR CONSENTS OF THE GOVERNORS OR INTEREST HOLDERS.

5. "BUSINESS CORPORATION" MEANS A BUSINESS CORPORATION, A CLOSE CORPORATION, A PROFESSIONAL CORPORATION, A BUSINESS DEVELOPMENT CORPORATION AND A BENEFIT CORPORATION.

6. "COMMISSION" MEANS THE ARIZONA CORPORATION COMMISSION.

7. "CONVERSION" MEANS A TRANSACTION AUTHORIZED BY ARTICLE 4 OF THIS CHAPTER.

8. "CONVERTED ENTITY" MEANS THE CONVERTING ENTITY AS IT CONTINUES IN EXISTENCE AFTER A CONVERSION.

9. "CONVERTING ENTITY" MEANS THE DOMESTIC ENTITY THAT APPROVES A PLAN OF CONVERSION PURSUANT TO SECTION 29-2403 OR THE FOREIGN ENTITY THAT APPROVES A CONVERSION PURSUANT TO THE LAW OF ITS JURISDICTION OF ORGANIZATION.

10. "CORPORATION" MEANS A BUSINESS CORPORATION OR A NONPROFIT CORPORATION.

11. "DIVIDING ENTITY" MEANS THE DOMESTIC ENTITY THAT APPROVES A PLAN OF DIVISION PURSUANT TO SECTION 29-2603 OR THE FOREIGN ENTITY THAT APPROVES A DIVISION PURSUANT TO THE LAW OF ITS JURISDICTION OF ORGANIZATION. A DIVIDING ENTITY IS ALSO A RESULTING ENTITY IF THE DIVIDING ENTITY SURVIVES THE DIVISION.

12. "DIVISION" MEANS A TRANSACTION AUTHORIZED BY ARTICLE 6 OF THIS CHAPTER.

13. "DOMESTIC ENTITY" MEANS AN ENTITY WHOSE INTERNAL AFFAIRS ARE GOVERNED BY THE LAWS OF THIS STATE.

14. "DOMESTICATED ENTITY" MEANS THE DOMESTICATING ENTITY AS IT CONTINUES IN EXISTENCE AFTER A DOMESTICATION.

15. "DOMESTICATING ENTITY" MEANS THE DOMESTIC ENTITY THAT APPROVES A PLAN OF DOMESTICATION PURSUANT TO SECTION 29-2503 OR THE FOREIGN ENTITY THAT APPROVES A DOMESTICATION PURSUANT TO THE LAW OF ITS JURISDICTION OF ORGANIZATION.

16. "DOMESTICATION" MEANS A TRANSACTION AUTHORIZED BY ARTICLE 5 OF THIS CHAPTER.

17. "ENTITY" MEANS ANY OF THE FOLLOWING:

(a) A CORPORATION.

(b) A GENERAL PARTNERSHIP, INCLUDING A GENERAL PARTNERSHIP THAT HAS REGISTERED AS A LIMITED LIABILITY PARTNERSHIP.

(c) A LIMITED PARTNERSHIP, INCLUDING A LIMITED PARTNERSHIP THAT HAS REGISTERED AS A LIMITED LIABILITY LIMITED PARTNERSHIP.

(d) A LIMITED LIABILITY COMPANY, INCLUDING A PROFESSIONAL LIMITED LIABILITY COMPANY.

(e) A BUSINESS TRUST, STATUTORY TRUST ENTITY OR SIMILAR TRUST.

(f) AN UNINCORPORATED ASSOCIATION.

(g) A COOPERATIVE.

(h) ANY OTHER PERSON THAT HAS A SEPARATE LEGAL EXISTENCE OR HAS THE POWER TO ACQUIRE AN INTEREST IN REAL PROPERTY IN ITS OWN NAME OTHER THAN ANY OF THE FOLLOWING:

(i) AN INDIVIDUAL.

(ii) A TESTAMENTARY, INTER VIVOS OR CHARITABLE TRUST, WITH THE EXCEPTION OF A BUSINESS TRUST, STATUTORY TRUST ENTITY OR SIMILAR TRUST.

(iii) A DECEDENT'S ESTATE.

(iv) A GOVERNMENT, A GOVERNMENTAL OR POLITICAL SUBDIVISION, A GOVERNMENTAL AGENCY OR ENTITY OR A MUNICIPAL CORPORATION.

18. "FILING ENTITY" MEANS AN ENTITY THAT IS CREATED BY THE FILING OF A PUBLIC ORGANIZATIONAL DOCUMENT.

19. "FOREIGN ENTITY" MEANS AN ENTITY OTHER THAN A DOMESTIC ENTITY.

20. "GOOD FAITH" MEANS HONESTY IN FACT IN THE CONDUCT OR TRANSACTION CONCERNED.

21. "GOVERNANCE INTEREST" MEANS THE RIGHT UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF AN ENTITY, OTHER THAN AS A GOVERNOR, AGENT, ASSIGNEE OR PROXY, TO DO ANY OF THE FOLLOWING:

(a) RECEIVE OR DEMAND ACCESS TO INFORMATION CONCERNING, OR THE BOOKS AND RECORDS OF, THE ENTITY.

(b) VOTE FOR THE ELECTION OF THE GOVERNORS OF THE ENTITY.

(c) RECEIVE NOTICE OF, OR VOTE ON, ANY OR ALL ISSUES OR MATTERS INVOLVING THE INTERNAL AFFAIRS OF THE ENTITY.

22. "GOVERNING STATUTE" MEANS, COLLECTIVELY, THE STATUTE OR STATUTES GOVERNING THE INTERNAL AFFAIRS OF AN ENTITY.

23. "GOVERNOR" MEANS A PERSON BY OR UNDER WHOSE AUTHORITY THE POWERS OF AN ENTITY ARE EXERCISED AND UNDER WHOSE DIRECTION THE BUSINESS AND AFFAIRS OF THE ENTITY ARE MANAGED PURSUANT TO THE GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS OF THE ENTITY.

24. "INTEREST" MEANS A GOVERNANCE INTEREST OR A TRANSFERABLE INTEREST, INCLUDING A SHARE OR MEMBERSHIP IN A CORPORATION.

25. "INTEREST EXCHANGE" MEANS A TRANSACTION AUTHORIZED BY ARTICLE 3 OF THIS CHAPTER.

26. "INTEREST HOLDER" MEANS A DIRECT HOLDER OF AN INTEREST.

27. "INTEREST HOLDER LIABILITY" MEANS:

(a) PERSONAL LIABILITY FOR AN OBLIGATION OF AN ENTITY THAT IS IMPOSED ON A PERSON EITHER:

(i) SOLELY BY REASON OF THE STATUS OF THE PERSON AS AN INTEREST HOLDER.

(ii) BY THE ORGANIZATIONAL DOCUMENTS OF THE ENTITY PURSUANT TO A PROVISION OF THE GOVERNING STATUTE AUTHORIZING THE ORGANIZATIONAL DOCUMENTS TO MAKE ONE OR MORE SPECIFIED INTEREST HOLDERS OR CATEGORIES OF INTEREST HOLDERS LIABLE IN THEIR CAPACITY AS INTEREST HOLDERS FOR ALL OR SPECIFIED OBLIGATIONS OF THE ENTITY.

(b) AN OBLIGATION OF AN INTEREST HOLDER UNDER THE ORGANIZATIONAL DOCUMENTS OF AN ENTITY TO CONTRIBUTE TO THE ENTITY.

28. "JURISDICTION OF ORGANIZATION" MEANS THE JURISDICTION WHOSE LAW INCLUDES THE GOVERNING STATUTE OF THE ENTITY.

29. "MERGER" MEANS A TRANSACTION AUTHORIZED BY ARTICLE 2 OF THIS CHAPTER.

30. "MERGING ENTITY" MEANS AN ENTITY THAT IS A PARTY TO A MERGER AND THAT EXISTS IMMEDIATELY BEFORE THE MERGER BECOMES EFFECTIVE.

31. "NONPROFIT CORPORATION" MEANS A NONPROFIT CORPORATION, A COOPERATIVE MARKETING ASSOCIATION, AN ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION, A NONPROFIT ELECTRIC GENERATION AND TRANSMISSION

1 COOPERATIVE CORPORATION, A FRATERNAL OR BENEVOLENT SOCIETY OR A CORPORATION
2 SOLE.
3 32. "OBLIGATION" MEANS A DEBT, LOSS OR LIABILITY OR ANY OTHER
4 OBLIGATION ARISING IN ANY MANNER, REGARDLESS OF WHETHER IT IS SECURED,
5 CONTINGENT OR LIQUIDATED.
6 33. "ORGANIZATIONAL DOCUMENTS" MEANS THE PUBLIC ORGANIZATIONAL DOCUMENT
7 AND PRIVATE ORGANIZATIONAL DOCUMENTS OF AN ENTITY.
8 34. "ORGANIZE" MEANS TO INCORPORATE, FORM, CREATE OR OTHERWISE
9 ORGANIZE.
10 35. "PERSON" MEANS AN INDIVIDUAL, A CORPORATION, AN ESTATE, A TRUST, A
11 PARTNERSHIP, A LIMITED LIABILITY COMPANY, A BUSINESS OR SIMILAR TRUST, AN
12 ASSOCIATION, A JOINT VENTURE, A PUBLIC CORPORATION, A GOVERNMENT, A
13 GOVERNMENTAL SUBDIVISION, AGENCY OR INSTRUMENTALITY OR ANY OTHER LEGAL OR
14 COMMERCIAL ENTITY.
15 36. "PLAN" MEANS A PLAN OF MERGER, INTEREST EXCHANGE, CONVERSION,
16 DOMESTICATION OR DIVISION.
17 37. "PRIVATE ORGANIZATIONAL DOCUMENTS" MEAN THE CURRENTLY ADOPTED OR
18 EFFECTIVE RULES, WHETHER OR NOT IN A RECORD, THAT GOVERN THE INTERNAL AFFAIRS
19 OF AN ENTITY, THAT ARE BINDING ON ALL OF ITS INTEREST HOLDERS AND THAT ARE
20 NOT PART OF THE ENTITY'S PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY.
21 38. "PROTECTED AGREEMENT" MEANS ANY OF THE FOLLOWING:
22 (a) A RECORD EVIDENCING INDEBTEDNESS AND ANY RELATED AGREEMENT IN
23 EFFECT ON THE EFFECTIVE DATE OF THIS SECTION.
24 (b) AN AGREEMENT THAT IS BINDING ON AN ENTITY ON THE EFFECTIVE DATE OF
25 THIS SECTION.
26 (c) THE ORGANIZATIONAL DOCUMENTS OF AN ENTITY IN EFFECT ON THE
27 EFFECTIVE DATE OF THIS SECTION.
28 (d) AN AGREEMENT THAT IS BINDING ON ANY OF THE GOVERNORS OR INTEREST
29 HOLDERS OF AN ENTITY ON THE EFFECTIVE DATE OF THIS SECTION.
30 39. "PUBLIC ORGANIZATIONAL DOCUMENT":
31 (a) MEANS THE PUBLIC RECORD THAT IS FILED TO ORGANIZE AN ENTITY, OR
32 THE MOST RECENT RESTATEMENT OF THAT RECORD, TOGETHER WITH ANY AMENDMENTS TO
33 THAT RECORD OR RESTATEMENT OF THAT RECORD.
34 (b) DOES NOT INCLUDE A STATEMENT OF QUALIFICATION FILED BY A
35 PARTNERSHIP OR LIMITED PARTNERSHIP PURSUANT TO SECTION 29-1101 IN CONNECTION
36 WITH ITS STATUS AS A LIMITED LIABILITY PARTNERSHIP.
37 40. "QUALIFIED FOREIGN ENTITY" MEANS A FOREIGN ENTITY THAT IS
38 AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE PURSUANT TO A FILING WITH THE
39 APPROPRIATE FILING AUTHORITY.
40 41. "RECORD" MEANS INFORMATION THAT IS INSCRIBED ON A TANGIBLE MEDIUM
41 OR THAT IS STORED IN AN ELECTRONIC OR OTHER MEDIUM AND IS RETRIEVABLE IN
42 PERCEIVABLE FORM.
43 42. "RESULTING ENTITY":
44 (a) MEANS AN ENTITY THAT CONTINUES IN EXISTENCE AFTER, OR THAT IS
45 ORGANIZED AS A RESULT OF, A DIVISION.

(b) INCLUDES A DIVIDING ENTITY IF THE DIVIDING ENTITY SURVIVES THE DIVISION.

43. "SIGN" MEANS TO DO EITHER OF THE FOLLOWING WITH PRESENT INTENT TO AUTHENTICATE OR ADOPT A RECORD:

(a) EXECUTE OR ADOPT A TANGIBLE SYMBOL.

(b) ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN ELECTRONIC SOUND, SYMBOL OR PROCESS.

44. "SURVIVING ENTITY" MEANS THE ENTITY THAT CONTINUES IN EXISTENCE AFTER, OR THAT IS ORGANIZED AS A RESULT OF, A MERGER.

45. "TRANSFERABLE INTEREST" MEANS THE RIGHT UNDER AN ENTITY'S GOVERNING STATUTE TO RECEIVE DISTRIBUTIONS FROM THE ENTITY.

46. "TYPE" MEANS, WITH REGARD TO AN ENTITY, THE GENERIC FORM OF THAT ENTITY, SUCH AS LISTED IN PARAGRAPH 17 OF THIS SECTION.

29-2103. Relationship to other laws

A. UNLESS DISPLACED BY PARTICULAR PROVISIONS OF THIS CHAPTER, THE PRINCIPLES OF LAW AND EQUITY SUPPLEMENT THIS CHAPTER.

B. EXCEPT AS SPECIFICALLY PROVIDED IN THIS CHAPTER, THIS CHAPTER DOES NOT AFFECT THE APPLICATION OR REQUIREMENTS OF LAW OTHER THAN THIS CHAPTER.

C. A TRANSACTION EFFECTED UNDER THIS CHAPTER MAY NOT CREATE OR IMPAIR ANY RIGHT OR OBLIGATION ON THE PART OF A PERSON UNDER A PROVISION OF THE LAWS OF THIS STATE OTHER THAN THIS CHAPTER RELATING TO A CHANGE IN CONTROL, TAKEOVER, BUSINESS COMBINATION, CONTROL SHARE ACQUISITION OR SIMILAR TRANSACTION INVOLVING A DOMESTIC MERGING, ACQUIRED, CONVERTING, DOMESTICATING OR DIVIDING CORPORATION UNLESS EITHER:

1. IF THE CORPORATION DOES NOT SURVIVE THE TRANSACTION, THE TRANSACTION SATISFIES ANY REQUIREMENTS OF THE PROVISION.

2. IF THE CORPORATION SURVIVES THE TRANSACTION, THE APPROVAL OF THE PLAN RELATING TO THE TRANSACTION IS BY A VOTE OF THE SHAREHOLDERS OR DIRECTORS THAT IS SUFFICIENT TO CREATE OR IMPAIR THE RIGHT OR OBLIGATION DIRECTLY UNDER THE PROVISION.

29-2104. Required notice or approval

A. A DOMESTIC OR FOREIGN ENTITY THAT IS REQUIRED TO GIVE NOTICE TO, OR OBTAIN THE APPROVAL OF, A GOVERNMENTAL AGENCY OR OFFICER IN ORDER TO BE A PARTY TO A MERGER MUST GIVE THE NOTICE OR OBTAIN THE APPROVAL IN ORDER TO BE A PARTY TO AN INTEREST EXCHANGE, CONVERSION, DOMESTICATION OR DIVISION, UNLESS THE LAW PERTAINING TO THE NOTICE OR APPROVAL PROVIDES OTHERWISE.

B. PROPERTY HELD FOR A CHARITABLE PURPOSE UNDER THE LAWS OF THIS STATE BY A DOMESTIC OR FOREIGN ENTITY IMMEDIATELY BEFORE A TRANSACTION EFFECTED UNDER THIS CHAPTER BECOMES EFFECTIVE MAY NOT, AS A RESULT OF THE TRANSACTION, BE DIVERTED FROM THE OBJECTS FOR WHICH IT WAS DONATED, GRANTED OR DEVISED UNLESS, TO THE EXTENT REQUIRED BY OR PURSUANT TO THE LAWS OF THIS STATE CONCERNING CY PRES OR OTHER LAWS DEALING WITH NONDIVERSION OF CHARITABLE ASSETS, THE ENTITY OBTAINS AN APPROPRIATE ORDER OF A COURT OF COMPETENT JURISDICTION SPECIFYING THE DISPOSITION OF THE PROPERTY.

29-2105. Status of filings; matters regarding filing

A. A FILING UNDER THIS CHAPTER THAT IS SIGNED BY A DOMESTIC ENTITY BECOMES PART OF THE PUBLIC ORGANIZATIONAL DOCUMENT OF THE ENTITY IF THE ENTITY'S GOVERNING STATUTE PROVIDES THAT SIMILAR FILINGS UNDER THE GOVERNING STATUTE BECOME PART OF THE PUBLIC ORGANIZATIONAL DOCUMENT OF THE ENTITY.

B. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, MATTERS REGARDING THE FILING OF DOCUMENTS PURSUANT TO THIS CHAPTER WITH THE APPROPRIATE FILING AUTHORITY, INCLUDING DELIVERY FOR FILING, EFFECTIVE DATES AND CORRECTIONS, ARE GOVERNED BY:

1. TITLE 10, CHAPTER 1, ARTICLE 2 FOR BUSINESS CORPORATIONS OR BUSINESS TRUSTS.

2. TITLE 10, CHAPTER 24, ARTICLE 2 FOR NONPROFIT CORPORATIONS.

3. CHAPTER 4, ARTICLE 2 OF THIS TITLE FOR LIMITED LIABILITY COMPANIES.

4. CHAPTER 3, ARTICLE 2 OF THIS TITLE FOR LIMITED PARTNERSHIPS.

29-2106. Nonexclusivity

THE FACT THAT A TRANSACTION UNDER THIS CHAPTER PRODUCES A CERTAIN RESULT DOES NOT PRECLUDE THE SAME RESULT FROM BEING ACCOMPLISHED IN ANY OTHER MANNER PERMITTED BY THE LAWS OF THIS STATE OTHER THAN THIS CHAPTER.

29-2107. Reference to external facts

A PLAN MAY REFER TO FACTS THAT ARE ASCERTAINABLE OUTSIDE OF THE PLAN IF THE MANNER IN WHICH THE FACTS WILL OPERATE ON THE PLAN IS SPECIFIED IN THE PLAN. THE FACTS MAY INCLUDE THE OCCURRENCE OF AN EVENT OR A DETERMINATION OR ACTION BY A PERSON, WHETHER OR NOT THE EVENT, DETERMINATION OR ACTION IS WITHIN THE CONTROL OF A PARTY TO THE TRANSACTION.

29-2108. Alternative means of approval of transactions

EXCEPT AS OTHERWISE PROVIDED IN THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF A DOMESTIC ENTITY, APPROVAL OF A TRANSACTION UNDER THIS CHAPTER BY THE UNANIMOUS VOTE OR CONSENT OF ITS INTEREST HOLDERS SATISFIES THE REQUIREMENTS OF THIS CHAPTER FOR APPROVAL.

29-2109. Appraisal rights

A. UNLESS THE ENTITY'S GOVERNING STATUTE PROVIDES OTHERWISE, AN INTEREST HOLDER OF A DOMESTIC MERGING, ACQUIRED, CONVERTING, DOMESTICATING OR DIVIDING ENTITY IS ENTITLED TO APPRAISAL RIGHTS IN CONNECTION WITH THE TRANSACTION IF THE INTEREST HOLDER WOULD HAVE BEEN ENTITLED TO APPRAISAL RIGHTS UNDER THE ENTITY'S GOVERNING STATUTE IN CONNECTION WITH A MERGER IN WHICH THE INTEREST OF THE INTEREST HOLDER WAS CHANGED, CONVERTED OR EXCHANGED UNLESS BOTH:

1. THE GOVERNING STATUTE PERMITS THE ORGANIZATIONAL DOCUMENTS TO LIMIT THE AVAILABILITY OF APPRAISAL RIGHTS.

2. THE ORGANIZATIONAL DOCUMENTS PROVIDE SUCH A LIMIT.

B. AN INTEREST HOLDER OF A DOMESTIC MERGING, ACQUIRED, CONVERTING, DOMESTICATING OR DIVIDING ENTITY IS ENTITLED TO CONTRACTUAL APPRAISAL RIGHTS IN CONNECTION WITH A TRANSACTION UNDER THIS CHAPTER TO THE EXTENT PROVIDED BY ANY OF THE FOLLOWING:

1. THE ENTITY'S ORGANIZATIONAL DOCUMENTS.

2. THE ENTITY'S PLAN.

3. ACTION OF THE ENTITY'S GOVERNORS.

C. IF AN INTEREST HOLDER IS ENTITLED TO CONTRACTUAL APPRAISAL RIGHTS UNDER SUBSECTION B OF THIS SECTION AND THE ENTITY'S GOVERNING STATUTE DOES NOT PROVIDE PROCEDURES FOR THE CONDUCT OF AN APPRAISAL RIGHTS PROCEEDING, TITLE 10, CHAPTER 13 APPLIES TO THE EXTENT PRACTICABLE OR AS OTHERWISE PROVIDED IN THE ENTITY'S ORGANIZATIONAL DOCUMENTS OR THE PLAN.

29-2110. Recording of statements

AFTER APPROVAL FOR FILING BY THE APPROPRIATE FILING AUTHORITY, A CERTIFIED COPY OF A STATEMENT OF MERGER UNDER SECTION 29-2205, A STATEMENT OF INTEREST EXCHANGE UNDER SECTION 29-2305, A STATEMENT OF CONVERSION UNDER SECTION 29-2405, A STATEMENT OF DOMESTICATION UNDER SECTION 29-2505 OR A STATEMENT OF DIVISION UNDER SECTION 29-2605 MAY BE RECORDED WITH THE COUNTY RECORDER IN ANY COUNTY. THE RECORDER IS AUTHORIZED TO ACCEPT THE STATEMENT. AN AFFIDAVIT OF VALUE IS NOT NECESSARY. THE RECORDER SHALL INDEX THE STATEMENT IN THE SAME MANNER AS OTHER RECORDINGS. ON RECORDATION, THE STATEMENT IS PRIMA FACIE EVIDENCE OF ANY TRANSFER OF ANY REAL PROPERTY THAT OCCURS ON THE EFFECTIVENESS OF THE TRANSACTIONS DESCRIBED IN THE STATEMENT. THE STATEMENT MAY BE ACCOMPANIED BY INSTRUCTIONS TO THE ASSESSOR TO TRANSMIT TAX BILLINGS FOR ANY REAL PROPERTY AFFECTED BY THE STATEMENT TO A SPECIFIED RECIPIENT.

ARTICLE 2. MERGER

29-2201. Merger authorized

A. BY COMPLYING WITH THIS ARTICLE, ONE OR MORE DOMESTIC ENTITIES MAY MERGE WITH ONE OR MORE DOMESTIC OR FOREIGN ENTITIES.

B. A FOREIGN ENTITY MAY BE A MERGING ENTITY IN A MERGER UNDER THIS ARTICLE OR MAY BE THE SURVIVING ENTITY IN SUCH A MERGER IF THE MERGER IS AUTHORIZED BY THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

29-2202. Plan of merger

A. A DOMESTIC ENTITY MAY BECOME A MERGING ENTITY IN A MERGER UNDER THIS ARTICLE BY APPROVING A PLAN OF MERGER. THE PLAN MUST BE IN A RECORD AND CONTAIN:

1. AS TO EACH MERGING ENTITY, ITS NAME, ITS JURISDICTION OF ORGANIZATION AND ITS TYPE.

2. IF THE SURVIVING ENTITY IS ONE OF THE MERGING ENTITIES, ITS NAME, ITS JURISDICTION OF ORGANIZATION AND ITS TYPE.

3. IF THE SURVIVING ENTITY IS TO BE ORGANIZED AS A RESULT OF THE MERGER, A STATEMENT TO THAT EFFECT AND ITS NAME, ITS JURISDICTION OF ORGANIZATION AND ITS TYPE.

4. THE MANNER OF CONVERTING THE INTERESTS IN EACH MERGING ENTITY INTO INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

5. IF THE SURVIVING ENTITY IS A FILING ENTITY AND IS ONE OF THE MERGING ENTITIES, ANY PROPOSED AMENDMENTS TO ITS PUBLIC ORGANIZATIONAL DOCUMENT.

6. IF THE SURVIVING ENTITY IS ONE OF THE MERGING ENTITIES, ANY PROPOSED AMENDMENTS TO ITS PRIVATE ORGANIZATIONAL DOCUMENTS THAT ARE IN A RECORD.

7. IF THE SURVIVING ENTITY IS TO BE ORGANIZED AS A RESULT OF THE MERGER, ITS PROPOSED PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY, AND THE FULL TEXT OF ITS PRIVATE ORGANIZATIONAL RULES THAT ARE PROPOSED TO BE IN A RECORD.

8. THE OTHER TERMS AND CONDITIONS OF THE MERGER, IF ANY.

9. ANY OTHER PROVISIONS REQUIRED BY THE LAW OF A MERGING ENTITY'S JURISDICTION OF ORGANIZATION OR THE ORGANIZATIONAL DOCUMENTS OF A MERGING ENTITY.

B. A PLAN OF MERGER MAY CONTAIN ANY OTHER PROVISIONS NOT PROHIBITED BY LAW.

29-2203. Approval of merger

A. A PLAN OF MERGER IS NOT EFFECTIVE UNLESS IT HAS BEEN APPROVED BOTH:

1. BY A DOMESTIC MERGING ENTITY:

(a) IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A MERGER.

(b) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A MERGER, THEN BY ALL OF THE INTEREST HOLDERS OF THE ENTITY ENTITLED TO VOTE ON OR CONSENT TO ANY MATTER OR, IF THERE ARE NO SUCH INTEREST HOLDERS, THEN BY ALL OF THE GOVERNORS OF THE ENTITY.

2. IN A RECORD BY EACH INTEREST HOLDER OF A DOMESTIC MERGING ENTITY THAT WILL HAVE INTEREST HOLDER LIABILITY FOR OBLIGATIONS THAT ARISE AFTER THE MERGER BECOMES EFFECTIVE, UNLESS BOTH:

(a) THE ORGANIZATIONAL DOCUMENTS OF THE ENTITY EXPRESSLY PROVIDE IN A RECORD FOR THE APPROVAL OF A MERGER IN WHICH SOME OR ALL OF ITS INTEREST HOLDERS BECOME SUBJECT TO INTEREST HOLDER LIABILITY BY THE VOTE OR CONSENT OF FEWER THAN ALL OF THE INTEREST HOLDERS.

(b) THE INTEREST HOLDER VOTED FOR OR CONSENTED IN A RECORD TO THAT PROVISION OF THE ORGANIZATIONAL DOCUMENTS OR BECAME AN INTEREST HOLDER AFTER THE ADOPTION OF THAT PROVISION.

B. A MERGER INVOLVING A FOREIGN MERGING ENTITY IS NOT EFFECTIVE UNLESS IT IS APPROVED BY THE FOREIGN ENTITY IN ACCORDANCE WITH THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

29-2204. Amendment or abandonment of plan of merger

A. A PLAN OF MERGER OF A DOMESTIC MERGING ENTITY MAY BE AMENDED EITHER:

1. IN THE SAME MANNER AS THE PLAN WAS APPROVED IF THE PLAN DOES NOT PROVIDE FOR THE MANNER IN WHICH IT MAY BE AMENDED.

2. BY THE GOVERNORS OR INTEREST HOLDERS OF THE ENTITY IN THE MANNER PROVIDED IN THE PLAN EXCEPT THAT AN INTEREST HOLDER THAT WAS ENTITLED TO VOTE ON OR CONSENT TO APPROVAL OF THE MERGER IS ENTITLED TO VOTE ON OR CONSENT TO ANY AMENDMENT OF THE PLAN THAT WILL CHANGE ANY OF THE FOLLOWING:

(a) THE AMOUNT OR KIND OF INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION

OF THE FOREGOING, TO BE RECEIVED BY ANY OF THE INTEREST HOLDERS OF THE MERGING ENTITIES UNDER THE PLAN.

(b) THE PUBLIC ORGANIZATIONAL DOCUMENT OR PRIVATE ORGANIZATIONAL DOCUMENTS OF THE SURVIVING ENTITY THAT WILL BE IN EFFECT IMMEDIATELY AFTER THE MERGER BECOMES EFFECTIVE, EXCEPT FOR CHANGES THAT DO NOT REQUIRE APPROVAL OF THE INTEREST HOLDERS OF THE SURVIVING ENTITY UNDER ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS.

(c) ANY OTHER TERMS OR CONDITIONS OF THE PLAN, IF THE CHANGE WOULD ADVERSELY AFFECT THE INTEREST HOLDER IN ANY MATERIAL RESPECT.

B. AFTER A PLAN OF MERGER HAS BEEN APPROVED BY A DOMESTIC MERGING ENTITY AND BEFORE A STATEMENT OF MERGER BECOMES EFFECTIVE PURSUANT TO SECTION 29-2205, THE PLAN MAY BE ABANDONED BY THE DOMESTIC MERGING ENTITY, SUBJECT TO ANY CONTRACTUAL RIGHTS AS FOLLOWS:

1. AS PROVIDED IN THE PLAN.

2. IF NOT PROVIDED IN THE PLAN, EITHER:

(a) BY THE GOVERNORS OF THE DOMESTIC MERGING ENTITY, UNLESS PROHIBITED BY THE PLAN.

(b) IN THE SAME MANNER AS THE PLAN WAS APPROVED.

C. IF A STATEMENT OF MERGER HAS BEEN DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY, THE PLAN OF MERGER MAY BE ABANDONED ONLY IF THE STATEMENT OF MERGER SETS FORTH A DELAYED EFFECTIVE DATE UNDER SECTION 29-2205, SUBSECTION B, PARAGRAPH 4. SUCH A PLAN OF MERGER MAY BE ABANDONED BY DELIVERING FOR FILING WITH THE APPROPRIATE FILING AUTHORITY ON OR BEFORE THE DELAYED EFFECTIVE DATE A STATEMENT OF ABANDONMENT, SIGNED ON BEHALF OF EACH MERGING ENTITY. A STATEMENT OF ABANDONMENT TAKES EFFECT ON DELIVERY FOR FILING, AND THE MERGER IS ABANDONED AND DOES NOT BECOME EFFECTIVE. THE STATEMENT OF ABANDONMENT MUST CONTAIN ALL OF THE FOLLOWING:

1. THE NAME OF EACH MERGING OR SURVIVING ENTITY THAT IS A DOMESTIC ENTITY OR A QUALIFIED FOREIGN ENTITY.

2. THE DATE ON WHICH THE STATEMENT OF MERGER WAS FILED.

3. A STATEMENT THAT THE MERGER HAS BEEN ABANDONED IN ACCORDANCE WITH THIS SECTION.

29-2205. <u>Statement of merger; effective date</u>

A. A STATEMENT OF MERGER MUST BE SIGNED ON BEHALF OF EACH MERGING ENTITY. THE STATEMENT OF MERGER MUST BE DELIVERED FOR FILING:

1. IN THE CASE OF A DOMESTIC SURVIVING ENTITY CREATED BY THE MERGER, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC SURVIVING ENTITY AND, IF THERE IS A DIFFERENT FILING AUTHORITY FOR ANY DOMESTIC MERGING ENTITY, WITH THE DIFFERENT FILING AUTHORITY.

2. FOR A DOMESTIC MERGING ENTITY, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, AND IF THERE IS A DIFFERENT FILING AUTHORITY FOR ANY OTHER DOMESTIC MERGING ENTITY, WITH THE DIFFERENT FILING AUTHORITY.

B. A STATEMENT OF MERGER MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF EACH MERGING ENTITY THAT IS NOT THE SURVIVING ENTITY.

2. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE SURVIVING ENTITY.

3. IF THE SURVIVING ENTITY IS A DOMESTIC FILING ENTITY OR IS A QUALIFIED FOREIGN ENTITY, BOTH OF THE FOLLOWING:

(a) THE STREET ADDRESS OF THE SURVIVING ENTITY'S KNOWN PLACE OF BUSINESS IN THIS STATE OR, IF THE SURVIVING ENTITY IS A DOMESTIC LIMITED PARTNERSHIP, THE STREET ADDRESS OF ITS OFFICE IN THIS STATE.

(b) THE NAME AND STREET ADDRESS OF THE SURVIVING ENTITY'S AGENT FOR SERVICE OF PROCESS IN THIS STATE. IF A NEW STATUTORY AGENT IS BEING APPOINTED, THE STATUTORY AGENT MUST SIGN A STATEMENT ACCEPTING THE APPOINTMENT, WHICH MUST BE ATTACHED TO THE STATEMENT OF MERGER.

4. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE MERGER:

(a) IF THE SURVIVING ENTITY OR AT LEAST ONE MERGING ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF MERGER IS NOT TO BE EFFECTIVE ON DELIVERY TO THE APPROPRIATE FILING AUTHORITY, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE, WHICH SHALL NOT BE MORE THAN NINETY DAYS AFTER THE DATE OF ITS DELIVERY TO THE APPROPRIATE FILING AUTHORITY.

(b) IF NEITHER THE SURVIVING ENTITY NOR ANY MERGING ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF MERGER IS NOT TO BE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF MERGER, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE.

5. A STATEMENT THAT THE MERGER WAS APPROVED BY EACH DOMESTIC MERGING ENTITY, IF ANY, IN ACCORDANCE WITH THIS ARTICLE AND BY EACH FOREIGN MERGING ENTITY, IF ANY, IN ACCORDANCE WITH THE LAW OF ITS JURISDICTION OF ORGANIZATION.

6. IF THE SURVIVING ENTITY EXISTS BEFORE THE MERGER AND IS A DOMESTIC FILING ENTITY, ANY AMENDMENT TO ITS PUBLIC ORGANIZATIONAL DOCUMENT APPROVED AS PART OF THE PLAN OF MERGER, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

7. IF THE SURVIVING ENTITY IS CREATED BY THE MERGER AND IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

8. IF THE SURVIVING ENTITY IS A FOREIGN ENTITY THAT IS REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, ANY DOCUMENTS THAT LAWS IN THIS STATE REQUIRE IT TO FILE TO BECOME A QUALIFIED FOREIGN ENTITY, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

9. IF THE SURVIVING ENTITY IS A FOREIGN ENTITY THAT IS NOT REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, A MAILING ADDRESS TO WHICH THE APPROPRIATE

FILING AUTHORITY MAY SEND ANY PROCESS SERVED ON THE APPROPRIATE FILING AUTHORITY PURSUANT TO SECTION 29-2206, SUBSECTION E.

10. IF THE SURVIVING ENTITY IS CREATED BY THE MERGER AND IS A DOMESTIC LIMITED LIABILITY PARTNERSHIP, ITS STATEMENT OF QUALIFICATION, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION, A STATEMENT OF MERGER MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

D. IF THE SURVIVING ENTITY IS A DOMESTIC FILING ENTITY, THE AMENDMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 6 OF THIS SECTION OR ITS PUBLIC ORGANIZATIONAL DOCUMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 7 OF THIS SECTION:

1. MUST SATISFY THE REQUIREMENTS OF THE LAWS OF THIS STATE.

2. IS DEEMED TO BE SIGNED BY MEANS OF THE SIGNING OF THE STATEMENT OF MERGER.

3. MAY OMIT ANY PROVISION THAT IS NOT REQUIRED TO BE INCLUDED IN A RESTATEMENT OF THE PUBLIC ORGANIZATIONAL DOCUMENT.

E. WITH RESPECT TO A PLAN OF MERGER THAT IS SIGNED ON BEHALF OF ALL OF THE MERGING ENTITIES AND THAT MEETS ALL OF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION:

1. IF THE SURVIVING ENTITY OR AT LEAST ONE MERGING ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN MAY BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY INSTEAD OF A STATEMENT OF MERGER AND, ON FILING, HAS THE SAME EFFECT AS A STATEMENT OF MERGER, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF MERGER REFER TO THE PLAN OF MERGER FILED UNDER THIS SUBSECTION.

2. IF NEITHER THE SURVIVING ENTITY NOR ANY MERGING ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN HAS THE SAME EFFECT AS A STATEMENT OF MERGER, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF MERGER REFER TO THE PLAN OF MERGER.

F. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE MERGER:

1. IF THE SURVIVING ENTITY OR AT LEAST ONE MERGING ENTITY IS A DOMESTIC FILING ENTITY, ONCE A STATEMENT OF MERGER HAS BEEN APPROVED FOR FILING BY THE APPROPRIATE FILING AUTHORITY OR AUTHORITIES, BOTH THE STATEMENT OF MERGER AND THE MERGER ARE DEEMED TO HAVE BECOME EFFECTIVE ON THE DATE AND TIME OF THE DELIVERY OF THE STATEMENT OF MERGER FOR FILING WITH THE APPROPRIATE FILING AUTHORITY OR AUTHORITIES OR, IF APPLICABLE, THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF MERGER.

2. IF NEITHER THE SURVIVING ENTITY NOR ANY MERGING ENTITY IS A DOMESTIC FILING ENTITY, BOTH THE STATEMENT OF MERGER AND THE MERGER ARE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF MERGER OR, IF APPLICABLE, THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF MERGER.

29-2206. <u>Effect of merger</u>

A. WHEN A MERGER BECOMES EFFECTIVE:

1. THE SURVIVING ENTITY CONTINUES OR COMES INTO EXISTENCE.

2. EACH MERGING ENTITY THAT IS NOT THE SURVIVING ENTITY MERGES INTO THE SURVIVING ENTITY AND CEASES TO EXIST AS A SEPARATE ENTITY.

3. ALL PROPERTY, INCLUDING RIGHTS, PRIVILEGES, IMMUNITIES AND POWERS, OF EACH MERGING ENTITY AUTOMATICALLY VESTS IN THE SURVIVING ENTITY WITHOUT ASSIGNMENT, REVERSION OR IMPAIRMENT.

4. ALL OBLIGATIONS OF EACH MERGING ENTITY ARE AUTOMATICALLY OBLIGATIONS OF THE SURVIVING ENTITY WITHOUT ASSIGNMENT, ASSUMPTION OR DELEGATION.

5. IF THE SURVIVING ENTITY EXISTS BEFORE THE MERGER:

(a) ALL OF ITS PROPERTY, INCLUDING RIGHTS, PRIVILEGES, IMMUNITIES AND POWERS, REMAINS VESTED IN THE SURVIVING ENTITY WITHOUT ASSIGNMENT, REVERSION OR IMPAIRMENT.

(b) IT REMAINS SUBJECT TO ALL OF ITS OBLIGATIONS.

6. ANY PENDING ACTION OR PROCEEDING INVOLVING ANY MERGING ENTITY CONTINUES AND THE NAME OF THE SURVIVING ENTITY MAY BE SUBSTITUTED FOR THE NAME OF ANY MERGING ENTITY.

7. IF THE SURVIVING ENTITY EXISTS BEFORE THE MERGER:

(a) THE PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY, IS AMENDED IF AND TO THE EXTENT PROVIDED IN THE STATEMENT OF MERGER.

(b) ITS PRIVATE ORGANIZATIONAL DOCUMENTS THAT ARE TO BE IN A RECORD, IF ANY, ARE AMENDED IF AND TO THE EXTENT PROVIDED IN THE PLAN OF MERGER.

8. THE INTERESTS IN EACH MERGING ENTITY THAT ARE TO BE CONVERTED IN THE MERGER ARE CONVERTED, AND THE INTEREST HOLDERS OF THOSE INTERESTS ARE ENTITLED ONLY TO THE RIGHTS PROVIDED TO THEM UNDER THE PLAN OF MERGER AND TO ANY APPRAISAL RIGHTS THEY HAVE UNDER SECTION 29-2109 AND THE MERGING ENTITY'S GOVERNING STATUTE.

B. EXCEPT AS PROVIDED IN THE PLAN OF MERGER OR IN THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF A MERGING ENTITY, THE MERGER DOES NOT GIVE RISE TO ANY RIGHTS THAT AN INTEREST HOLDER, GOVERNOR OR THIRD PARTY WOULD OTHERWISE HAVE ON A DISSOLUTION, LIQUIDATION OR WINDING UP OF THE MERGING ENTITY.

C. WHEN A MERGER BECOMES EFFECTIVE, A PERSON THAT DID NOT HAVE INTEREST HOLDER LIABILITY WITH RESPECT TO ANY OF THE MERGING ENTITIES AND THAT BECOMES SUBJECT TO INTEREST HOLDER LIABILITY WITH RESPECT TO THE DOMESTIC SURVIVING ENTITY AS A RESULT OF THE MERGER HAS INTEREST HOLDER LIABILITY ONLY TO THE EXTENT PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC SURVIVING ENTITY, AND THEN ONLY FOR THOSE OBLIGATIONS THAT ARISE AFTER THE MERGER BECOMES EFFECTIVE.

D. WHEN A MERGER BECOMES EFFECTIVE, THE INTEREST HOLDER LIABILITY OF A PERSON THAT CEASES TO HOLD AN INTEREST IN A DOMESTIC MERGING ENTITY WITH RESPECT TO WHICH THE PERSON HAD INTEREST HOLDER LIABILITY IS AS FOLLOWS:

1. THE MERGER DOES NOT DISCHARGE ANY INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC MERGING ENTITY TO THE EXTENT THE INTEREST HOLDER LIABILITY AROSE BEFORE THE MERGER BECAME EFFECTIVE.

2. THE PERSON DOES NOT HAVE INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC MERGING ENTITY FOR ANY OBLIGATION THAT ARISES AFTER THE MERGER BECOMES EFFECTIVE.

3. THE GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC MERGING ENTITY CONTINUE TO APPLY TO THE RELEASE, COLLECTION OR DISCHARGE OF ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE MERGER HAD NOT OCCURRED.

4. THE PERSON HAS THE SAME RIGHTS OF CONTRIBUTION FROM ANY OTHER PERSON AS ARE PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC MERGING ENTITY WITH RESPECT TO ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE MERGER HAD NOT OCCURRED.

E. WHEN A MERGER BECOMES EFFECTIVE, A FOREIGN ENTITY THAT IS THE SURVIVING ENTITY:

1. MAY BE SERVED WITH PROCESS IN THIS STATE FOR THE COLLECTION AND ENFORCEMENT OF ANY OBLIGATIONS OF A DOMESTIC MERGING ENTITY, INCLUDING OBLIGATIONS ARISING OUT OF THE EXERCISE OF APPRAISAL RIGHTS.

2. IF IT IS NOT A QUALIFIED FOREIGN ENTITY, APPOINTS THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR COLLECTING OR ENFORCING THOSE OBLIGATIONS.

F. WHEN A MERGER BECOMES EFFECTIVE, THE AUTHORITY, REGISTRATION OR OTHER QUALIFICATION GRANTED BY THE APPROPRIATE FILING AUTHORITY TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN THIS STATE OF ANY FOREIGN MERGING ENTITY THAT IS NOT THE SURVIVING ENTITY IS AUTOMATICALLY REVOKED OR CANCELED.

29-2207. <u>Ineffectiveness of merger due to law of foreign jurisdiction</u>

A. IF A STATEMENT OF MERGER IS FILED WITH THE APPROPRIATE FILING AUTHORITY AND THE MERGER IS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION AS REQUIRED BY SECTION 29-2201, SUBSECTION B, THE MERGER IS INEFFECTIVE. A STATEMENT OF INEFFECTIVENESS OF MERGER MUST BE SIGNED ON BEHALF OF EACH ENTITY ON BEHALF OF WHICH THE STATEMENT OF MERGER WAS SIGNED AND MUST BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY TO REFLECT THAT INEFFECTIVENESS IN THE PUBLIC RECORD.

B. THE STATEMENT OF INEFFECTIVENESS OF MERGER MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME OF EACH ENTITY THAT ATTEMPTED THE MERGER.

2. THE DATE ON WHICH THE STATEMENT OF MERGER WAS FILED.

3. A STATEMENT THAT THE MERGER WAS INEFFECTIVE BECAUSE IT WAS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION.

4. IF ANOTHER ENTITY HAS ADOPTED THE NAME OF AN ENTITY THAT ATTEMPTED THE MERGER OR IF ANOTHER PERSON HAS ADOPTED AS A TRADE NAME THE NAME OF THAT ENTITY, THE ENTITY THAT ATTEMPTED THE MERGER MUST CHANGE ITS NAME BY ATTACHING AN AMENDMENT TO ITS PUBLIC ORGANIZATIONAL DOCUMENT. THE AMENDMENT MUST CHANGE THE NAME OF THE ENTITY IN ACCORDANCE WITH THE NAMING REQUIREMENTS

OF ITS GOVERNING STATUTE AND, IF ATTACHED, IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. THE ENTITIES THAT ATTEMPTED THE MERGER ARE BOTH:

1. RESPONSIBLE TO ANY OTHER PERSON FOR ANY OBLIGATION INCURRED BY THAT PERSON THAT ARISES OUT OF OR RELATES TO THE INEFFECTIVENESS OF THE ATTEMPTED MERGER UNLESS THE ENTITIES ESTABLISH THAT THE OBLIGATION WAS NOT INCURRED IN GOOD FAITH.

2. DEEMED TO HAVE APPOINTED THE APPROPRIATE FILING AUTHORITY AS THE AGENT OF EACH ENTITY FOR SERVICE OF PROCESS FOR ANY ACTION ARISING UNDER THIS SECTION UNLESS THE ENTITY IS A DOMESTIC ENTITY OR A QUALIFIED FOREIGN ENTITY.

D. IF THEY WERE ACTING IN GOOD FAITH, THE ENTITIES THAT ATTEMPTED THE MERGER AND THEIR RESPECTIVE INTEREST HOLDERS, GOVERNORS OR OTHER REPRESENTATIVES ARE NOT CIVILLY OR CRIMINALLY LIABLE AND MAY NOT BE FOUND GUILTY IN CONNECTION WITH AN INEFFECTIVE MERGER UNDER ANY LAWS OF THIS STATE PERTAINING TO:

1. THE FILING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE DOCUMENT.

2. THE MAKING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE STATEMENT.

3. ANY SIMILAR MATTER.

ARTICLE 3. INTEREST EXCHANGE

29-2301. Interest exchange authorized

A. BY COMPLYING WITH THIS ARTICLE:

1. A DOMESTIC ENTITY MAY ACQUIRE ALL OF ONE OR MORE CLASSES, SERIES OR GROUPS OF INTERESTS OF ANOTHER DOMESTIC OR FOREIGN ENTITY IN EXCHANGE FOR INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

2. ALL OF ONE OR MORE CLASSES, SERIES OR GROUPS OF INTERESTS OF A DOMESTIC ENTITY MAY BE ACQUIRED BY ANOTHER DOMESTIC OR FOREIGN ENTITY IN EXCHANGE FOR INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

B. A FOREIGN ENTITY MAY BE AN ACQUIRING OR ACQUIRED ENTITY IN AN INTEREST EXCHANGE UNDER THIS ARTICLE IF THE INTEREST EXCHANGE IS AUTHORIZED BY THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

C. IF A PROTECTED AGREEMENT CONTAINS A PROVISION THAT APPLIES TO A MERGER OF A DOMESTIC ENTITY BUT DOES NOT REFER TO AN INTEREST EXCHANGE, THE PROVISION APPLIES TO AN INTEREST EXCHANGE IN WHICH THE DOMESTIC ENTITY IS THE ACQUIRED ENTITY AS IF THE INTEREST EXCHANGE WERE A MERGER UNTIL THE AGREEMENT IS AMENDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

29-2302. Plan of interest exchange

A. A DOMESTIC ENTITY MAY BE THE ACQUIRED ENTITY IN AN INTEREST EXCHANGE UNDER THIS ARTICLE BY APPROVING A PLAN OF INTEREST EXCHANGE. THE PLAN MUST BE IN A RECORD AND CONTAIN ALL OF THE FOLLOWING:

1. THE NAME AND TYPE OF THE ACQUIRED ENTITY.

2. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE ACQUIRING ENTITY.

3. THE MANNER OF CONVERTING THE INTERESTS IN THE ACQUIRED ENTITY INTO INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

4. IF THE ACQUIRED ENTITY IS A FILING ENTITY, ANY PROPOSED AMENDMENTS TO ITS PUBLIC ORGANIZATIONAL DOCUMENT.

5. ANY PROPOSED AMENDMENTS TO THE PRIVATE ORGANIZATIONAL DOCUMENTS OF THE ACQUIRED ENTITY THAT ARE IN A RECORD.

6. THE OTHER TERMS AND CONDITIONS OF THE INTEREST EXCHANGE, IF ANY.

7. ANY OTHER PROVISIONS REQUIRED BY THE LAWS OF THIS STATE OR THE ORGANIZATIONAL DOCUMENTS OF THE ACQUIRED ENTITY.

B. A PLAN OF INTEREST EXCHANGE MAY CONTAIN ANY OTHER PROVISIONS NOT PROHIBITED BY LAW.

29-2303. Approval of interest exchange

A. A PLAN OF INTEREST EXCHANGE IS NOT EFFECTIVE UNLESS IT HAS BEEN APPROVED BOTH:

1. BY A DOMESTIC ACQUIRED ENTITY:

(a) IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF AN INTEREST EXCHANGE.

(b) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION D OF THIS SECTION, IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF AN INTEREST EXCHANGE, IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A MERGER, AS IF THE INTEREST EXCHANGE WERE A MERGER.

(c) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF AN INTEREST EXCHANGE OR A MERGER, BY ALL OF THE INTEREST HOLDERS OF THE ENTITY ENTITLED TO VOTE ON OR CONSENT TO ANY MATTER OR, IF THERE ARE NO SUCH INTEREST HOLDERS, THEN BY ALL OF THE GOVERNORS OF THE ENTITY.

2. IN A RECORD BY EACH INTEREST HOLDER OF A DOMESTIC ACQUIRED ENTITY THAT WILL HAVE INTEREST HOLDER LIABILITY FOR OBLIGATIONS THAT ARISE AFTER THE INTEREST EXCHANGE BECOMES EFFECTIVE, UNLESS BOTH:

(a) THE ORGANIZATIONAL DOCUMENTS OF THE ENTITY EXPRESSLY PROVIDE IN A RECORD FOR THE APPROVAL OF AN INTEREST EXCHANGE OR A MERGER IN WHICH SOME OR ALL OF ITS INTEREST HOLDERS BECOME SUBJECT TO INTEREST HOLDER LIABILITY BY THE VOTE OR CONSENT OF FEWER THAN ALL OF THE INTEREST HOLDERS.

(b) THE INTEREST HOLDER VOTED FOR OR CONSENTED IN A RECORD TO THAT PROVISION OF THE ORGANIZATIONAL DOCUMENTS OR BECAME AN INTEREST HOLDER AFTER THE ADOPTION OF THAT PROVISION.

B. AN INTEREST EXCHANGE INVOLVING A FOREIGN ACQUIRED ENTITY IS NOT EFFECTIVE UNLESS IT IS APPROVED BY THE FOREIGN ENTITY IN ACCORDANCE WITH THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

C. EXCEPT AS OTHERWISE PROVIDED IN ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS, THE INTEREST HOLDERS OF THE ACQUIRING ENTITY ARE NOT REQUIRED TO APPROVE THE INTEREST EXCHANGE.

D. A PROVISION OF THE GOVERNING STATUTE OF A DOMESTIC ACQUIRED ENTITY THAT WOULD PERMIT A MERGER BETWEEN THE ACQUIRED ENTITY AND THE ACQUIRING ENTITY TO BE APPROVED WITHOUT THE VOTE OR CONSENT OF THE INTEREST HOLDERS OF THE ACQUIRED ENTITY BECAUSE OF THE PERCENTAGE OF INTERESTS IN THE ACQUIRED ENTITY HELD BY THE ACQUIRING ENTITY DOES NOT APPLY TO APPROVAL OF AN INTEREST EXCHANGE UNDER SUBSECTION A, PARAGRAPH 1, SUBDIVISION (b) OF THIS SECTION.

29-2304. Amendment or abandonment of plan of interest exchange

A. A PLAN OF INTEREST EXCHANGE OF A DOMESTIC ACQUIRED ENTITY MAY BE AMENDED EITHER:

1. IN THE SAME MANNER AS THE PLAN WAS APPROVED IF THE PLAN DOES NOT PROVIDE FOR THE MANNER IN WHICH IT MAY BE AMENDED.

2. BY THE GOVERNORS OR INTEREST HOLDERS OF THE ENTITY IN THE MANNER PROVIDED IN THE PLAN, EXCEPT THAT AN INTEREST HOLDER THAT WAS ENTITLED TO VOTE ON OR CONSENT TO APPROVAL OF THE INTEREST EXCHANGE IS ENTITLED TO VOTE ON OR CONSENT TO ANY AMENDMENT OF THE PLAN THAT WILL CHANGE ANY OF THE FOLLOWING:

(a) THE AMOUNT OR KIND OF INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING, TO BE RECEIVED BY ANY OF THE INTEREST HOLDERS OF THE DOMESTIC ACQUIRED ENTITY UNDER THE PLAN.

(b) THE PUBLIC ORGANIZATIONAL DOCUMENT OR PRIVATE ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC ACQUIRED ENTITY THAT WILL BE IN EFFECT IMMEDIATELY AFTER THE INTEREST EXCHANGE BECOMES EFFECTIVE, EXCEPT FOR CHANGES THAT DO NOT REQUIRE APPROVAL OF THE INTEREST HOLDERS OF THE DOMESTIC ACQUIRED ENTITY UNDER ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS.

(c) ANY OTHER TERMS OR CONDITIONS OF THE PLAN, IF THE CHANGE WOULD ADVERSELY AFFECT THE INTEREST HOLDER IN ANY MATERIAL RESPECT.

B. AFTER A PLAN OF INTEREST EXCHANGE HAS BEEN APPROVED BY A DOMESTIC ACQUIRED ENTITY AND BEFORE A STATEMENT OF INTEREST EXCHANGE BECOMES EFFECTIVE PURSUANT TO SECTION 29-2305, THE PLAN MAY BE ABANDONED BY THE DOMESTIC ACQUIRED ENTITY, SUBJECT TO ANY CONTRACTUAL RIGHTS:

1. AS PROVIDED IN THE PLAN.

2. IF NOT PROVIDED IN THE PLAN, EITHER:

(a) BY THE GOVERNORS OF THE DOMESTIC ACQUIRED ENTITY, UNLESS PROHIBITED BY THE PLAN.

(b) IN THE SAME MANNER AS THE PLAN WAS APPROVED.

C. IF A STATEMENT OF INTEREST EXCHANGE HAS BEEN DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY, THE PLAN OF INTEREST EXCHANGE MAY BE ABANDONED ONLY IF THE STATEMENT OF INTEREST EXCHANGE SETS FORTH A DELAYED EFFECTIVE DATE UNDER SECTION 29-2305, SUBSECTION B, PARAGRAPH 3. A PLAN OF INTEREST EXCHANGE MAY BE ABANDONED BY DELIVERING FOR FILING WITH THE APPROPRIATE FILING AUTHORITY ON OR BEFORE THE DELAYED EFFECTIVE DATE A

STATEMENT OF ABANDONMENT, SIGNED ON BEHALF OF THE DOMESTIC ACQUIRED ENTITY. A STATEMENT OF ABANDONMENT TAKES EFFECT ON DELIVERY FOR FILING, AND THE INTEREST EXCHANGE IS ABANDONED AND DOES NOT BECOME EFFECTIVE. THE STATEMENT OF ABANDONMENT MUST CONTAIN ALL OF THE FOLLOWING:

1. THE NAME OF THE DOMESTIC ACQUIRED ENTITY.

2. THE DATE ON WHICH THE STATEMENT OF INTEREST EXCHANGE WAS FILED.

3. A STATEMENT THAT THE INTEREST EXCHANGE HAS BEEN ABANDONED IN ACCORDANCE WITH THIS SECTION.

29-2305. Statement of interest exchange; effective date

A. A STATEMENT OF INTEREST EXCHANGE MUST BE SIGNED ON BEHALF OF A DOMESTIC ACQUIRED ENTITY. THE STATEMENT OF INTEREST EXCHANGE MUST BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC ACQUIRED ENTITY.

B. A STATEMENT OF INTEREST EXCHANGE MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME AND TYPE OF THE DOMESTIC ACQUIRED ENTITY.

2. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE ACQUIRING ENTITY.

3. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE INTEREST EXCHANGE:

(a) IF THE DOMESTIC ACQUIRED ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF INTEREST EXCHANGE IS NOT TO BE EFFECTIVE ON DELIVERY TO THE APPROPRIATE FILING AUTHORITY, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE, WHICH MAY NOT BE MORE THAN NINETY DAYS AFTER THE DATE OF ITS DELIVERY TO THE APPROPRIATE FILING AUTHORITY.

(b) IF THE DOMESTIC ACQUIRED ENTITY IS NOT A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF INTEREST EXCHANGE IS NOT TO BE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF INTEREST EXCHANGE, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE.

4. A STATEMENT THAT THE PLAN OF INTEREST EXCHANGE WAS APPROVED BY THE DOMESTIC ACQUIRED ENTITY IN ACCORDANCE WITH THIS ARTICLE.

5. ANY AMENDMENT TO THE DOMESTIC ACQUIRED ENTITY'S PUBLIC ORGANIZATIONAL DOCUMENT APPROVED AS PART OF THE PLAN OF INTEREST EXCHANGE, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION, A STATEMENT OF INTEREST EXCHANGE MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

D. ANY AMENDMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 5 OF THIS SECTION:

1. MUST SATISFY THE REQUIREMENTS OF THE LAWS OF THIS STATE.

2. IS DEEMED TO BE SIGNED BY MEANS OF THE SIGNING OF THE STATEMENT OF INTEREST EXCHANGE.

3. MAY OMIT ANY PROVISION THAT IS NOT REQUIRED TO BE INCLUDED IN A RESTATEMENT OF THE PUBLIC ORGANIZATIONAL DOCUMENT OF THE DOMESTIC ACQUIRED ENTITY.

E. WITH RESPECT TO A PLAN OF INTEREST EXCHANGE THAT IS SIGNED ON BEHALF OF A DOMESTIC ACQUIRED ENTITY AND THAT MEETS ALL OF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION:

1. IF THE DOMESTIC ACQUIRED ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN MAY BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY INSTEAD OF A STATEMENT OF INTEREST EXCHANGE AND, ON FILING, HAS THE SAME EFFECT AS A STATEMENT OF INTEREST EXCHANGE, IN WHICH CASE, ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF INTEREST EXCHANGE REFER TO THE PLAN OF INTEREST EXCHANGE FILED UNDER THIS SUBSECTION.

2. IF THE DOMESTIC ACQUIRED ENTITY IS NOT A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN HAS THE SAME EFFECT AS A STATEMENT OF INTEREST EXCHANGE, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF INTEREST EXCHANGE REFER TO THE PLAN OF INTEREST EXCHANGE.

F. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE INTEREST EXCHANGE:

1. IF THE DOMESTIC ACQUIRED ENTITY IS A DOMESTIC FILING ENTITY, ONCE A STATEMENT OF INTEREST EXCHANGE HAS BEEN APPROVED FOR FILING BY THE APPROPRIATE FILING AUTHORITY, BOTH THE INTEREST EXCHANGE AND THE STATEMENT OF INTEREST EXCHANGE ARE DEEMED TO HAVE BECOME EFFECTIVE ON THE DATE AND TIME OF THE DELIVERY OF THE STATEMENT OF INTEREST EXCHANGE FOR FILING WITH THE APPROPRIATE FILING AUTHORITY OR, IF APPLICABLE, ON THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF INTEREST EXCHANGE.

2. IF THE DOMESTIC ACQUIRED ENTITY IS NOT A DOMESTIC FILING ENTITY, BOTH THE INTEREST EXCHANGE AND THE STATEMENT OF INTEREST EXCHANGE ARE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF INTEREST EXCHANGE OR, IF APPLICABLE, THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF INTEREST EXCHANGE.

29-2306. Effect of interest exchange

A. WHEN AN INTEREST EXCHANGE BECOMES EFFECTIVE:

1. THE INTERESTS IN THE ACQUIRED ENTITY THAT ARE THE SUBJECT OF THE INTEREST EXCHANGE CEASE TO EXIST OR ARE CONVERTED OR EXCHANGED AS PROVIDED IN THE PLAN OF INTEREST EXCHANGE AND THE INTEREST HOLDERS OF THOSE INTERESTS ARE ENTITLED ONLY TO THE RIGHTS PROVIDED TO THEM UNDER THE PLAN OF INTEREST EXCHANGE AND TO ANY APPRAISAL RIGHTS THEY HAVE UNDER SECTION 29-2109 AND THE ACQUIRED ENTITY'S GOVERNING STATUTE.

2. THE ACQUIRING ENTITY BECOMES THE INTEREST HOLDER OF THE INTERESTS IN THE ACQUIRED ENTITY AS PROVIDED IN THE PLAN OF INTEREST EXCHANGE.

3. THE PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY, OF THE ACQUIRED ENTITY IS AMENDED IF AND TO THE EXTENT PROVIDED IN THE STATEMENT OF INTEREST EXCHANGE.

4. THE PRIVATE ORGANIZATIONAL DOCUMENTS OF THE ACQUIRED ENTITY THAT ARE TO BE IN A RECORD, IF ANY, ARE AMENDED IF AND TO THE EXTENT PROVIDED IN THE PLAN OF INTEREST EXCHANGE.

B. EXCEPT AS PROVIDED IN THE PLAN OF INTEREST EXCHANGE OR IN THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE ACQUIRED ENTITY, THE INTEREST EXCHANGE DOES NOT GIVE RISE TO ANY RIGHTS THAT AN INTEREST HOLDER, GOVERNOR OR THIRD PARTY WOULD OTHERWISE HAVE ON A DISSOLUTION, LIQUIDATION OR WINDING UP OF THE ACQUIRED ENTITY.

C. WHEN AN INTEREST EXCHANGE BECOMES EFFECTIVE, A PERSON THAT DID NOT HAVE INTEREST HOLDER LIABILITY WITH RESPECT TO THE ACQUIRED ENTITY AND THAT BECOMES SUBJECT TO INTEREST HOLDER LIABILITY WITH RESPECT TO THE DOMESTIC ACQUIRING ENTITY AS A RESULT OF THE INTEREST EXCHANGE HAS INTEREST HOLDER LIABILITY ONLY TO THE EXTENT PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC ACQUIRING ENTITY, AND THEN ONLY FOR THOSE OBLIGATIONS THAT ARISE AFTER THE INTEREST EXCHANGE BECOMES EFFECTIVE.

D. WHEN AN INTEREST EXCHANGE BECOMES EFFECTIVE, THE INTEREST HOLDER LIABILITY OF A PERSON THAT CEASES TO HOLD AN INTEREST IN A DOMESTIC ACQUIRED ENTITY WITH RESPECT TO WHICH THE PERSON HAD INTEREST HOLDER LIABILITY IS AS FOLLOWS:

1. THE INTEREST EXCHANGE DOES NOT DISCHARGE ANY INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC ACQUIRED ENTITY TO THE EXTENT THAT THE INTEREST HOLDER LIABILITY AROSE BEFORE THE INTEREST EXCHANGE BECAME EFFECTIVE.

2. THE PERSON DOES NOT HAVE INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC ACQUIRED ENTITY FOR ANY OBLIGATION THAT ARISES AFTER THE INTEREST EXCHANGE BECOMES EFFECTIVE.

3. THE GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC ACQUIRED ENTITY CONTINUE TO APPLY TO THE RELEASE, COLLECTION OR DISCHARGE OF ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE INTEREST EXCHANGE HAD NOT OCCURRED.

4. THE PERSON HAS THE SAME RIGHTS OF CONTRIBUTION FROM ANY OTHER PERSON AS ARE PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC ACQUIRED ENTITY WITH RESPECT TO ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE INTEREST EXCHANGE HAD NOT OCCURRED.

29-2307. <u>Ineffectiveness of interest exchange due to law of foreign jurisdiction</u>

A. IF A STATEMENT OF INTEREST EXCHANGE IS FILED WITH THE APPROPRIATE FILING AUTHORITY AND THE INTEREST EXCHANGE IS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION AS REQUIRED BY SECTION 29-2301, SUBSECTION B, THE INTEREST EXCHANGE IS INEFFECTIVE. A STATEMENT OF INEFFECTIVENESS OF INTEREST EXCHANGE MUST BE SIGNED ON BEHALF OF THE DOMESTIC ACQUIRED ENTITY ON BEHALF OF WHICH THE STATEMENT OF INTEREST EXCHANGE WAS SIGNED AND MUST BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY TO REFLECT THAT INEFFECTIVENESS IN THE PUBLIC RECORD.

B. THE STATEMENT OF INEFFECTIVENESS OF INTEREST EXCHANGE MUST CONTAIN EACH OF THE FOLLOWING:

1. THE NAME OF THE DOMESTIC ACQUIRED ENTITY THAT ATTEMPTED THE INTEREST EXCHANGE.

2. THE DATE ON WHICH THE STATEMENT OF INTEREST EXCHANGE WAS FILED.

3. A STATEMENT THAT THE INTEREST EXCHANGE WAS INEFFECTIVE BECAUSE IT WAS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION.

C. THE DOMESTIC ACQUIRED ENTITY THAT ATTEMPTED THE INTEREST EXCHANGE IS RESPONSIBLE TO ANY OTHER PERSON FOR ANY OBLIGATION INCURRED BY THAT PERSON THAT ARISES OUT OF OR RELATES TO THE INEFFECTIVENESS OF THE ATTEMPTED INTEREST EXCHANGE UNLESS THE ENTITY ESTABLISHES THAT THE OBLIGATION WAS NOT INCURRED IN GOOD FAITH.

D. IF THEY WERE ACTING IN GOOD FAITH, THE DOMESTIC ACQUIRED ENTITY THAT ATTEMPTED THE INTEREST EXCHANGE AND ITS INTEREST HOLDERS, GOVERNORS OR OTHER REPRESENTATIVES ARE NOT CIVILLY OR CRIMINALLY LIABLE AND MAY NOT BE FOUND GUILTY IN CONNECTION WITH AN INEFFECTIVE INTEREST EXCHANGE UNDER ANY LAW OF THIS STATE PERTAINING TO:

1. THE FILING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE DOCUMENT.

2. THE MAKING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE STATEMENT.

3. ANY SIMILAR MATTER.

ARTICLE 4. CONVERSION

29-2401. Conversion authorized

A. BY COMPLYING WITH THIS ARTICLE, A DOMESTIC ENTITY MAY BECOME EITHER OF THE FOLLOWING:

1. A DOMESTIC ENTITY OF A DIFFERENT TYPE.

2. A FOREIGN ENTITY OF A DIFFERENT TYPE IF THE CONVERSION IS AUTHORIZED BY THE LAW OF THE FOREIGN JURISDICTION.

B. A FOREIGN ENTITY MAY BECOME A DOMESTIC ENTITY OF A DIFFERENT TYPE UNDER THIS ARTICLE IF THE CONVERSION IS AUTHORIZED BY THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

C. IF A PROTECTED AGREEMENT CONTAINS A PROVISION THAT APPLIES TO A MERGER OF A DOMESTIC ENTITY BUT DOES NOT REFER TO A CONVERSION, THE PROVISION APPLIES TO A CONVERSION OF THE ENTITY AS IF THE CONVERSION WERE A MERGER UNTIL THE AGREEMENT IS AMENDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

29-2402. Plan of conversion

A. A DOMESTIC ENTITY MAY CONVERT TO A DIFFERENT TYPE OF ENTITY UNDER THIS ARTICLE BY APPROVING A PLAN OF CONVERSION. THE PLAN MUST BE IN A RECORD AND CONTAIN ALL OF THE FOLLOWING:

1. THE NAME AND TYPE OF THE CONVERTING ENTITY.

2. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE CONVERTED ENTITY.

3. THE MANNER OF CONVERTING THE INTERESTS IN THE CONVERTING ENTITY INTO INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

4. THE PROPOSED PUBLIC ORGANIZATIONAL DOCUMENT OF THE CONVERTED ENTITY, IF IT IS A FILING ENTITY.

5. THE FULL TEXT OF THE PRIVATE ORGANIZATIONAL DOCUMENTS OF THE CONVERTED ENTITY THAT ARE PROPOSED TO BE IN A RECORD.

6. THE OTHER TERMS AND CONDITIONS OF THE CONVERSION, IF ANY.

7. ANY OTHER PROVISION REQUIRED BY THE LAWS OF THIS STATE OR THE ORGANIZATIONAL DOCUMENTS OF THE CONVERTING ENTITY.

B. A PLAN OF CONVERSION MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

29-2403. Approval of conversion

A. A PLAN OF CONVERSION IS NOT EFFECTIVE UNLESS IT HAS BEEN APPROVED BOTH:

1. BY A DOMESTIC CONVERTING ENTITY:

(a) IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A CONVERSION.

(b) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A CONVERSION, IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A MERGER BETWEEN UNAFFILIATED ENTITIES, AS IF THE CONVERSION WERE A MERGER.

(c) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A CONVERSION OR A MERGER, BY ALL OF THE INTEREST HOLDERS OF THE ENTITY ENTITLED TO VOTE ON OR CONSENT TO ANY MATTER OR, IF THERE ARE NO SUCH INTEREST HOLDERS, THEN BY ALL OF THE GOVERNORS OF THE ENTITY.

2. IN A RECORD BY EACH INTEREST HOLDER OF A DOMESTIC CONVERTING ENTITY THAT WILL HAVE INTEREST HOLDER LIABILITY FOR OBLIGATIONS THAT ARISE AFTER THE CONVERSION BECOMES EFFECTIVE, UNLESS BOTH:

(a) THE ORGANIZATIONAL DOCUMENTS OF THE ENTITY EXPRESSLY PROVIDE IN A RECORD FOR THE APPROVAL OF A CONVERSION OR A MERGER IN WHICH SOME OR ALL OF ITS INTEREST HOLDERS BECOME SUBJECT TO INTEREST HOLDER LIABILITY BY THE VOTE OR CONSENT OF FEWER THAN ALL OF THE INTEREST HOLDERS.

(b) THE INTEREST HOLDER VOTED FOR OR CONSENTED IN A RECORD TO THAT PROVISION OF THE ORGANIZATIONAL DOCUMENTS OR BECAME AN INTEREST HOLDER AFTER THE ADOPTION OF THAT PROVISION.

B. A CONVERSION OF A FOREIGN CONVERTING ENTITY IS NOT EFFECTIVE UNLESS IT IS APPROVED BY THE FOREIGN ENTITY IN ACCORDANCE WITH THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

29-2404. Amendment or abandonment of plan of conversion

A. A PLAN OF CONVERSION OF A DOMESTIC CONVERTING ENTITY MAY BE AMENDED EITHER:

1. IN THE SAME MANNER AS THE PLAN WAS APPROVED IF THE PLAN DOES NOT PROVIDE FOR THE MANNER IN WHICH IT MAY BE AMENDED.

2. BY THE GOVERNORS OR INTEREST HOLDERS OF THE ENTITY IN THE MANNER PROVIDED IN THE PLAN EXCEPT THAT AN INTEREST HOLDER THAT WAS ENTITLED TO VOTE ON OR CONSENT TO APPROVAL OF THE CONVERSION IS ENTITLED TO VOTE ON OR CONSENT TO ANY AMENDMENT OF THE PLAN THAT WILL CHANGE ANY OF THE FOLLOWING:

(a) THE AMOUNT OR KIND OF INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY, OR ANY COMBINATION OF THE FOREGOING, TO BE RECEIVED BY ANY OF THE INTEREST HOLDERS OF THE DOMESTIC CONVERTING ENTITY UNDER THE PLAN.

(b) THE PUBLIC ORGANIZATIONAL DOCUMENT OR PRIVATE ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC CONVERTED ENTITY THAT WILL BE IN EFFECT IMMEDIATELY AFTER THE CONVERSION BECOMES EFFECTIVE, EXCEPT FOR CHANGES THAT DO NOT REQUIRE APPROVAL OF THE INTEREST HOLDERS OF THE DOMESTICATED CONVERTED ENTITY UNDER ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS.

(c) ANY OTHER TERMS OR CONDITIONS OF THE PLAN IF THE CHANGE WOULD ADVERSELY AFFECT THE INTEREST HOLDER IN ANY MATERIAL RESPECT.

B. AFTER A PLAN OF CONVERSION HAS BEEN APPROVED BY A DOMESTIC CONVERTING ENTITY AND BEFORE A STATEMENT OF CONVERSION BECOMES EFFECTIVE PURSUANT TO SECTION 29-2405, THE PLAN MAY BE ABANDONED BY THE DOMESTIC CONVERTING ENTITY, SUBJECT TO ANY CONTRACTUAL RIGHTS:

1. AS PROVIDED IN THE PLAN.

2. IF NOT PROVIDED IN THE PLAN, EITHER:

(a) BY THE GOVERNORS OF THE DOMESTIC CONVERTING ENTITY, UNLESS PROHIBITED BY THE PLAN.

(b) IN THE SAME MANNER AS THE PLAN WAS APPROVED.

C. IF A STATEMENT OF CONVERSION HAS BEEN DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY, THE PLAN OF CONVERSION MAY BE ABANDONED ONLY IF THE STATEMENT OF CONVERSION SETS FORTH A DELAYED EFFECTIVE DATE UNDER SECTION 29-2405, SUBSECTION B, PARAGRAPH 3. A PLAN OF CONVERSION MAY BE ABANDONED BY DELIVERING FOR FILING WITH THE APPROPRIATE FILING AUTHORITY ON OR BEFORE THE DELAYED EFFECTIVE DATE A STATEMENT OF ABANDONMENT, SIGNED ON BEHALF OF THE DOMESTIC CONVERTING ENTITY. A STATEMENT OF ABANDONMENT TAKES EFFECT ON DELIVERY FOR FILING, AND THE CONVERSION IS ABANDONED AND DOES NOT BECOME EFFECTIVE. THE STATEMENT OF ABANDONMENT MUST CONTAIN ALL OF THE FOLLOWING:

1. THE NAME OF THE DOMESTIC CONVERTING ENTITY.

2. THE DATE ON WHICH THE STATEMENT OF CONVERSION WAS FILED.

3. A STATEMENT THAT THE CONVERSION HAS BEEN ABANDONED IN ACCORDANCE WITH THIS SECTION.

29-2405. <u>Statement of conversion; effective date</u>

A. A STATEMENT OF CONVERSION MUST BE SIGNED ON BEHALF OF THE CONVERTING ENTITY. THE STATEMENT OF CONVERSION MUST BE DELIVERED FOR FILING:

1. IN THE CASE OF A DOMESTIC ENTITY CONVERTING INTO A DOMESTIC ENTITY OF A DIFFERENT TYPE PURSUANT TO SECTION 29-2401, SUBSECTION A, PARAGRAPH 1, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC CONVERTING ENTITY AND, IF THERE IS A DIFFERENT FILING AUTHORITY FOR THE DOMESTIC CONVERTED ENTITY, WITH THE DIFFERENT FILING AUTHORITY.

2. IN THE CASE OF A DOMESTIC ENTITY CONVERTING INTO A FOREIGN ENTITY OF A DIFFERENT TYPE PURSUANT TO SECTION 29-2401, SUBSECTION A, PARAGRAPH 2, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC CONVERTING ENTITY.

3. IN THE CASE OF A FOREIGN ENTITY CONVERTING INTO A DOMESTIC ENTITY OF A DIFFERENT TYPE PURSUANT TO SECTION 29-2401, SUBSECTION B, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC CONVERTED ENTITY.

B. A STATEMENT OF CONVERSION MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE CONVERTING ENTITY.

2. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE CONVERTED ENTITY.

3. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE CONVERSION:

(a) IF EITHER THE CONVERTING ENTITY OR THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE STATEMENT OF CONVERSION IS NOT TO BE EFFECTIVE ON DELIVERY TO THE APPROPRIATE FILING AUTHORITY, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE, WHICH MAY NOT BE MORE THAN NINETY DAYS AFTER THE DATE OF ITS DELIVERY TO THE APPROPRIATE FILING AUTHORITY.

(b) IF NEITHER THE CONVERTING ENTITY NOR THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE STATEMENT OF CONVERSION IS NOT TO BE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF CONVERSION, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE.

4. IF THE CONVERTING ENTITY IS A DOMESTIC ENTITY, A STATEMENT THAT THE PLAN OF CONVERSION WAS APPROVED IN ACCORDANCE WITH THIS ARTICLE OR, IF THE CONVERTING ENTITY IS A FOREIGN ENTITY, A STATEMENT THAT THE CONVERSION WAS APPROVED BY THE FOREIGN CONVERTING ENTITY IN ACCORDANCE WITH THE LAW OF ITS JURISDICTION OF ORGANIZATION.

5. IF THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

6. IF THE CONVERTED ENTITY IS A FOREIGN ENTITY THAT IS REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, ANY DOCUMENTS THAT LAWS IN THIS STATE REQUIRE IT TO FILE TO BECOME A QUALIFIED FOREIGN ENTITY, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

7. IF THE CONVERTED ENTITY IS A FOREIGN ENTITY THAT IS NOT REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, A MAILING ADDRESS TO WHICH THE APPROPRIATE FILING AUTHORITY MAY SEND ANY PROCESS SERVED ON THE APPROPRIATE FILING AUTHORITY PURSUANT TO SECTION 29-2406, SUBSECTION E.

8. IF THE CONVERTED ENTITY IS A DOMESTIC LIMITED LIABILITY PARTNERSHIP, ITS STATEMENT OF QUALIFICATION, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION, A STATEMENT OF CONVERSION MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

D. IF THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 5 OF THIS SECTION:

1. MUST SATISFY THE REQUIREMENTS OF THE LAWS OF THIS STATE.

2. IS DEEMED TO BE SIGNED BY MEANS OF THE SIGNING OF THE STATEMENT OF CONVERSION.

3. MAY OMIT ANY PROVISION THAT IS NOT REQUIRED TO BE INCLUDED IN A RESTATEMENT OF THE PUBLIC ORGANIZATIONAL DOCUMENT.

E. WITH RESPECT TO A PLAN OF CONVERSION THAT IS SIGNED ON BEHALF OF A DOMESTIC CONVERTING ENTITY AND THAT MEETS ALL OF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION:

1. IF EITHER THE CONVERTING ENTITY OR THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN MAY BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY INSTEAD OF A STATEMENT OF CONVERSION AND, ON FILING, HAS THE SAME EFFECT AS A STATEMENT OF CONVERSION, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF CONVERSION REFER TO THE PLAN OF CONVERSION FILED UNDER THIS SUBSECTION.

2. IF NEITHER THE CONVERTING ENTITY NOR THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN HAS THE SAME EFFECT AS A STATEMENT OF CONVERSION, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF CONVERSION REFER TO THE PLAN OF CONVERSION.

F. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE CONVERSION:

1. IF EITHER THE CONVERTING ENTITY OR THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, ONCE A STATEMENT OF CONVERSION HAS BEEN APPROVED FOR FILING BY THE APPROPRIATE FILING AUTHORITY OR AUTHORITIES, BOTH THE CONVERSION AND THE STATEMENT OF CONVERSION ARE DEEMED TO HAVE BECOME EFFECTIVE ON THE DATE AND TIME OF THE DELIVERY OF THE STATEMENT OF CONVERSION FOR FILING WITH THE APPROPRIATE FILING AUTHORITY OR AUTHORITIES OR, IF APPLICABLE, ON THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF CONVERSION.

2. IF NEITHER THE CONVERTING ENTITY NOR THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, BOTH THE STATEMENT OF CONVERSION AND THE CONVERSION ARE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF CONVERSION OR, IF APPLICABLE, THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF CONVERSION.

29-2406. Effect of conversion

A. WHEN A CONVERSION BECOMES EFFECTIVE:

1. THE CONVERTED ENTITY IS BOTH OF THE FOLLOWING:

(a) ORGANIZED UNDER AND SUBJECT TO THE GOVERNING STATUTE OF THE CONVERTED ENTITY.

(b) THE SAME ENTITY WITHOUT INTERRUPTION AS THE CONVERTING ENTITY.

2. ALL PROPERTY, INCLUDING RIGHTS, PRIVILEGES, IMMUNITIES AND POWERS, OF THE CONVERTING ENTITY REMAINS VESTED IN THE CONVERTED ENTITY WITHOUT ASSIGNMENT, REVERSION OR IMPAIRMENT.

3. ALL OBLIGATIONS OF THE CONVERTING ENTITY CONTINUE AS OBLIGATIONS OF THE CONVERTED ENTITY.

4. EXCEPT AS PROVIDED BY LAW OTHER THAN THIS CHAPTER OR THE PLAN OF CONVERSION, ALL OF THE RIGHTS, PRIVILEGES, IMMUNITIES, POWERS AND PURPOSES OF THE CONVERTING ENTITY REMAIN IN THE CONVERTED ENTITY.

5. THE NAME OF THE CONVERTED ENTITY MAY BE SUBSTITUTED FOR THE NAME OF THE CONVERTING ENTITY IN ANY PENDING ACTION OR PROCEEDING.

6. IF THE CONVERTED ENTITY IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT IS EFFECTIVE AND IS BINDING ON ITS INTEREST HOLDERS.

7. IF THE CONVERTED ENTITY IS A DOMESTIC LIMITED LIABILITY PARTNERSHIP, ITS STATEMENT OF QUALIFICATION IS EFFECTIVE SIMULTANEOUSLY.

8. IF THE CONVERTED ENTITY IS TO BE A QUALIFIED FOREIGN ENTITY, THE DOCUMENTS IT FILED TO BECOME A QUALIFIED FOREIGN ENTITY ARE EFFECTIVE SIMULTANEOUSLY.

9. THE PRIVATE ORGANIZATIONAL DOCUMENTS OF THE CONVERTED ENTITY THAT ARE TO BE IN A RECORD, IF ANY, APPROVED AS PART OF THE PLAN OF CONVERSION ARE EFFECTIVE AND ARE BINDING.

10. THE INTERESTS IN THE CONVERTING ENTITY ARE CONVERTED AND THE INTEREST HOLDERS OF THE CONVERTING ENTITY ARE ENTITLED ONLY TO THE RIGHTS PROVIDED TO THEM UNDER THE PLAN OF CONVERSION AND TO ANY APPRAISAL RIGHTS THEY HAVE UNDER SECTION 29-2109 AND THE CONVERTING ENTITY'S GOVERNING STATUTE.

B. EXCEPT AS PROVIDED IN THE PLAN OF CONVERSION OR IN THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE CONVERTING ENTITY, THE CONVERSION DOES NOT GIVE RISE TO ANY RIGHTS THAT AN INTEREST HOLDER, GOVERNOR OR THIRD PARTY WOULD OTHERWISE HAVE ON A DISSOLUTION, LIQUIDATION OR WINDING UP OF THE CONVERTING ENTITY.

C. WHEN A CONVERSION BECOMES EFFECTIVE, A PERSON THAT DID NOT HAVE INTEREST HOLDER LIABILITY WITH RESPECT TO THE CONVERTING ENTITY AND THAT BECOMES SUBJECT TO INTEREST HOLDER LIABILITY WITH RESPECT TO THE DOMESTIC CONVERTED ENTITY AS A RESULT OF A CONVERSION HAS INTEREST HOLDER LIABILITY ONLY TO THE EXTENT PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC CONVERTED ENTITY, AND THEN ONLY FOR THOSE OBLIGATIONS THAT ARISE AFTER THE CONVERSION BECOMES EFFECTIVE.

D. WHEN A CONVERSION BECOMES EFFECTIVE, THE INTEREST HOLDER LIABILITY OF A PERSON THAT CEASES TO HOLD AN INTEREST IN A DOMESTIC CONVERTING ENTITY WITH RESPECT TO WHICH THE PERSON HAD INTEREST HOLDER LIABILITY IS AS FOLLOWS:

1. THE CONVERSION DOES NOT DISCHARGE ANY INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF A DOMESTIC CONVERTING ENTITY TO THE EXTENT THE INTEREST HOLDER LIABILITY AROSE BEFORE THE CONVERSION BECAME EFFECTIVE.

2. THE PERSON DOES NOT HAVE INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC CONVERTING ENTITY FOR ANY OBLIGATION THAT ARISES AFTER THE CONVERSION BECOMES EFFECTIVE.

3. THE GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC CONVERTING ENTITY CONTINUE TO APPLY TO THE RELEASE, COLLECTION OR DISCHARGE OF ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE CONVERSION HAD NOT OCCURRED.

4. THE PERSON HAS THE SAME RIGHTS OF CONTRIBUTION FROM ANY OTHER PERSON AS ARE PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC CONVERTING ENTITY WITH RESPECT TO ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE CONVERSION HAD NOT OCCURRED.

E. WHEN A CONVERSION BECOMES EFFECTIVE, A FOREIGN ENTITY THAT IS THE CONVERTED ENTITY:

1. MAY BE SERVED WITH PROCESS IN THIS STATE FOR THE COLLECTION AND ENFORCEMENT OF ANY OF ITS OBLIGATIONS THAT ARISE BEFORE THE CONVERSION BECOMES EFFECTIVE, INCLUDING OBLIGATIONS ARISING OUT OF THE EXERCISE OF APPRAISAL RIGHTS.

2. IF IT IS NOT A QUALIFIED FOREIGN ENTITY, APPOINTS THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR COLLECTING OR ENFORCING THOSE OBLIGATIONS.

F. WHEN THE CONVERSION BECOMES EFFECTIVE, THE AUTHORITY, REGISTRATION OR OTHER QUALIFICATION GRANTED BY THE APPROPRIATE FILING AUTHORITY TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN THIS STATE OF A CONVERTING ENTITY THAT IS A QUALIFIED FOREIGN ENTITY IS AUTOMATICALLY REVOKED OR CANCELLED.

G. A CONVERSION DOES NOT REQUIRE THE ENTITY TO WIND UP ITS AFFAIRS AND DOES NOT CONSTITUTE OR CAUSE THE DISSOLUTION OF THE ENTITY.

29-2407. Ineffectiveness of conversion due to law of foreign jurisdiction

A. IF A STATEMENT OF CONVERSION IS FILED WITH THE APPROPRIATE FILING AUTHORITY BUT THE CONVERSION IS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION AS REQUIRED BY EITHER SECTION 29-2401, SUBSECTION A, PARAGRAPH 2 OR SUBSECTION B, THE CONVERSION IS INEFFECTIVE. A STATEMENT OF INEFFECTIVENESS OF CONVERSION MUST BE SIGNED ON BEHALF OF THE ENTITY ON BEHALF OF WHICH THE STATEMENT OF CONVERSION WAS SIGNED AND MUST BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY TO REFLECT THAT INEFFECTIVENESS IN THE PUBLIC RECORD.

B. THE STATEMENT OF INEFFECTIVENESS OF CONVERSION MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME OF THE ENTITY THAT ATTEMPTED THE CONVERSION.

2. THE DATE ON WHICH THE STATEMENT OF CONVERSION WAS FILED.

3. A STATEMENT THAT THE CONVERSION WAS INEFFECTIVE BECAUSE IT WAS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION.

4. IF ANOTHER ENTITY HAS ADOPTED THE NAME OF THE ENTITY THAT ATTEMPTED THE CONVERSION, OR IF ANOTHER PERSON HAS ADOPTED AS A TRADE NAME THE NAME OF

THAT ENTITY, THE ENTITY THAT ATTEMPTED THE CONVERSION MUST CHANGE ITS NAME BY ATTACHING AN AMENDMENT TO ITS PUBLIC ORGANIZATIONAL DOCUMENT. THE AMENDMENT MUST CHANGE THE NAME OF THE ENTITY IN ACCORDANCE WITH THE NAMING REQUIREMENTS OF ITS GOVERNING STATUTE AND, IF ATTACHED, IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. THE ENTITY THAT ATTEMPTED THE CONVERSION IS BOTH:

1. RESPONSIBLE TO ANY OTHER PERSON FOR ANY OBLIGATION INCURRED BY THAT PERSON THAT ARISES OUT OF OR RELATES TO THE INEFFECTIVENESS OF THE ATTEMPTED CONVERSION, UNLESS THE ENTITY ESTABLISHES THAT THE OBLIGATION WAS NOT INCURRED IN GOOD FAITH.

2. DEEMED TO HAVE APPOINTED THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR ANY ACTION ARISING UNDER THIS SECTION UNLESS THE ENTITY IS A DOMESTIC ENTITY OR A QUALIFIED FOREIGN ENTITY.

D. IF THEY WERE ACTING IN GOOD FAITH, THE ENTITY THAT ATTEMPTED THE CONVERSION AND ITS INTEREST HOLDERS, GOVERNORS OR OTHER REPRESENTATIVES ARE NOT CIVILLY OR CRIMINALLY LIABLE AND MAY NOT BE FOUND GUILTY IN CONNECTION WITH AN INEFFECTIVE CONVERSION UNDER ANY LAW OF THIS STATE PERTAINING TO:

1. THE FILING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE DOCUMENT.

2. THE MAKING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE STATEMENT.

3. ANY SIMILAR MATTER.

ARTICLE 5. DOMESTICATION

29-2501. Domestication authorized; definition

A. BY COMPLYING WITH THIS ARTICLE, A DOMESTIC ENTITY MAY BECOME A DOMESTIC ENTITY OF THE SAME TYPE IN A FOREIGN JURISDICTION IF THE DOMESTICATION IS AUTHORIZED BY THE LAW OF THE FOREIGN JURISDICTION.

B. A FOREIGN ENTITY MAY BECOME A DOMESTIC ENTITY OF THE SAME TYPE IN THIS STATE UNDER THIS ARTICLE IF THE DOMESTICATION IS AUTHORIZED BY THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

C. IF A PROTECTED AGREEMENT CONTAINS A PROVISION THAT APPLIES TO A MERGER OF A DOMESTIC ENTITY BUT DOES NOT REFER TO A DOMESTICATION, THE PROVISION APPLIES TO A DOMESTICATION OF THE ENTITY AS IF THE DOMESTICATION WERE A MERGER UNTIL THE AGREEMENT IS AMENDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

D. "DOMESTIC ENTITY", WHEN USED IN THIS ARTICLE IN REFERENCE TO A FOREIGN JURISDICTION, MEANS AN ENTITY WHOSE INTERNAL AFFAIRS ARE GOVERNED BY THE LAW OF THE FOREIGN JURISDICTION.

29-2502. Plan of domestication

A. A DOMESTIC ENTITY MAY BECOME A FOREIGN ENTITY IN A DOMESTICATION BY APPROVING A PLAN OF DOMESTICATION. THE PLAN MUST BE IN A RECORD AND CONTAIN ALL OF THE FOLLOWING:

1. THE NAME AND TYPE OF THE DOMESTICATING ENTITY.

2. THE NAME AND JURISDICTION OF ORGANIZATION OF THE DOMESTICATED ENTITY.

3. THE MANNER OF CONVERTING THE INTERESTS IN THE DOMESTICATING ENTITY INTO INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

4. THE PROPOSED PUBLIC ORGANIZATIONAL DOCUMENT OF THE DOMESTICATED ENTITY IF IT IS A FILING ENTITY.

5. THE FULL TEXT OF THE PRIVATE ORGANIZATIONAL DOCUMENTS OF THE DOMESTICATED ENTITY THAT ARE PROPOSED TO BE IN A RECORD.

6. THE OTHER TERMS AND CONDITIONS OF THE DOMESTICATION, IF ANY.

7. ANY OTHER PROVISION REQUIRED BY THE LAWS OF THIS STATE OR THE ORGANIZATIONAL DOCUMENTS OF THE DOMESTICATING ENTITY.

B. A PLAN OF DOMESTICATION MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

29-2503. Approval of domestication

A. A PLAN OF DOMESTICATION IS NOT EFFECTIVE UNLESS IT HAS BEEN APPROVED BOTH:

1. BY A DOMESTIC DOMESTICATING ENTITY:

(a) IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A DOMESTICATION.

(b) IF NEITHER THE GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A DOMESTICATION, IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A MERGER BETWEEN UNAFFILIATED ENTITIES, AS IF THE DOMESTICATION WERE A MERGER.

(c) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A DOMESTICATION OR A MERGER, BY ALL OF THE INTEREST HOLDERS OF THE ENTITY ENTITLED TO VOTE ON OR CONSENT TO ANY MATTER OR, IF THERE ARE NO SUCH INTEREST HOLDERS, BY ALL OF THE GOVERNORS OF THE ENTITY.

2. IN A RECORD BY EACH INTEREST HOLDER OF A DOMESTIC DOMESTICATING ENTITY THAT WILL HAVE INTEREST HOLDER LIABILITY FOR OBLIGATIONS THAT ARISE AFTER THE DOMESTICATION BECOMES EFFECTIVE, UNLESS BOTH:

(a) THE ORGANIZATIONAL DOCUMENTS OF THE ENTITY EXPRESSLY PROVIDE IN A RECORD FOR THE APPROVAL OF A DOMESTICATION OR A MERGER IN WHICH SOME OR ALL OF ITS INTEREST HOLDERS BECOME SUBJECT TO INTEREST HOLDER LIABILITY BY THE VOTE OR CONSENT OF FEWER THAN ALL OF THE INTEREST HOLDERS.

(b) THE INTEREST HOLDER VOTED FOR OR CONSENTED IN A RECORD TO THAT PROVISION OF THE ORGANIZATIONAL DOCUMENTS OR BECAME AN INTEREST HOLDER AFTER THE ADOPTION OF THAT PROVISION.

B. A DOMESTICATION OF A FOREIGN DOMESTICATING ENTITY IS NOT EFFECTIVE UNLESS IT IS APPROVED BY THE FOREIGN ENTITY IN ACCORDANCE WITH THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

29-2504. Amendment or abandonment of plan of domestication

A. A PLAN OF DOMESTICATION OF A DOMESTIC DOMESTICATING ENTITY MAY BE AMENDED EITHER:

1. IN THE SAME MANNER AS THE PLAN WAS APPROVED, IF THE PLAN DOES NOT PROVIDE FOR THE MANNER IN WHICH IT MAY BE AMENDED.

2. BY THE GOVERNORS OR INTEREST HOLDERS OF THE ENTITY IN THE MANNER PROVIDED IN THE PLAN, EXCEPT THAT AN INTEREST HOLDER THAT WAS ENTITLED TO VOTE ON OR CONSENT TO APPROVAL OF THE DOMESTICATION IS ENTITLED TO VOTE ON OR CONSENT TO ANY AMENDMENT OF THE PLAN THAT WILL CHANGE ANY OF THE FOLLOWING:

(a) THE AMOUNT OR KIND OF INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING, TO BE RECEIVED BY ANY OF THE INTEREST HOLDERS OF THE DOMESTICATING ENTITY UNDER THE PLAN.

(b) THE PUBLIC ORGANIZATIONAL DOCUMENT OR PRIVATE ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DOMESTICATED ENTITY THAT WILL BE IN EFFECT IMMEDIATELY AFTER THE DOMESTICATION BECOMES EFFECTIVE, EXCEPT FOR CHANGES THAT DO NOT REQUIRE APPROVAL OF THE INTEREST HOLDERS OF THE DOMESTIC DOMESTICATED ENTITY UNDER ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS.

(c) ANY OTHER TERMS OR CONDITIONS OF THE PLAN IF THE CHANGE WOULD ADVERSELY AFFECT THE INTEREST HOLDER IN ANY MATERIAL RESPECT.

B. AFTER A PLAN OF DOMESTICATION HAS BEEN APPROVED BY A DOMESTIC DOMESTICATING ENTITY AND BEFORE A STATEMENT OF DOMESTICATION BECOMES EFFECTIVE PURSUANT TO SECTION 29-2505, THE PLAN MAY BE ABANDONED BY THE DOMESTIC DOMESTICATING ENTITY, SUBJECT TO ANY CONTRACTUAL RIGHTS AS FOLLOWS:

1. AS PROVIDED IN THE PLAN.

2. IF NOT PROVIDED IN THE PLAN, EITHER:

(a) BY THE GOVERNORS OF THE DOMESTIC DOMESTICATING ENTITY, UNLESS PROHIBITED BY THE PLAN.

(b) IN THE SAME MANNER AS THE PLAN WAS APPROVED.

C. IF A STATEMENT OF DOMESTICATION HAS BEEN DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY, THE PLAN OF DOMESTICATION MAY BE ABANDONED ONLY IF THE STATEMENT OF DOMESTICATION SETS FORTH A DELAYED EFFECTIVE DATE UNDER SECTION 29-2505, SUBSECTION B, PARAGRAPH 3. SUCH A PLAN OF DOMESTICATION MAY BE ABANDONED BY DELIVERING FOR FILING WITH THE APPROPRIATE FILING AUTHORITY ON OR BEFORE THE DELAYED EFFECTIVE DATE A STATEMENT OF ABANDONMENT, SIGNED ON BEHALF OF THE DOMESTIC DOMESTICATING ENTITY. A STATEMENT OF ABANDONMENT TAKES EFFECT ON DELIVERY FOR FILING, AND THE DOMESTICATION IS ABANDONED AND DOES NOT BECOME EFFECTIVE. THE STATEMENT OF ABANDONMENT MUST CONTAIN:

1. THE NAME OF THE DOMESTIC DOMESTICATING ENTITY.

2. THE DATE ON WHICH THE STATEMENT OF DOMESTICATION WAS FILED.

3. A STATEMENT THAT THE DOMESTICATION HAS BEEN ABANDONED IN ACCORDANCE WITH THIS SECTION.

29-2505. <u>Statement of domestication; effective date</u>

A. A STATEMENT OF DOMESTICATION MUST BE SIGNED ON BEHALF OF THE DOMESTICATING ENTITY. THE STATEMENT OF DOMESTICATION MUST BE DELIVERED FOR FILING:

1. IN THE CASE OF A DOMESTIC ENTITY BECOMING A DOMESTIC ENTITY OF THE SAME TYPE IN A FOREIGN JURISDICTION PURSUANT TO SECTION 29-2501, SUBSECTION

A, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC DOMESTICATING ENTITY.

2. IN THE CASE OF A FOREIGN ENTITY BECOMING A DOMESTIC ENTITY OF THE SAME TYPE IN THIS STATE PURSUANT TO SECTION 29-2501, SUBSECTION B, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC DOMESTICATED ENTITY.

B. A STATEMENT OF DOMESTICATION MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE DOMESTICATING ENTITY.

2. THE NAME AND JURISDICTION OF ORGANIZATION OF THE DOMESTICATED ENTITY.

3. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE DOMESTICATION:

(a) IF EITHER THE DOMESTICATING ENTITY OR THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF DOMESTICATION IS NOT TO BE EFFECTIVE ON DELIVERY TO THE APPROPRIATE FILING AUTHORITY, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE, WHICH MAY NOT BE MORE THAN NINETY DAYS AFTER THE DATE OF ITS DELIVERY TO THE APPROPRIATE FILING AUTHORITY.

(b) IF NEITHER THE DOMESTICATING ENTITY NOR THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF DOMESTICATION IS NOT TO BE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF DOMESTICATION, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE.

4. IF THE DOMESTICATING ENTITY IS A DOMESTIC ENTITY, A STATEMENT THAT THE PLAN OF DOMESTICATION WAS APPROVED IN ACCORDANCE WITH THIS ARTICLE OR, IF THE DOMESTICATING ENTITY IS A FOREIGN ENTITY, A STATEMENT THAT THE DOMESTICATION WAS APPROVED IN ACCORDANCE WITH THE LAW OF ITS JURISDICTION OF ORGANIZATION.

5. IF THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

6. IF THE DOMESTICATED ENTITY IS A FOREIGN ENTITY THAT IS REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, ANY DOCUMENTS THAT LAWS IN THIS STATE REQUIRE IT TO FILE TO BECOME A QUALIFIED FOREIGN ENTITY, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

7. IF THE DOMESTICATED ENTITY IS A FOREIGN ENTITY THAT IS NOT REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, A MAILING ADDRESS TO WHICH THE APPROPRIATE FILING AUTHORITY MAY SEND ANY PROCESS SERVED ON THE APPROPRIATE FILING AUTHORITY PURSUANT TO SECTION 29-2506, SUBSECTION E.

8. IF THE DOMESTICATED ENTITY IS A DOMESTIC LIMITED LIABILITY PARTNERSHIP, ITS STATEMENT OF QUALIFICATION, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION, A STATEMENT OF DOMESTICATION MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

D. IF THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 5 OF THIS SECTION:

1. MUST SATISFY THE REQUIREMENTS OF THE LAWS OF THIS STATE.

2. IS DEEMED TO BE SIGNED BY MEANS OF THE SIGNING OF THE STATEMENT OF DOMESTICATION.

3. MAY OMIT ANY PROVISION THAT IS NOT REQUIRED TO BE INCLUDED IN A RESTATEMENT OF THE PUBLIC ORGANIZATIONAL DOCUMENT.

E. WITH RESPECT TO A PLAN OF DOMESTICATION THAT IS SIGNED ON BEHALF OF A DOMESTICATING DOMESTIC ENTITY AND THAT MEETS ALL OF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION:

1. IF EITHER THE DOMESTICATING ENTITY OR THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY AND IF THE PLAN SO PROVIDES, THE PLAN MAY BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY INSTEAD OF A STATEMENT OF DOMESTICATION AND, ON FILING, HAS THE SAME EFFECT AS A STATEMENT OF DOMESTICATION, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF DOMESTICATION REFER TO THE PLAN OF DOMESTICATION FILED UNDER THIS SUBSECTION.

2. IF NEITHER THE DOMESTICATING ENTITY NOR THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY AND IF THE PLAN SO PROVIDES, THE PLAN HAS THE SAME EFFECT AS A STATEMENT OF DOMESTICATION, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF DOMESTICATION REFER TO THE PLAN OF DOMESTICATION.

F. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE DOMESTICATION:

1. IF EITHER THE DOMESTICATING ENTITY OR THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY, ONCE A STATEMENT OF DOMESTICATION HAS BEEN APPROVED BY THE APPROPRIATE FILING AUTHORITY, BOTH THE DOMESTICATION AND THE STATEMENT OF DOMESTICATION BECOME EFFECTIVE ON THE DATE AND TIME OF THE DELIVERY OF THE STATEMENT OF DOMESTICATION FOR FILING WITH THE APPROPRIATE FILING AUTHORITY OR, IF APPLICABLE, ON THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF DOMESTICATION.

2. IF NEITHER THE DOMESTICATING ENTITY NOR THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY, BOTH THE DOMESTICATION AND THE STATEMENT OF DOMESTICATION ARE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF DOMESTICATION OR, IF APPLICABLE, THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF DOMESTICATION.

29-2506. <u>Effect of domestication</u>

A. WHEN A DOMESTICATION BECOMES EFFECTIVE:

1. THE DOMESTICATED ENTITY IS BOTH:

(a) ORGANIZED UNDER AND SUBJECT TO THE GOVERNING STATUTE OF THE DOMESTICATED ENTITY.

(b) THE SAME ENTITY WITHOUT INTERRUPTION AS THE DOMESTICATING ENTITY.

2. ALL PROPERTY, INCLUDING RIGHTS, PRIVILEGES, IMMUNITIES AND POWERS OF THE DOMESTICATING ENTITY, REMAINS VESTED IN THE DOMESTICATED ENTITY WITHOUT ASSIGNMENT, REVERSION OR IMPAIRMENT.

3. ALL OBLIGATIONS OF THE DOMESTICATING ENTITY CONTINUE AS OBLIGATIONS OF THE DOMESTICATED ENTITY.

4. EXCEPT AS PROVIDED BY LAW OTHER THAN THIS CHAPTER OR THE PLAN OF DOMESTICATION, ALL OF THE RIGHTS, PRIVILEGES, IMMUNITIES, POWERS AND PURPOSES OF THE DOMESTICATING ENTITY REMAIN IN THE DOMESTICATED ENTITY.

5. THE NAME OF THE DOMESTICATED ENTITY MAY BE SUBSTITUTED FOR THE NAME OF THE DOMESTICATING ENTITY IN ANY PENDING ACTION OR PROCEEDING.

6. IF THE DOMESTICATED ENTITY IS A DOMESTIC FILING ENTITY, ITS PUBLIC ORGANIZATIONAL DOCUMENT IS EFFECTIVE AND IS BINDING ON ITS INTEREST HOLDERS.

7. IF THE DOMESTICATED ENTITY IS A DOMESTIC LIMITED LIABILITY PARTNERSHIP, ITS STATEMENT OF QUALIFICATION IS EFFECTIVE SIMULTANEOUSLY.

8. IF THE DOMESTICATED ENTITY IS TO BE A QUALIFIED FOREIGN ENTITY, THE DOCUMENTS IT FILED TO BECOME A QUALIFIED FOREIGN ENTITY ARE EFFECTIVE SIMULTANEOUSLY.

9. THE PRIVATE ORGANIZATIONAL DOCUMENTS OF THE DOMESTICATED ENTITY THAT ARE TO BE IN A RECORD, IF ANY, APPROVED AS PART OF THE PLAN OF DOMESTICATION ARE EFFECTIVE AND ARE BINDING.

10. THE INTERESTS IN THE DOMESTICATING ENTITY ARE CONVERTED AND THE INTEREST HOLDERS OF THE DOMESTICATING ENTITY ARE ENTITLED ONLY TO THE RIGHTS PROVIDED TO THEM UNDER THE PLAN OF DOMESTICATION AND TO ANY APPRAISAL RIGHTS THEY HAVE UNDER SECTION 29-2109 AND THE DOMESTICATING ENTITY'S GOVERNING STATUTE.

B. EXCEPT AS PROVIDED IN THE PLAN OF DOMESTICATION OR IN THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTICATING ENTITY, THE DOMESTICATION DOES NOT GIVE RISE TO ANY RIGHTS THAT AN INTEREST HOLDER, GOVERNOR OR THIRD PARTY WOULD OTHERWISE HAVE ON A DISSOLUTION, LIQUIDATION OR WINDING UP OF THE DOMESTICATING ENTITY.

C. WHEN A DOMESTICATION BECOMES EFFECTIVE, A PERSON THAT DID NOT HAVE INTEREST HOLDER LIABILITY WITH RESPECT TO THE DOMESTICATING ENTITY AND THAT BECOMES SUBJECT TO INTEREST HOLDER LIABILITY WITH RESPECT TO THE DOMESTIC DOMESTICATED ENTITY AS A RESULT OF THE DOMESTICATION HAS INTEREST HOLDER LIABILITY ONLY TO THE EXTENT PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DOMESTICATED ENTITY, AND THEN ONLY FOR THOSE OBLIGATIONS THAT ARISE AFTER THE DOMESTICATION BECOMES EFFECTIVE.

D. WHEN A DOMESTICATION BECOMES EFFECTIVE, THE INTEREST HOLDER LIABILITY OF A PERSON THAT CEASES TO HOLD AN INTEREST IN A DOMESTIC DOMESTICATING ENTITY WITH RESPECT TO WHICH THE PERSON HAD INTEREST HOLDER LIABILITY IS AS FOLLOWS:

1. THE DOMESTICATION DOES NOT DISCHARGE ANY INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DOMESTICATING ENTITY TO THE EXTENT THE INTEREST HOLDER LIABILITY AROSE BEFORE THE DOMESTICATION BECAME EFFECTIVE.

2. THE PERSON DOES NOT HAVE INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DOMESTICATING ENTITY FOR ANY OBLIGATION THAT ARISES AFTER THE DOMESTICATION BECOMES EFFECTIVE.

3. THE GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DOMESTICATING ENTITY CONTINUE TO APPLY TO THE RELEASE, COLLECTION OR DISCHARGE OF ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE DOMESTICATION HAD NOT OCCURRED.

4. THE PERSON HAS THE SAME RIGHTS OF CONTRIBUTION FROM ANY OTHER PERSON AS ARE PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF A DOMESTIC DOMESTICATING ENTITY WITH RESPECT TO ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE DOMESTICATION HAD NOT OCCURRED.

E. WHEN A DOMESTICATION BECOMES EFFECTIVE, A FOREIGN ENTITY THAT IS THE DOMESTICATED ENTITY:

1. MAY BE SERVED WITH PROCESS IN THIS STATE FOR THE COLLECTION AND ENFORCEMENT OF ANY OF ITS OBLIGATIONS THAT ARISE BEFORE THE DOMESTICATION BECOMES EFFECTIVE, INCLUDING OBLIGATIONS ARISING OUT OF THE EXERCISE OF APPRAISAL RIGHTS.

2. IF IT IS NOT A QUALIFIED FOREIGN ENTITY, APPOINTS THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR COLLECTING OR ENFORCING THOSE OBLIGATIONS.

F. WHEN THE DOMESTICATION BECOMES EFFECTIVE, THE AUTHORITY, REGISTRATION OR OTHER QUALIFICATION GRANTED BY THE APPROPRIATE FILING AUTHORITY TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN THIS STATE OF A DOMESTICATING ENTITY THAT IS A QUALIFIED FOREIGN ENTITY IS AUTOMATICALLY REVOKED OR CANCELED.

G. A DOMESTICATION DOES NOT REQUIRE THE ENTITY TO WIND UP ITS AFFAIRS AND DOES NOT CONSTITUTE OR CAUSE THE DISSOLUTION OF THE ENTITY.

29-2507. <u>Ineffectiveness of domestication due to law of foreign jurisdiction</u>

A. IF A STATEMENT OF DOMESTICATION IS FILED WITH THE APPROPRIATE FILING AUTHORITY BUT THE DOMESTICATION IS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION AS REQUIRED BY SECTION 29-2501, SUBSECTION A OR B, THE DOMESTICATION IS INEFFECTIVE. A STATEMENT OF INEFFECTIVENESS OF DOMESTICATION MUST BE SIGNED ON BEHALF OF THE ENTITY ON BEHALF OF WHICH THE STATEMENT OF DOMESTICATION WAS SIGNED AND MUST BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY TO REFLECT THE INEFFECTIVENESS IN THE PUBLIC RECORD.

B. THE STATEMENT OF INEFFECTIVENESS OF DOMESTICATION MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME OF THE ENTITY THAT ATTEMPTED THE DOMESTICATION.

2. THE DATE ON WHICH THE STATEMENT OF DOMESTICATION WAS FILED.

3. A STATEMENT THAT THE DOMESTICATION WAS INEFFECTIVE BECAUSE IT WAS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION.

4. IF ANOTHER ENTITY HAS ADOPTED THE NAME OF THE ENTITY THAT ATTEMPTED THE DOMESTICATION, OR IF ANOTHER PERSON HAS ADOPTED AS A TRADE NAME THE NAME OF THE ENTITY, THE ENTITY THAT ATTEMPTED THE DOMESTICATION MUST CHANGE ITS NAME BY ATTACHING AN AMENDMENT TO ITS PUBLIC ORGANIZATIONAL DOCUMENT. THE

AMENDMENT MUST CHANGE THE NAME OF THE ENTITY IN ACCORDANCE WITH THE NAMING REQUIREMENTS OF ITS GOVERNING STATUTE AND, IF ATTACHED, IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. THE ENTITY THAT ATTEMPTED THE DOMESTICATION IS BOTH:

1. RESPONSIBLE TO ANY OTHER PERSON FOR ANY OBLIGATION INCURRED BY THAT PERSON THAT ARISES OUT OF OR RELATES TO THE INEFFECTIVENESS OF THE ATTEMPTED DOMESTICATION UNLESS THE ENTITY ESTABLISHES THAT THE OBLIGATION WAS NOT INCURRED IN GOOD FAITH.

2. DEEMED TO HAVE APPOINTED THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR ANY ACTION ARISING UNDER THIS SECTION, UNLESS THE ENTITY IS A DOMESTIC ENTITY OR A QUALIFIED FOREIGN ENTITY.

D. IF THEY WERE ACTING IN GOOD FAITH, THE ENTITY THAT ATTEMPTED THE DOMESTICATION AND ITS INTEREST HOLDERS, GOVERNORS AND OTHER REPRESENTATIVES ARE NOT CIVILLY OR CRIMINALLY LIABLE AND MAY NOT BE FOUND GUILTY IN CONNECTION WITH AN INEFFECTIVE DOMESTICATION UNDER ANY LAW OF THIS STATE PERTAINING TO:

1. THE FILING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE DOCUMENT.

2. THE MAKING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE STATEMENT.

3. ANY SIMILAR MATTER.

ARTICLE 6. DIVISIONS

29-2601. Division authorized

A. BY COMPLYING WITH THIS ARTICLE, A DOMESTIC ENTITY MAY DIVIDE INTO EITHER:

1. THE DIVIDING ENTITY AND ONE OR MORE NEW ENTITIES, WHETHER DOMESTIC OR FOREIGN.

2. TWO OR MORE NEW ENTITIES, WHETHER DOMESTIC OR FOREIGN.

B. A FOREIGN ENTITY MAY BE CREATED BY THE DIVISION OF A DOMESTIC ENTITY UNDER THIS ARTICLE ONLY IF THE DIVISION IS AUTHORIZED BY THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

C. A DOMESTIC ENTITY MAY BE CREATED BY THE DIVISION OF A FOREIGN ENTITY UNDER THIS ARTICLE ONLY IF THE DIVISION IS AUTHORIZED BY THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

D. IF A PROTECTED AGREEMENT CONTAINS A PROVISION THAT APPLIES TO A MERGER OF A DOMESTIC ENTITY BUT DOES NOT REFER TO A DIVISION, THE PROVISION APPLIES TO A DIVISION OF THE ENTITY AS IF THE DIVISION WERE A MERGER UNTIL THE AGREEMENT IS AMENDED AFTER THE EFFECTIVE DATE OF THIS SECTION.

29-2602. Plan of division

A. A DOMESTIC ENTITY MAY DIVIDE UNDER THIS ARTICLE BY APPROVING A PLAN OF DIVISION. THE PLAN OF DIVISION MUST BE IN A RECORD AND CONTAIN ALL OF THE FOLLOWING:

1. THE NAME AND TYPE OF THE DIVIDING ENTITY.

2. A STATEMENT AS TO WHETHER THE DIVIDING ENTITY WILL SURVIVE THE DIVISION.

3. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF EACH NEW RESULTING ENTITY.

4. THE MANNER OF ALL OF THE FOLLOWING:

(a) CONVERTING THE INTERESTS IN THE DIVIDING ENTITY INTO INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING.

(b) ALLOCATING BETWEEN OR AMONG THE RESULTING ENTITIES THE PROPERTY OF THE DIVIDING ENTITY THAT WILL NOT BE OWNED BY ALL OF THE RESULTING ENTITIES AS TENANTS IN COMMON PURSUANT TO SECTION 29-2606, SUBSECTION A, PARAGRAPH 4 AND THOSE OBLIGATIONS OF THE DIVIDING ENTITY AS TO WHICH NOT ALL OF THE RESULTING ENTITIES WILL BE LIABLE JOINTLY AND SEVERALLY PURSUANT TO SECTION 29-2607.

(c) DISTRIBUTING THE INTERESTS IN THE RESULTING ENTITIES CREATED IN THE DIVISION.

5. THE PROPOSED PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY, OF EACH NEW RESULTING ENTITY AND THE FULL TEXT OF ITS PRIVATE ORGANIZATIONAL DOCUMENTS THAT ARE PROPOSED TO BE IN A RECORD.

6. IF THE DIVIDING ENTITY WILL SURVIVE THE DIVISION AND IS A FILING ENTITY, ANY PROPOSED AMENDMENTS TO ITS PUBLIC ORGANIZATIONAL DOCUMENT.

7. IF THE DIVIDING ENTITY WILL SURVIVE THE DIVISION, ANY PROPOSED AMENDMENTS TO ITS PRIVATE ORGANIZATIONAL DOCUMENTS THAT ARE IN A RECORD.

8. THE OTHER TERMS AND CONDITIONS OF THE DIVISION, IF ANY.

9. ANY OTHER PROVISIONS REQUIRED BY THE LAWS OF THIS STATE OR THE ORGANIZATIONAL DOCUMENTS OF THE DIVIDING ENTITY.

B. A PLAN OF DIVISION MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

29-2603. Approval of division

A. A PLAN OF DIVISION IS NOT EFFECTIVE UNLESS IT HAS BEEN APPROVED BOTH:

1. BY A DOMESTIC DIVIDING ENTITY:

(a) IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A DIVISION.

(b) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A DIVISION, IN ACCORDANCE WITH THE REQUIREMENTS, IF ANY, IN ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS FOR APPROVAL OF A MERGER BETWEEN UNAFFILIATED ENTRIES, AS IF THE DIVISION WERE A MERGER.

(c) IF NEITHER ITS GOVERNING STATUTE NOR ITS ORGANIZATIONAL DOCUMENTS PROVIDE FOR APPROVAL OF A DIVISION OR A MERGER, BY ALL OF THE INTEREST HOLDERS OF THE ENTITY ENTITLED TO VOTE ON OR CONSENT TO ANY MATTER OR, IF THERE ARE NO SUCH INTEREST HOLDERS, BY ALL OF THE GOVERNORS OF THE ENTITY.

2. IN A RECORD BY EACH INTEREST HOLDER OF A DOMESTIC DIVIDING ENTITY THAT WILL HAVE INTEREST HOLDER LIABILITY FOR OBLIGATIONS THAT ARISE AFTER THE DIVISION BECOMES EFFECTIVE, UNLESS BOTH:

(a) THE ORGANIZATIONAL DOCUMENTS OF THE ENTITY EXPRESSLY PROVIDE IN A RECORD FOR THE APPROVAL OF A DIVISION OR A MERGER IN WHICH SOME OR ALL OF ITS

INTEREST HOLDERS BECOME SUBJECT TO INTEREST HOLDER LIABILITY BY THE VOTE OR CONSENT OF FEWER THAN ALL OF THE INTEREST HOLDERS.

(b) THE INTEREST HOLDER VOTED FOR OR CONSENTED IN A RECORD TO THAT PROVISION OF THE ORGANIZATIONAL DOCUMENTS OR BECAME AN INTEREST HOLDER AFTER THE ADOPTION OF THAT PROVISION.

B. A DIVISION OF A FOREIGN ENTITY IS NOT EFFECTIVE UNLESS IT IS APPROVED BY THE FOREIGN ENTITY IN ACCORDANCE WITH THE LAW OF THE FOREIGN ENTITY'S JURISDICTION OF ORGANIZATION.

29-2604. Amendment or abandonment of plan of division

A. A PLAN OF DIVISION OF A DOMESTIC DIVIDING ENTITY MAY BE AMENDED EITHER:

1. IN THE SAME MANNER AS THE PLAN WAS APPROVED IF THE PLAN DOES NOT PROVIDE FOR THE MANNER IN WHICH IT MAY BE AMENDED.

2. BY THE GOVERNORS OR INTEREST HOLDERS OF THE ENTITY IN THE MANNER PROVIDED IN THE PLAN, EXCEPT THAT AN INTEREST HOLDER THAT WAS ENTITLED TO VOTE ON OR CONSENT TO APPROVAL OF THE DIVISION IS ENTITLED TO VOTE ON OR CONSENT TO ANY AMENDMENT OF THE PLAN THAT WILL CHANGE ANY OF THE FOLLOWING:

(a) THE AMOUNT OR KIND OF INTERESTS, SECURITIES, OBLIGATIONS, RIGHTS TO ACQUIRE INTERESTS OR SECURITIES, CASH OR OTHER PROPERTY OR ANY COMBINATION OF THE FOREGOING, TO BE RECEIVED BY ANY OF THE INTEREST HOLDERS OF THE DOMESTIC DIVIDING ENTITY UNDER THE PLAN.

(b) THE PUBLIC ORGANIZATIONAL DOCUMENT OR PRIVATE ORGANIZATIONAL DOCUMENTS OF ANY OF THE RESULTING ENTITIES THAT WILL BE IN EFFECT IMMEDIATELY AFTER THE DIVISION BECOMES EFFECTIVE, EXCEPT FOR CHANGES THAT DO NOT REQUIRE APPROVAL OF THE INTEREST HOLDERS OF THE APPLICABLE RESULTING ENTITY UNDER ITS GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS.

(c) ANY OTHER TERMS OR CONDITIONS OF THE PLAN, IF THE CHANGE WOULD ADVERSELY AFFECT THE INTEREST HOLDER IN ANY MATERIAL RESPECT.

B. AFTER A PLAN OF DIVISION HAS BEEN APPROVED BY A DOMESTIC DIVIDING ENTITY AND BEFORE A STATEMENT OF DIVISION BECOMES EFFECTIVE PURSUANT TO SECTION 29-2605, THE PLAN MAY BE ABANDONED:

1. AS PROVIDED IN THE PLAN.

2. IF NOT PROVIDED IN THE PLAN, EITHER:

(a) BY THE GOVERNORS OF THE DOMESTIC DIVIDING ENTITY, UNLESS PROHIBITED BY THE PLAN.

(b) IN THE SAME MANNER AS THE PLAN WAS APPROVED.

C. IF A STATEMENT OF DIVISION HAS BEEN DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY, THE PLAN OF DIVISION MAY BE ABANDONED ONLY IF THE STATEMENT OF DIVISION SETS FORTH A DELAYED EFFECTIVE DATE UNDER SECTION 29-2605, SUBSECTION B, PARAGRAPH 4. A PLAN OF DIVISION MAY BE ABANDONED BY DELIVERING FOR FILING WITH THE APPROPRIATE FILING AUTHORITY ON OR BEFORE THAT DELAYED EFFECTIVE DATE A STATEMENT OF ABANDONMENT, SIGNED ON BEHALF OF THE DOMESTIC DIVIDING ENTITY. A STATEMENT OF ABANDONMENT TAKES EFFECT ON DELIVERY FOR FILING, AND THE DIVISION IS ABANDONED AND DOES NOT BECOME EFFECTIVE. THE STATEMENT OF ABANDONMENT MUST CONTAIN ALL OF THE FOLLOWING:

1. THE NAME OF THE DOMESTIC DIVIDING ENTITY.

2. THE DATE ON WHICH THE STATEMENT OF DIVISION WAS FILED.

3. A STATEMENT THAT THE DIVISION HAS BEEN ABANDONED IN ACCORDANCE WITH THIS SECTION.

29-2605. Statement of division; effective date

A. A STATEMENT OF DIVISION MUST BE SIGNED ON BEHALF OF THE DIVIDING ENTITY. THE STATEMENT OF DIVISION MUST BE DELIVERED FOR FILING EITHER:

1. FOR A DIVISION OF A DOMESTIC ENTITY PURSUANT TO SECTION 29-2601, SUBSECTION A, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR THE DOMESTIC DIVIDING ENTITY AND, IF THERE IS A DIFFERENT FILING AUTHORITY FOR ANY DOMESTIC RESULTING ENTITY, WITH THAT DIFFERENT FILING AUTHORITY.

2. FOR A DIVISION OF A FOREIGN ENTITY THAT CREATES ONE OR MORE DOMESTIC ENTITIES PURSUANT TO SECTION 29-2601, SUBSECTION C, WITH THE APPROPRIATE FILING AUTHORITY, IF ANY, FOR A DOMESTIC RESULTING ENTITY AND, IF THERE IS A DIFFERENT FILING AUTHORITY FOR ANY OTHER DOMESTIC RESULTING ENTITY, WITH THE DIFFERENT FILING AUTHORITY.

B. A STATEMENT OF DIVISION MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF THE DIVIDING ENTITY.

2. A STATEMENT AS TO WHETHER THE DIVIDING ENTITY WILL SURVIVE THE DIVISION.

3. THE NAME, JURISDICTION OF ORGANIZATION AND TYPE OF EACH RESULTING ENTITY CREATED BY THE DIVISION AND, IF A RESULTING ENTITY IS A DOMESTIC ENTITY, OTHER THAN A GENERAL PARTNERSHIP, OR IS A QUALIFIED FOREIGN ENTITY BOTH OF THE FOLLOWING:

(a) THE STREET ADDRESS OF THE RESULTING ENTITY'S KNOWN PLACE OF BUSINESS IN THIS STATE OR, IF THE RESULTING ENTITY IS A DOMESTIC PARTNERSHIP, THE STREET ADDRESS OF ITS OFFICE IN THIS STATE.

(b) THE NAME AND STREET ADDRESS OF THE RESULTING ENTITY'S AGENT FOR SERVICE OF PROCESS IN THIS STATE. IF A NEW STATUTORY AGENT IS BEING APPOINTED, THE STATUTORY AGENT MUST SIGN A STATEMENT ACCEPTING THE APPOINTMENT, WHICH MUST BE ATTACHED TO THE STATEMENT OF DIVISION.

4. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE DIVISION:

(a) IF THE DIVIDING ENTITY OR AT LEAST ONE RESULTING ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF DIVISION IS NOT TO BE EFFECTIVE ON DELIVERY TO THE APPROPRIATE FILING AUTHORITY, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE, WHICH MAY NOT BE MORE THAN NINETY DAYS AFTER THE DATE OF ITS DELIVERY TO THE APPROPRIATE FILING AUTHORITY.

(b) IF NEITHER THE DIVIDING ENTITY NOR ANY RESULTING ENTITY IS A DOMESTIC FILING ENTITY AND IF THE STATEMENT OF DIVISION IS NOT TO BE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF DIVISION, THE LATER DATE AND TIME ON WHICH IT WILL BECOME EFFECTIVE.

5. IF THE DIVIDING ENTITY IS A DOMESTIC ENTITY, A STATEMENT THAT THE PLAN OF DIVISION WAS APPROVED IN ACCORDANCE WITH THIS ARTICLE OR, IF THE DIVIDING ENTITY IS A FOREIGN ENTITY, A STATEMENT THAT THE DIVISION WAS APPROVED BY THE FOREIGN DIVIDING ENTITY IN ACCORDANCE WITH THE LAW OF ITS JURISDICTION OF ORGANIZATION.

6. IF THE DIVIDING ENTITY IS A DOMESTIC FILING ENTITY AND SURVIVES THE DIVISION, ANY AMENDMENT TO ITS PUBLIC ORGANIZATIONAL DOCUMENT APPROVED AS PART OF THE PLAN OF DIVISION, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

7. FOR EACH DOMESTIC RESULTING ENTITY CREATED BY THE DIVISION, ITS PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

8. FOR EACH FOREIGN RESULTING ENTITY THAT IS REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, ANY DOCUMENTS THAT THE LAWS OF THIS STATE REQUIRE IT TO FILE TO BECOME A QUALIFIED FOREIGN ENTITY, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

9. FOR EACH FOREIGN RESULTING ENTITY THAT IS NOT REQUIRED TO BE A QUALIFIED FOREIGN ENTITY, A MAILING ADDRESS TO WHICH THE APPROPRIATE FILING AUTHORITY MAY SEND ANY PROCESS SERVED ON THE APPROPRIATE FILING AUTHORITY PURSUANT TO SECTION 29-2606, SUBSECTION E.

10. FOR EACH RESULTING ENTITY CREATED BY THE DIVISION THAT IS A DOMESTIC LIMITED LIABILITY PARTNERSHIP, ITS STATEMENT OF QUALIFICATION, AS AN ATTACHMENT, AND THE ATTACHMENT IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION, A STATEMENT OF DIVISION MAY CONTAIN ANY OTHER PROVISION NOT PROHIBITED BY LAW.

D. IF A RESULTING ENTITY CREATED IN THE DIVISION IS A DOMESTIC FILING ENTITY, THE AMENDMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 6 OF THIS SECTION OR ITS PUBLIC ORGANIZATIONAL DOCUMENT ATTACHED UNDER SUBSECTION B, PARAGRAPH 7 OF THIS SECTION:

1. MUST SATISFY THE REQUIREMENTS OF THE LAWS OF THIS STATE.

2. IS DEEMED TO BE SIGNED BY MEANS OF THE SIGNING OF THE STATEMENT OF DIVISION.

3. MAY OMIT ANY PROVISION THAT IS NOT REQUIRED TO BE INCLUDED IN A RESTATEMENT OF THE PUBLIC ORGANIZATIONAL DOCUMENT.

E. WITH RESPECT TO A PLAN OF DIVISION THAT IS SIGNED ON BEHALF OF A DOMESTIC DIVIDING ENTITY AND THAT MEETS ALL OF THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION:

1. IF THE DIVIDING ENTITY OR AT LEAST ONE RESULTING ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN MAY BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY INSTEAD OF A STATEMENT OF DIVISION AND, ON FILING, HAS THE SAME EFFECT AS A STATEMENT OF DIVISION, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF DIVISION REFER TO THE PLAN OF DIVISION FILED UNDER THIS SUBSECTION.

2. IF NEITHER THE DIVIDING ENTITY NOR ANY RESULTING ENTITY IS A DOMESTIC FILING ENTITY, AND IF THE PLAN SO PROVIDES, THE PLAN HAS THE SAME EFFECT AS A STATEMENT OF DIVISION, IN WHICH CASE ALL REFERENCES IN THIS CHAPTER TO A STATEMENT OF DIVISION REFER TO THE PLAN OF DIVISION.

F. WITH RESPECT TO THE EFFECTIVE DATE AND TIME OF THE DIVISION:

1. IF THE DIVIDING ENTITY OR AT LEAST ONE RESULTING ENTITY IS A DOMESTIC FILING ENTITY, ONCE A STATEMENT OF DIVISION HAS BEEN APPROVED FOR FILING BY THE APPROPRIATE FILING AUTHORITY OR AUTHORITIES, BOTH THE DIVISION AND THE STATEMENT OF DIVISION ARE DEEMED TO HAVE BECOME EFFECTIVE ON THE DATE AND TIME OF THE DELIVERY OF THE STATEMENT OF DIVISION FOR FILING WITH THE APPROPRIATE FILING AUTHORITY OR AUTHORITIES OR, IF APPLICABLE, ON THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF DIVISION.

2. IF NEITHER THE DIVIDING ENTITY NOR ANY RESULTING ENTITY IS A DOMESTIC FILING ENTITY, BOTH THE DIVISION AND THE STATEMENT OF DIVISION ARE EFFECTIVE ON THE SIGNING OF THE STATEMENT OF DIVISION OR, IF APPLICABLE, ON THE LATER DATE AND TIME SPECIFIED IN THE STATEMENT OF DIVISION.

29-2606. Effect of division

A. WHEN A DIVISION BECOMES EFFECTIVE:

1. IF THE DIVIDING ENTITY IS TO SURVIVE THE DIVISION, THE DIVIDING ENTITY CONTINUES TO EXIST.

2. IF THE DIVIDING ENTITY IS NOT TO SURVIVE THE DIVISION, THE DIVIDING ENTITY CEASES TO EXIST.

3. THE RESULTING ENTITIES CREATED IN THE DIVISION COME INTO EXISTENCE.

4. AS AND TO THE EXTENT SPECIFIED IN THE PLAN OF DIVISION, PROPERTY, INCLUDING RIGHTS, PRIVILEGES, IMMUNITIES AND POWERS, OF THE DIVIDING ENTITY IS ALLOCATED TO AND VESTS IN THE RESULTING ENTITIES CREATED IN THE DIVISION OR CONTINUES TO BE VESTED IN THE DIVIDING ENTITY, IN EACH CASE AUTOMATICALLY AND WITHOUT ASSIGNMENT, REVERSION OR IMPAIRMENT.

5. ANY PROPERTY, INCLUDING RIGHTS, PRIVILEGES, IMMUNITIES AND POWERS, NOT ALLOCATED BY THE PLAN OF DIVISION:

(a) IF THE DIVIDING ENTITY SURVIVES THE DIVISION, REMAINS VESTED IN THE DIVIDING ENTITY.

(b) IF THE DIVIDING ENTITY DOES NOT SURVIVE THE DIVISION, IS ALLOCATED TO AND VESTS EQUALLY IN THE RESULTING ENTITIES AS TENANTS IN COMMON, IN EACH CASE AUTOMATICALLY AND WITHOUT ASSIGNMENT, REVERSION OR IMPAIRMENT.

6. ANY PENDING ACTION OR PROCEEDING TO WHICH THE DIVIDING ENTITY IS A PARTY AT THE EFFECTIVE TIME OF THE DIVISION CONTINUES AND THE NAME OF A NEW RESULTING ENTITY TO WHICH A CAUSE OF ACTION IS ALLOCATED AS PROVIDED IN PARAGRAPHS 4 AND 5 OF THIS SUBSECTION MAY BE SUBSTITUTED FOR THE NAME OF THE DIVIDING ENTITY OR ADDED IN THAT ACTION OR PROCEEDING.

7. ALL OBLIGATIONS OF THE DIVIDING ENTITY ARE ALLOCATED BETWEEN OR AMONG THE RESULTING ENTITIES AS PROVIDED IN SECTION 29-2607.

8. IF THE DIVIDING ENTITY SURVIVES THE DIVISION:

(a) ITS PUBLIC ORGANIZATIONAL DOCUMENT, IF ANY, IS AMENDED IF AND TO THE EXTENT PROVIDED IN THE STATEMENT OF DIVISION.

(b) ITS PRIVATE ORGANIZATIONAL DOCUMENTS THAT ARE TO BE IN A RECORD, IF ANY, ARE AMENDED IF AND TO THE EXTENT PROVIDED IN THE PLAN OF DIVISION.

9. THE INTERESTS IN THE DIVIDING ENTITY THAT ARE TO BE CONVERTED IN THE DIVISION ARE CONVERTED AND THE INTEREST HOLDERS OF THOSE INTERESTS ARE ENTITLED ONLY TO THE RIGHTS PROVIDED TO THEM UNDER THE PLAN OF DIVISION AND TO ANY APPRAISAL RIGHTS THEY MAY HAVE UNDER SECTION 29-2109 AND THE DIVIDING ENTITY'S GOVERNING STATUTE.

B. EXCEPT AS PROVIDED IN THE PLAN OF DIVISION OR IN THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DIVIDING ENTITY, THE DIVISION DOES NOT GIVE RISE TO ANY RIGHTS THAT AN INTEREST HOLDER, GOVERNOR OR THIRD PARTY WOULD OTHERWISE HAVE ON A DISSOLUTION, LIQUIDATION OR WINDING UP OF THE DIVIDING ENTITY.

C. WHEN A DIVISION BECOMES EFFECTIVE, A PERSON THAT DID NOT HAVE INTEREST HOLDER LIABILITY WITH RESPECT TO THE DIVIDING ENTITY AND THAT BECOMES SUBJECT TO INTEREST HOLDER LIABILITY WITH RESPECT TO THE DOMESTIC RESULTING ENTITY AS A RESULT OF THE DIVISION HAS INTEREST HOLDER LIABILITY ONLY TO THE EXTENT PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC RESULTING ENTITY, AND THEN ONLY FOR THOSE OBLIGATIONS THAT ARISE AFTER THE DIVISION BECOMES EFFECTIVE.

D. WHEN A DIVISION BECOMES EFFECTIVE, THE INTEREST HOLDER LIABILITY OF A PERSON THAT CEASES TO HOLD AN INTEREST IN A DOMESTIC DIVIDING ENTITY WITH RESPECT TO WHICH THE PERSON HAD INTEREST HOLDER LIABILITY IS AS FOLLOWS:

1. THE DIVISION DOES NOT DISCHARGE ANY INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DIVIDING ENTITY TO THE EXTENT THE INTEREST HOLDER LIABILITY AROSE BEFORE THE DIVISION BECAME EFFECTIVE.

2. THE PERSON DOES NOT HAVE INTEREST HOLDER LIABILITY UNDER THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DIVIDING ENTITY FOR ANY OBLIGATION THAT ARISES AFTER THE DIVISION BECOMES EFFECTIVE.

3. THE GOVERNING STATUTE AND ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DIVIDING ENTITY CONTINUE TO APPLY TO THE RELEASE, COLLECTION OR DISCHARGE OF ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE DIVISION HAD NOT OCCURRED.

4. THE PERSON HAS THE SAME RIGHTS OF CONTRIBUTION FROM ANY OTHER PERSON AS ARE PROVIDED BY THE GOVERNING STATUTE OR ORGANIZATIONAL DOCUMENTS OF THE DOMESTIC DIVIDING ENTITY WITH RESPECT TO ANY INTEREST HOLDER LIABILITY PRESERVED UNDER PARAGRAPH 1 OF THIS SUBSECTION AS IF THE DIVISION HAD NOT OCCURRED.

E. WHEN A DIVISION BECOMES EFFECTIVE, A FOREIGN ENTITY THAT IS A RESULTING ENTITY:

1. MAY BE SERVED WITH PROCESS IN THIS STATE FOR THE COLLECTION AND ENFORCEMENT OF ANY OBLIGATIONS OF A DOMESTIC DIVIDING ENTITY THAT WERE ALLOCATED TO THE FOREIGN ENTITY PURSUANT TO THIS ARTICLE, INCLUDING OBLIGATIONS ARISING OUT OF THE EXERCISE OF APPRAISAL RIGHTS.

2. IF IT IS NOT A QUALIFIED FOREIGN ENTITY, APPOINTS THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR COLLECTING OR ENFORCING THOSE OBLIGATIONS.

F. WHEN A DIVISION BECOMES EFFECTIVE, THE AUTHORITY, REGISTRATION OR OTHER QUALIFICATION GRANTED BY THE APPROPRIATE FILING AUTHORITY TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN THIS STATE OF A FOREIGN DIVIDING ENTITY THAT DOES NOT SURVIVE THE DIVISION IS AUTOMATICALLY REVOKED OR CANCELLED.

G. A PERSON DOES NOT HAVE CONSTRUCTIVE NOTICE OF AN ALLOCATION OF AN INTEREST IN REAL ESTATE IN A DIVISION UNTIL THE ALLOCATION IS RECORDED IN COMPLIANCE WITH THE REQUIREMENTS FOR RECORDING OF INTERESTS IN REAL ESTATE IN THE STATE WHERE THE REAL PROPERTY IS LOCATED.

29-2607. Allocation of obligations in division

A. EXCEPT AS PROVIDED IN SUBSECTIONS B AND C OF THIS SECTION, WHEN A DIVISION BECOMES EFFECTIVE, EACH RESULTING ENTITY IS LIABLE, JOINTLY AND SEVERALLY, WITH THE OTHER RESULTING ENTITIES FOR THE OBLIGATIONS OF THE DIVIDING ENTITY THAT EXISTED IMMEDIATELY BEFORE THE EFFECTIVENESS OF THE DIVISION, AND ALL THOSE OBLIGATIONS OF THE DIVIDING ENTITY ARE AUTOMATICALLY OBLIGATIONS OF EACH RESULTING ENTITY WITHOUT ASSIGNMENT, ASSUMPTION OR DELEGATION.

B. A RESULTING ENTITY IS NOT LIABLE FOR AN OBLIGATION OF THE DIVIDING ENTITY IF AND TO THE EXTENT ANY OF THE FOLLOWING APPLIES:

1. THE OBLIGEE HAS CONSENTED IN WRITING TO THE OBLIGATIONS BEING ALLOCATED TO, OR CONTINUING TO BE THE OBLIGATION OF, ONE OR MORE OF THE OTHER RESULTING ENTITIES AND THE PLAN OF DIVISION STATES THAT THE OBLIGATION IS BEING ALLOCATED TO, OR WILL CONTINUE TO BE THE OBLIGATION OF, THOSE ENTITIES, OR THOSE ENTITIES HAVE OTHERWISE EXPRESSLY ASSUMED THE OBLIGATION.

2. A COURT OR OTHER TRIBUNAL OF COMPETENT JURISDICTION OR A GOVERNMENTAL AGENCY HAVING JURISDICTION AS TO THE MATTER HAS ISSUED AN ORDER, FINDING, RULE, REGULATION OR OTHER RULING THAT HAS BECOME FINAL AND NONAPPEALABLE AND IN WHICH THE OBLIGATION IS DEEMED TO BE ALLOCATED TO, OR TO CONTINUE TO BE THE OBLIGATION OF, ONE OR MORE OF THE OTHER RESULTING ENTITIES.

3. RECOURSE REGARDING THE OBLIGATION IS, BY CONTRACT OR BY LAW, LIMITED TO AN ASSET OF ONE OR MORE OF THE OTHER RESULTING ENTITIES.

4. RECOURSE REGARDING THE OBLIGATION IS, BY CONTRACT OR BY LAW, LIMITED TO ONE OR MORE OF THE OTHER RESULTING ENTITIES.

C. A RESULTING ENTITY MAY ENTER INTO AGREEMENTS OR OTHER ARRANGEMENTS FOR PURPOSES OF MITIGATING RISKS ASSOCIATED WITH THE ENTITY'S LIABILITY FOR AN OBLIGATION OF THE DIVIDING ENTITY. THE AGREEMENTS OR ARRANGEMENTS MAY BE ENTERED INTO WITH ONE OR MORE OF THE OTHER RESULTING ENTITIES OR WITH THIRD PARTIES. THE AGREEMENTS OR ARRANGEMENTS MAY INCLUDE INDEMNIFICATION, CONTRIBUTION, GUARANTY, INSURANCE, OFFSET, LOAN, INVESTMENT AND ANY OTHER LAWFUL MEANS OF DEALING WITH THE RISKS ASSOCIATED WITH THE LIABILITY FOR THE OBLIGATION.

D. UNLESS THE OBLIGEE HAS OTHERWISE AGREED OR CONSENTED, LIENS, SECURITY INTERESTS AND OTHER ENCUMBRANCES ON THE PROPERTY OF THE DIVIDING ENTITY ARE NOT IMPAIRED BY THE DIVISION, REGARDLESS OF WHETHER THAT PROPERTY HAS BECOME THE PROPERTY OF A RESULTING ENTITY THAT IS NOT THE DIVIDING ENTITY, REGARDLESS OF WHETHER THE DIVIDING ENTITY IS ONE OF THE RESULTING ENTITIES AND REGARDLESS OF ANY OTHERWISE ENFORCEABLE ALLOCATION OF OBLIGATIONS OF THE DIVIDING ENTITY.

E. IF THE DIVIDING ENTITY IS BOUND BY A SECURITY AGREEMENT GOVERNED BY TITLE 47, CHAPTER 9 OR ITS COUNTERPART AS ENACTED IN ANY JURISDICTION AND THE SECURITY AGREEMENT PROVIDES THAT THE SECURITY INTEREST ATTACHES TO AFTER-ACQUIRED COLLATERAL, EACH RESULTING ENTITY IS BOUND BY THE SECURITY AGREEMENT UNLESS THE SECURED PARTY HAS OTHERWISE AGREED OR CONSENTED.

F. FOR PURPOSES OF AND NOTWITHSTANDING ANY PROVISION OF THE GOVERNING STATUTE OF THE DIVIDING ENTITY OR ANY RESULTING ENTITY, THE DIVISION IS DEEMED NOT TO BE A DIVIDEND OR OTHER DISTRIBUTION BY THE DIVIDING ENTITY OR ANY RESULTING ENTITY.

29-2608. <u>Ineffectiveness of division due to law of foreign jurisdiction</u>

A. IF A STATEMENT OF DIVISION IS FILED WITH THE APPROPRIATE FILING AUTHORITY BUT THE DIVISION IS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION AS REQUIRED BY SECTION 29-2601, SUBSECTION B OR C, THE DIVISION IS INEFFECTIVE. A STATEMENT OF INEFFECTIVENESS OF DIVISION MUST BE SIGNED ON BEHALF OF THE ENTITY ON BEHALF OF WHICH THE STATEMENT OF DIVISION WAS SIGNED AND MUST BE DELIVERED FOR FILING WITH THE APPROPRIATE FILING AUTHORITY TO REFLECT THE INEFFECTIVENESS IN THE PUBLIC RECORD.

B. THE STATEMENT OF INEFFECTIVENESS OF DIVISION MUST CONTAIN EACH OF THE FOLLOWING, IF APPLICABLE:

1. THE NAME OF THE ENTITY THAT ATTEMPTED THE DIVISION.

2. THE DATE ON WHICH THE STATEMENT OF DIVISION WAS FILED.

3. A STATEMENT THAT THE DIVISION WAS INEFFECTIVE BECAUSE IT WAS NOT AUTHORIZED BY THE LAW OF THE RELEVANT FOREIGN JURISDICTION.

4. IF ANOTHER ENTITY HAS ADOPTED THE NAME OF THE ENTITY THAT ATTEMPTED THE DIVISION, OR IF ANOTHER PERSON HAS ADOPTED AS A TRADE NAME THE NAME OF THAT ENTITY, THE ENTITY THAT ATTEMPTED THE DIVISION MUST CHANGE ITS NAME BY ATTACHING AN AMENDMENT TO ITS PUBLIC ORGANIZATIONAL DOCUMENT. THE AMENDMENT MUST CHANGE THE NAME OF THE ENTITY IN ACCORDANCE WITH THE NAMING REQUIREMENTS OF ITS GOVERNING STATUTE AND, IF ATTACHED, IS DEEMED TO BE DELIVERED TO THE APPROPRIATE FILING AUTHORITY FOR FILING.

C. THE ENTITY THAT ATTEMPTED THE DIVISION IS BOTH:

1. RESPONSIBLE TO ANY OTHER PERSON FOR ANY OBLIGATION INCURRED BY THAT PERSON THAT ARISES OUT OF OR RELATES TO THE INEFFECTIVENESS OF THE ATTEMPTED DIVISION, UNLESS THE ENTITY ESTABLISHES THAT THE OBLIGATION WAS NOT INCURRED IN GOOD FAITH.

2. DEEMED TO HAVE APPOINTED THE APPROPRIATE FILING AUTHORITY AS ITS AGENT FOR SERVICE OF PROCESS FOR ANY ACTION ARISING UNDER THIS SECTION, UNLESS THE ENTITY IS A DOMESTIC ENTITY OR A QUALIFIED FOREIGN ENTITY.

D. IF THEY WERE ACTING IN GOOD FAITH, THE ENTITY THAT ATTEMPTED THE DIVISION AND ITS INTEREST HOLDERS, GOVERNORS AND OTHER REPRESENTATIVES ARE NOT CIVILLY OR CRIMINALLY LIABLE AND MAY NOT BE FOUND GUILTY IN CONNECTION WITH AN INEFFECTIVE DIVISION UNDER ANY LAW OF THIS STATE PERTAINING TO:

1. THE FILING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE DOCUMENT.

2. THE MAKING OF A FALSE OR OTHERWISE MISLEADING OR INACCURATE STATEMENT.

3. ANY SIMILAR MATTER.

ARTICLE 7. MISCELLANEOUS PROVISIONS

29-2701. Consistency of application

IN APPLYING AND CONSTRUING THIS CHAPTER, CONSIDERATION MUST BE GIVEN TO THE NEED TO PROMOTE CONSISTENCY OF THE LAW WITH RESPECT TO ITS SUBJECT MATTER AMONG STATES THAT ENACT SIMILAR LEGISLATION.

29-2702. Relation to electronic signatures in global and national commerce act

THIS CHAPTER MODIFIES, LIMITS AND SUPERSEDES THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT (P.L. 106-229; 114 STAT. 464; 15 UNITED STATES CODE SECTIONS 7001 THROUGH 7031) BUT DOES NOT MODIFY, LIMIT OR SUPERSEDE 15 UNITED STATES CODE SECTION 7001(c) OR AUTHORIZE ELECTRONIC DELIVERY OF ANY OF THE NOTICES DESCRIBED IN 15 UNITED STATES CODE SECTION 7003(b).

29-2703. Saving clause

THIS CHAPTER DOES NOT AFFECT AN ACTION OR PROCEEDING COMMENCED OR RIGHT ACCRUED BEFORE THE EFFECTIVE DATE OF THIS SECTION.

Sec. 66. Effective date

This act is effective from and after December 31, 2014.

APPROVED BY THE GOVERNOR APRIL 23, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2014.

Passed the House April 17, 2014,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

Speaker of the House

Cheryl Laube

Chief Clerk of the House

Passed the Senate March 10, 2014,

by the following vote: 25 Ayes,

0 Nays, 5 Not Voting

President of the Senate

Chauncia Bellington

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

21 day of April, 2014,

at 11:30 o'clock A M.

Michaela Howard

Secretary to the Governor

Approved this 23rd day of

April, 2014,

at 11:05 o'clock A M.

Jan Brewer

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 24th day of April, 2014,

at 8:57 o'clock a M.

Ken Bennett

Secretary of State

S.B. 1353