

Senate Substitute for HOUSE BILL No. 2112

AN ACT concerning corporations; relating to the Kansas general corporation code; business entity standard treatment act; amending K.S.A. 17-1289, 17-2036, 17-2718, 17-4634, 17-6001, 17-6004, 17-6006, 17-6007, 17-6008, 17-6009, 17-6010, 17-6101, 17-6102, 17-6104, 17-6106, 17-6301, 17-6302, 17-6304, 17-6401, 17-6402, 17-6404, 17-6405, 17-6407, 17-6408, 17-6409, 17-6410, 17-6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6420, 17-6422, 17-6425, 17-6426, 17-6501, 17-6502, 17-6503, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6512, 17-6513, 17-6514, 17-6515, 17-6516, 17-6517, 17-6518, 17-6521, 17-6522, 17-6523, 17-6603, 17-6605, 17-6701, 17-6702, 17-6703, 17-6705, 17-6706, 17-6707, 17-6708, 17-6710, 17-6712, 17-6801, 17-6803, 17-6804, 17-6805, 17-6805a, 17-6807, 17-6808, 17-6809, 17-6810, 17-6811, 17-6812, 17-6813, 17-6902, 17-6903, 17-6904, 17-6905, 17-6906, 17-6907, 17-6908, 17-6909, 17-6910, 17-6911, 17-6913, 17-7001, 17-7003, 17-7101, 17-7102, 17-7201, 17-7203, 17-7204, 17-7205, 17-7206, 17-7208, 17-7209, 17-7211, 17-7212, 17-7213, 17-7215, 17-7302, 17-7305, 17-7307, 17-7404, 17-7503, 17-7504, 17-7505, 17-7510 and 17-7512 and K.S.A. 2015 Supp. 17-6002, 17-6305, 17-6601, 17-6602, 17-7002, 17-7207, 17-7506, 17-76,139, 17-7903, 17-7908, 17-7918, 17-7919, 17-7924, 17-7925, 17-7927, 17-7928, 17-7929, 17-7931, 17-7934, 56-1a606, 56-1a607, 56a-1201 and 56a-1202 and repealing the existing sections; also repealing K.S.A. 17-12,100, 17-12,101, 17-12,102, 17-12,103, 17-12,104 and 17-6704.

*Be it enacted by the Legislature of the State of Kansas:*

New Section 1. (a) Any civil action to interpret, apply, enforce or determine the validity of the provisions of the following may be brought in the district court, except to the extent that a statute confers exclusive jurisdiction on a court, agency or tribunal other than the district court:

- (1) The articles of incorporation or the bylaws of a corporation;
- (2) any instrument, document or agreement by which a corporation creates or sells, or offers to create or sell, any of its stock, or any rights or options respecting its stock;
- (3) any written restrictions on the transfer, registration of transfer or ownership of securities under K.S.A. 17-6426, and amendments thereto;
- (4) any proxy under K.S.A. 17-6502 or 17-6505, and amendments thereto;
- (5) any voting trust or other voting agreement under K.S.A. 17-6508, and amendments thereto;
- (6) any agreement, certificate of merger or consolidation, or certificate of ownership and merger governed by K.S.A. 17-6701 through 17-6703 or 17-6705 through 17-6708, and amendments thereto;
- (7) any certificate of conversion under K.S.A. 17-6713, and amendments thereto; or
- (8) any other instrument, document, agreement or certificate required by any provision of this code.

(b) Any civil action to interpret, apply or enforce any provision of this code may be brought in the district court.

(c) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 2. (a) The bylaws may provide that if the corporation solicits proxies with respect to an election of directors, it may be required, to the extent and subject to such procedures or conditions as may be provided in the bylaws, to include in its proxy solicitation materials, including any form of proxy it distributes, in addition to individuals nominated by the board of directors, one or more individuals nominated by a stockholder. Such procedures or conditions may include any of the following:

- (1) A provision requiring a minimum record or beneficial ownership, or duration of ownership, of shares of the corporation's capital stock, by the nominating stockholder, and defining beneficial ownership to take into account options or other rights in respect of or related to such stock;
- (2) a provision requiring the nominating stockholder to submit specified information concerning the stockholder and the stockholder's nominees, including information concerning ownership by such persons of shares of the corporation's capital stock, or options or other rights in respect of or related to such stock;
- (3) a provision conditioning eligibility to require inclusion in the corporation's proxy solicitation materials upon the number or proportion of directors nominated by stockholders or whether the stockholder previously sought to require such inclusion;
- (4) a provision precluding nominations by any person if such person, any nominee of such person, or any affiliate or associate of such person or nominee, has acquired or publicly proposed to acquire shares constituting a specified percentage of the voting power of the corporation's outstanding voting stock within a specified period before the election of directors;

(5) a provision requiring that the nominating stockholder undertake to indemnify the corporation in respect of any loss arising as a result of any false or misleading information or statement submitted by the nominating stockholder in connection with a nomination; and

(6) any other lawful condition.

(b) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 3. (a) The bylaws may provide for the reimbursement by the corporation of expenses incurred by a stockholder in soliciting proxies in connection with an election of directors, subject to such procedures or conditions as the bylaws may prescribe, including:

(1) Conditioning eligibility for reimbursement upon the number or proportion of persons nominated by the stockholder seeking reimbursement or whether such stockholder previously sought reimbursement for similar expenses;

(2) limitations on the amount of reimbursement based upon the proportion of votes cast in favor of one or more of the persons nominated by the stockholder seeking reimbursement, or upon the amount spent by the corporation in soliciting proxies in connection with the election;

(3) limitations concerning elections of directors by cumulative voting pursuant to K.S.A. 17-6504, and amendments thereto; or

(4) any other lawful condition.

(b) No bylaw so adopted shall apply to elections for which any record date precedes its adoption.

(c) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 4. (a) Except as otherwise provided in subsections (b) and (c), the provisions of the Kansas general corporation code shall apply to nonstock corporations in the manner specified in this subsection:

(1) All references to stockholders of the corporation shall be deemed to refer to members of the corporation;

(2) all references to the board of directors of the corporation shall be deemed to refer to the governing body of the corporation;

(3) all references to directors or to members of the board of directors of the corporation shall be deemed to refer to members of the governing body of the corporation; and

(4) all references to stock, capital stock, or shares thereof of a corporation authorized to issue capital stock shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

(b) Subsection (a) shall not apply to:

(1) K.S.A. 17-6002(a)(4), (b)(1) and (b)(2), 17-6009(a), 17-6301, 17-6404, 17-6505, 17-6518, 17-6520(b), 17-6601, 17-6602, 17-6703, 17-6705, 17-6706, 17-6707, 17-6708, 17-6801, 17-6805, 17-6805a, 17-7001, 17-7002, 17-7503(a)(4) and (b)(4), 17-7504, 17-7505(a)(4) and (b)(4) and 17-7514(c) and section 4, and amendments thereto, which apply to nonstock corporations by their terms;

(2) K.S.A. 17-6002(e), the last sentence of 17-6009(b), 17-6401, 17-6402, 17-6403, 17-6405, 17-6406, 17-6407(d), 17-6408, 17-6411, 17-6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6417, 17-6418, 17-6501, 17-6502, 17-6503, 17-6504, 17-6506, 17-6509, 17-6512, 17-6521, 17-6603, 17-6604, 17-6701, 17-6702, 17-6803 and 17-6804 and sections 7, 8 and 9, and amendments thereto; and

(3) article 72 and article 73 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

(c) In the case of a nonprofit nonstock corporation, subsection (a) shall not apply to:

(1) The sections and articles listed in subsection (b);

(2) K.S.A. 17-6002(b)(3), 17-6304(a)(2), 17-6507, 17-6508, 17-6712, 17-7503, 17-7505, 17-7509, 17-7511 and 17-7514 and section 1(a)(2) and (a)(3), and amendments thereto; and

(3) article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

(d) For purposes of the Kansas general corporation code:

(1) A “charitable nonstock corporation” is any nonprofit nonstock corporation that is exempt from taxation under § 501(c)(3) of the federal internal revenue code of 1986, 26 U.S.C. § 501(c)(3);

(2) a “membership interest” is, unless otherwise provided in a nonstock corporation’s articles of incorporation, a member’s share of the profits and losses of a nonstock corporation, or a member’s right to receive distributions of the nonstock corporation’s assets, or both;

(3) a “nonprofit nonstock corporation” is a nonstock corporation that does not have membership interests; and

(4) a “nonstock corporation” is any corporation organized under the Kansas general corporation code that is not authorized to issue capital stock.

(e) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 5. (a) The articles of incorporation or the bylaws may require, consistent with applicable jurisdictional requirements, that any or all internal corporate claims shall be brought solely and exclusively in any or all of the courts in this state, and no provision of the articles of incorporation or the bylaws may prohibit bringing such claims in the courts of this state. “Internal corporate claims” means claims, including claims in the right of the corporation: (1) That are based upon a violation of a duty by a current or former director or officer or stockholder in such capacity; or (2) as to which this title confers jurisdiction upon the district court.

(b) This section shall be part of and supplemental to article 60 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 6. (a) (1) After a corporation has been dissolved in accordance with the procedures set forth in this code, the corporation or any successor entity may give notice of the dissolution, requiring all persons having a claim against the corporation other than a claim against the corporation in a pending action, suit or proceeding to which the corporation is a party, to present their claims against the corporation in accordance with such notice. Such notice shall state:

(A) That all such claims must be presented in writing and must contain sufficient information reasonably to inform the corporation or successor entity of the identity of the claimant and the substance of the claim;

(B) the mailing address to which such a claim must be sent;

(C) the date by which such a claim must be received by the corporation or successor entity, which date shall be no earlier than 60 days from the date thereof;

(D) that such claim will be barred if not received by the date referred to in subsection (a)(1)(C);

(E) that the corporation or a successor entity may make distributions to other claimants and the corporation’s stockholders or persons interested as having been such without further notice to the claimant; and

(F) the aggregate amount, on an annual basis, of all distributions made by the corporation to its stockholders for each of the three years prior to the date the corporation dissolved.

(2) Such notice shall also be published at least once a week for two consecutive weeks in a newspaper of general circulation in the county in which the office of the corporation’s last resident agent in this state is located and in the corporation’s principal place of business and, in the case of a corporation having \$10,000,000 or more in total assets at the time of its dissolution, at least once in all editions of a daily newspaper with a national circulation. On or before the date of the first publication of such notice, the corporation or successor entity shall mail a copy of such notice by certified or registered mail, return receipt requested, to each known claimant of the corporation, including persons with claims asserted against the corporation in a pending action, suit or proceeding to which the corporation is a party.

(3) Any claim against the corporation required to be presented pursuant to this subsection is barred if a claimant who was given actual notice under this subsection does not present the claim to the dissolved corporation or successor entity by the date referred to in subsection (a)(1)(C).

(4) A corporation or successor entity may reject, in whole or in part, any claim made by a claimant pursuant to this subsection by mailing notice of such rejection by certified or registered mail, return receipt requested, to the claimant within 90 days after receipt of such claim and, in all events, at least 150 days before the expiration of the period described in K.S.A. 17-6807, and amendments thereto, except that in the case of a claim filed pursuant to K.S.A. 17-6905, and amendments thereto, against a corpo-

ration or successor entity for which a receiver or trustee has been appointed by the district court, the time period shall be as provided in K.S.A. 17-6906, and amendments thereto, and the 30-day appeal period provided for in K.S.A. 17-6906 shall be applicable. A notice sent by a corporation or successor entity pursuant to this subsection shall state that any claim rejected therein will be barred if an action, suit or proceeding with respect to the claim is not commenced within 120 days of the date thereof, and shall be accompanied by a copy of K.S.A. 17-6807 through 17-6809 and section 6, and amendments thereto, and, in the case of a notice sent by a court-appointed receiver or trustee and as to which a claim has been filed pursuant to K.S.A. 17-6905, and amendments thereto, copies of K.S.A. 17-6905 and 17-6906, and amendments thereto.

(5) A claim against a corporation is barred if a claimant whose claim is rejected pursuant to subsection (a)(4) does not commence an action, suit or proceeding with respect to the claim no later than 120 days after the mailing of the rejection notice.

(b) (1) A corporation or successor entity electing to follow the procedures described in subsection (a) shall also give notice of the dissolution of the corporation to persons with contractual claims contingent upon the occurrence or nonoccurrence of future events or otherwise conditional or unmatured, and request that such persons present such claims in accordance with the terms of such notice. As used in this section and in K.S.A. 17-6810, and amendments thereto, the term “contractual claims” shall not include any implied warranty as to any product manufactured, sold, distributed or handled by the dissolved corporation. Such notice shall be in substantially the form, and sent and published in the same manner, as described in subsection (a)(1).

(2) The corporation or successor entity shall offer any claimant on a contract whose claim is contingent, conditional or unmatured such security as the corporation or successor entity determines is sufficient to provide compensation to the claimant if the claim matures. The corporation or successor entity shall mail such offer to the claimant by certified or registered mail, return receipt requested, within 90 days of receipt of such claim and, in all events, at least 150 days before the expiration of the period described in K.S.A. 17-6807, and amendments thereto. If the claimant offered such security does not deliver in writing to the corporation or successor entity a notice rejecting the offer within 120 days after receipt of such offer for security, the claimant shall be deemed to have accepted such security as the sole source from which to satisfy the claim against the corporation.

(c) (1) A corporation or successor entity which has given notice in accordance with subsection (a) shall petition the district court to determine the amount and form of security that will be reasonably likely to be sufficient to provide compensation for any claim against the corporation which is the subject of a pending action, suit or proceeding to which the corporation is a party other than a claim barred pursuant to subsection (a).

(2) A corporation or successor entity which has given notice in accordance with subsections (a) and (b) shall petition the district court to determine the amount and form of security that will be sufficient to provide compensation to any claimant who has rejected the offer for security made pursuant to subsection (b)(2).

(3) A corporation or successor entity which has given notice in accordance with subsection (a) shall petition the district court to determine the amount and form of security which will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the corporation or that have not arisen but that, based on facts known to the corporation or successor entity, are likely to arise or to become known to the corporation or successor entity within five years after the date of dissolution or such longer period of time as the district court may determine, not to exceed 10 years after the date of dissolution. The district court may appoint a guardian ad litem in respect of any such proceeding brought under this subsection. The reasonable fees and expenses of such guardian, including all reasonable expert witness fees, shall be paid by the petitioner in such proceeding.

(d) The giving of any notice or making of any offer pursuant to this section shall not revive any claim then barred or constitute acknowledgment by the corporation or successor entity that any person to whom such

notice is sent is a proper claimant and shall not operate as a waiver of any defense or counterclaim in respect of any claim asserted by any person to whom such notice is sent.

(e) As used in this section, the term “successor entity” shall include any trust, receivership or other legal entity governed by the laws of this state to which the remaining assets and liabilities of a dissolved corporation are transferred and which exists solely for the purposes of prosecuting and defending suits, by or against the dissolved corporation, enabling the dissolved corporation to settle and close the business of the dissolved corporation, to dispose of and convey the property of the dissolved corporation, to discharge the liabilities of the dissolved corporation and to distribute to the dissolved corporation’s stockholders any remaining assets, but not for the purpose of continuing the business for which the dissolved corporation was organized.

(f) The time periods and notice requirements of this section shall, in the case of a corporation or successor entity for which a receiver or trustee has been appointed by the district court, be subject to variation by, or in the manner provided in, the rules of the district court.

(g) In the case of a nonstock corporation, any notice referred to in the last sentence of subsection (a)(4) shall include a copy of section 4, and amendments thereto. In the case of a nonprofit nonstock corporation, the provisions of this section regarding distributions to members shall not apply to the extent that those provisions conflict with any other applicable law or with that corporation’s articles of incorporation or bylaws.

(h) This section shall be part of and supplemental to article 68 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 7. (a) Notwithstanding any other provisions of this chapter, a corporation shall not engage in any business combination with any interested stockholder for a period of three years following the time that such stockholder became an interested stockholder, unless:

(1) Prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

(2) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, those shares owned: (A) By persons who are directors and also officers; and (B) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(3) at or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 $\frac{2}{3}$ % of the outstanding voting stock which is not owned by the interested stockholder.

(b) The restrictions contained in this section shall not apply if:

(1) The corporation’s original articles of incorporation contain a provision expressly electing not to be governed by this section or the Kansas business combinations with interested shareholders act;

(2) the corporation, by action of its board of directors, adopts an amendment to its bylaws on or before July 1, 1990, expressly electing not to be governed by this section or the Kansas business combinations with interested shareholders act, which amendment shall not be further amended by the board of directors;

(3) the corporation, by action of its stockholders, adopts an amendment to its articles of incorporation or bylaws expressly electing not to be governed by this section, except that, in addition to any other vote required by law, such amendment to the articles of incorporation or bylaws must be approved by the affirmative vote of a majority of the shares entitled to vote. An amendment adopted pursuant to this paragraph shall be effective immediately in the case of a corporation that both: (A) Has never had a class of voting stock that falls within any of the two categories set out in subsection (b)(4); and (B) has not elected by a provision in its original articles of incorporation, or any amendment thereto, to be gov-

erned by this section. In all other cases, an amendment adopted pursuant to this paragraph shall not be effective until 12 months after the adoption of such amendment and shall not apply to any business combination between such corporation and any person who became an interested stockholder of such corporation on or prior to such adoption. A bylaw amendment adopted pursuant to this paragraph shall not be further amended by the board of directors;

(4) the corporation does not have a class of voting stock that is: (A) Listed on a national securities exchange; or (B) held of record by more than 2,000 stockholders, unless any of the foregoing results from action taken, directly or indirectly, by an interested stockholder or from a transaction in which a person becomes an interested stockholder;

(5) a stockholder becomes an interested stockholder inadvertently and: (A) As soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an interested stockholder; and (B) would not, at any time within the three-year period immediately prior to a business combination between the corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership;

(6) (A) the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required by this subsection of a proposed transaction which: (i) Constitutes one of the transactions described in the second sentence of this paragraph; (ii) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of the corporation's board of directors or during the period described in paragraph (7); and (iii) is approved or not opposed by a majority of the members of the board of directors then in office, but not less than one, who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

(B) The proposed transactions referred to in subsection (b)(6)(A) are limited to: (i) A merger or consolidation of the corporation, except for a merger in respect of which, pursuant to K.S.A. 17-6701(f), and amendments thereto, no vote of the stockholders of the corporation is required; (ii) a sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation, other than to any direct or indirect wholly-owned subsidiary or to the corporation, having an aggregate market value equal to 50% or more of either that aggregate market value of all of the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation; or (iii) a proposed tender or exchange offer for 50% or more of the outstanding voting stock of the corporation. The corporation shall give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in subparagraph (B)(i) or (ii); or

(7) the business combination is with an interested stockholder who became an interested stockholder at a time when the restrictions contained in this section did not apply by reason of any of subsections (b)(1) through (b)(4), except that this paragraph shall not apply if, at the time such interested stockholder became an interested stockholder, the corporation's articles of incorporation contained a provision authorized by the last sentence of this subsection.

Notwithstanding subsections (b)(1) through (b)(4), a corporation may elect by a provision of its original articles of incorporation, or any amendment thereto, to be governed by this section, except that any such amendment to the articles of incorporation shall not apply to restrict a business combination between the corporation and an interested stockholder of the corporation if the interested stockholder became such prior to the effective date of the amendment.

(c) As used in this section only:

(1) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(2) "Associate," when used to indicate a relationship with any person,

means: (A) Any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (B) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (C) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(3) “Business combination,” when used in reference to any corporation and any interested stockholder of such corporation, means:

(A) Any merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with:

(i) The interested stockholder; or

(ii) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation subsection (a) is not applicable to the surviving entity;

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, except proportionately as a stockholder of such corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation;

(C) any transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested stockholder, except:

(i) Pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such;

(ii) pursuant to a merger under K.S.A. 17-6701(g), and amendments thereto;

(iii) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of such corporation subsequent to the time the interested stockholder became such;

(iv) pursuant to an exchange offer by the corporation to purchase stock made on the same terms to all holders of such stock; or

(v) any issuance or transfer of stock by the corporation; provided however, that in no case under subparagraph (C)(iii) through (v) shall there be an increase in the interested stockholder’s proportionate share of the stock of any class or series of the corporation or of the voting stock of the corporation;

(D) any transaction involving the corporation or any direct or indirect majority-owned subsidiary of the corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(E) any receipt by the interested stockholder of the benefit, directly or indirectly, except proportionately as a stockholder of such corporation, of any loans, advances, guarantees, pledges or other financial benefits, other than those expressly permitted in subparagraphs (A) through (D), provided by or through the corporation or any direct or indirect majority-owned subsidiary.

(4) “Control,” including the terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract or otherwise. A person who is the owner of 20% or more of

the outstanding voting stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary, except that a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this section, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(5) (A) “Interested stockholder” means any person, other than the corporation and any direct or indirect majority-owned subsidiary of the corporation, that:

(i) Is the owner of 15% or more of the outstanding voting stock of the corporation; or

(ii) is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person.

(B) The term “interested stockholder” shall not include:

(i) Any person who: (a) Owned shares in excess of the 15% limitation set forth herein as of, or acquired such shares pursuant to a tender offer commenced prior to July 1, 1989, or pursuant to an exchange offer announced prior to such date and commenced within 90 days thereafter and either: (1) Continued to own shares in excess of such 15% limitation or would have but for action by the corporation; or (2) is an affiliate or associate of the corporation and so continued, or so would have continued but for action by the corporation, to be the owner of 15% or more of the outstanding voting stock of the corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such a person is an interested stockholder; or (b) acquired such shares from a person described in subparagraph (B)(i)(a) by gift, inheritance or in a transaction in which no consideration was exchanged; or

(ii) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the corporation; provided that such person shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the corporation, except as a result of further corporate action not caused, directly or indirectly, by such person.

(C) For the purpose of determining whether a person is an interested stockholder, the voting stock of the corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of paragraph (9), but shall not include any other unissued stock of such corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(6) “Person” means any individual, corporation, partnership, unincorporated association or other entity.

(7) “Stock” means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(8) “Voting stock” means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of voting stock shall refer to such percentage of the votes of such voting stock.

(9) “Owner,” including the terms “own” and “owned,” when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(A) Beneficially owns such stock, directly or indirectly;

(B) has: (i) The right to acquire such stock, whether such right is exercisable immediately or only after the passage of time, pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, except that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person’s affiliates or associates until such tendered stock is accepted for purchase or exchange; or (ii) the right to vote such stock pursuant to any agreement,



arrangement or understanding, except that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(C) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting, except voting pursuant to a revocable proxy or consent as described in subparagraph (B)(ii), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(d) No provision of an articles of incorporation or bylaw shall require, for any vote of stockholders required by this section, a greater vote of stockholders than that specified in this section.

(e) This section amends and recodifies the Kansas business combinations with interested shareholders act. Any reference in a corporation's articles of incorporation or bylaws to the Kansas business combinations with interested shareholders act shall be deemed to refer to this section.

(f) This section shall be part of and supplemental to article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 8. (a) Subject to subsection (f), no defective corporate act or putative stock shall be void or voidable solely as a result of a failure of authorization if ratified as provided in this section or validated by the district court in a proceeding brought under section 9, and amendments thereto.

(b) (1) In order to ratify one or more defective corporate acts pursuant to this section, other than the ratification of an election of the initial board of directors pursuant to subsection (b)(2), the board of directors of the corporation shall adopt resolutions stating:

(A) The defective corporate act or acts to be ratified;

(B) the date of each defective corporate act or acts;

(C) if such defective corporate act or acts involved the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued;

(D) the nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(E) that the board of directors approves the ratification of the defective corporate act or acts.

Such resolutions may also provide that, at any time before the validation effective time in respect to any defective corporate act set forth therein, notwithstanding the approval of the ratification of such defective corporate act by stockholders, the board of directors may abandon the ratification of such defective corporate act without further action of the stockholders. The quorum and voting requirements applicable to the ratification by the board of directors of any defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time the board adopts the resolutions ratifying the defective corporate act, except that if the articles of incorporation or bylaws of the corporation, any plan or agreement to which the corporation was a party or any provision of the Kansas general corporation code, in each case as in effect as of the time of the defective corporate act, would have required a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, such larger number or portion of such directors or such specified directors shall be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable, except that the presence or approval of any director elected, appointed or nominated by holders of any class or series of which no shares are then outstanding, or by any person that is no longer a stockholder, shall not be required.

(2) In order to ratify a defective corporate act in respect of the election of the initial board of directors of the corporation pursuant to K.S.A. 17-6008, and amendments thereto, a majority of the persons who, at the time the resolutions required by this paragraph are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(A) The name of the person or persons who first took action in the

name of the corporation as the initial board of directors of the corporation;

(B) the earlier of the date on which such persons first took such action or were purported to have been elected as the initial board of directors; and

(C) that the ratification of the election of such person or persons as the initial board of directors is approved.

(c) Each defective corporate act ratified pursuant to subsection (b)(1) shall be submitted to stockholders for approval as provided in subsection (d), unless:

(1) No other provision of the Kansas general corporation code, and no provision of the articles of incorporation or bylaws of the corporation, or of any plan or agreement to which the corporation is a party, would have required stockholder approval of such defective corporate act to be ratified, either at the time of such defective corporate act or at the time the board of directors adopts the resolutions ratifying such defective corporate act pursuant to subsection (b)(1); and

(2) such defective corporate act did not result from a failure to comply with section 7, and amendments thereto.

(d) If the ratification of a defective corporate act is required to be submitted to stockholders for approval pursuant to subsection (c), due notice of the time, place, if any, and purpose of the meeting shall be given at least 20 days before the date of the meeting to each holder of valid stock and putative stock, whether voting or nonvoting, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice also shall be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted by the board of directors pursuant to subsection (b)(1) or the information required by subsection (b)(1)(A) through (E) and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the district court should declare in its discretion that a ratification in accordance with this section not be effective or be effective only on certain conditions must be brought within 120 days from the applicable validation effective time. At such meeting, the quorum and voting requirements applicable to the ratification of such defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(1) If the articles of incorporation or bylaws of the corporation, any plan or agreement to which the corporation was a party or any provision of the Kansas general corporation code in effect as of the time of the defective corporate act would have required a larger number or portion of stock or of any class or series thereof or of specified stockholders for a quorum to be present or to approve the defective corporate act, the presence or approval of such larger number or portion of stock or of such class or series thereof or of such specified stockholders shall be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a stockholder, shall not be required;

(2) the approval by stockholders of the ratification of the election of a director shall require the affirmative vote of the majority of shares present at the meeting and entitled to vote on the election of such director, except that if the articles of incorporation or bylaws of the corporation then in effect or in effect at the time of the defective election require or required a larger number or portion of stock or of any class or series thereof or of specified stockholders to elect such director, the affirmative vote of such larger number or portion of stock or of any class or series thereof or of such specified stockholders shall be required to ratify the election of such director, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a stockholder, shall not be required; and

(3) in the event of a failure of authorization resulting from failure to comply with the provisions of section 7, and amendments thereto, the

ratification of the defective corporate act shall require the vote set forth in section 7(a)(3), and amendments thereto, regardless of whether such vote would have otherwise been required.

Shares of putative stock on the record date for determining stockholders entitled to vote on any matter submitted to stockholders pursuant to subsection (c), and without giving effect to any ratification that becomes effective after such record date, shall neither be entitled to vote nor counted for quorum purposes in any vote to ratify any defective corporate act.

(e) If a defective corporate act ratified pursuant to this section would have required under any other section of the Kansas general corporation code the filing of a document in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto, then, whether or not a document was previously filed in respect to such defective corporate act and in lieu of filing the document otherwise required by provisions of the Kansas general corporation code, the corporation shall file a certificate of validation with respect to such defective corporate act in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto. A separate certificate of validation shall be required for each defective corporate act requiring the filing of a certificate of validation under this section, except that two or more defective corporate acts may be included in a single certificate of validation if the corporation filed, or to comply with provisions of the Kansas general corporation code, would have filed, a single document under another provision of the Kansas general corporation code to effect such acts, and two or more overissues of shares of any class, classes or series of stock may be included in a single certificate of validation, provided that the increase in the number of authorized shares of each such class or series set forth in the certificate of validation shall be effective as of the date of the first such overissue. The certificate of validation shall set forth:

(1) Each defective corporate act that is the subject of the certificate of validation, including, in the case of any defective corporate act involving the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued, the date of such defective corporate act, and the nature of the failure of authorization in respect to such defective corporate act;

(2) a statement that such defective corporate act was ratified in accordance with this section, including the date on which the board of directors ratified such defective corporate act and the date, if any, on which the stockholders approved the ratification of such defective corporate act; and

(3) the information required by one of the following subparagraphs:

(A) If a document was previously filed under K.S.A. 2015 Supp. 17-7910, and amendments thereto, in respect to such defective corporate act and no changes to such document are required to give effect to such defective corporate act in accordance with this section, the certificate of validation shall set forth: (i) The name, title and filing date of the document previously filed and of any certificate of correction thereto; and (ii) a statement that a copy of the document previously filed, together with any certificate of correction thereto, is attached as an exhibit to the certificate of validation;

(B) if a document was previously filed under K.S.A. 2015 Supp. 17-7910, and amendments thereto, in respect to the defective corporate act and such document requires any change to give effect to the defective corporate act in accordance with this section, including a change to the date and time of the effectiveness of such certificate, the certificate of validation shall set forth: (i) The name, title and filing date of the document so previously filed and of any certificate of correction thereto; (ii) a statement that a document containing all of the information required to be included under the applicable section or sections of the Kansas general corporation code to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and (iii) the date that such certificate shall be deemed to have become effective pursuant to this section; or

(C) if a document was not previously filed under K.S.A. 2015 Supp. 17-7910, and amendments thereto, in respect to the defective corporate act and the defective corporate act ratified pursuant to this section would

have required under any other section of the Kansas general corporation code the filing of a document in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto, the certificate of validation shall set forth: (i) A statement that a document containing all of the information required to be included under the applicable section or sections of the Kansas general corporation code to give effect to the defective corporate act is attached as an exhibit to the certificate of validation; and (ii) the date and time that such certificate shall be deemed to have become effective pursuant to this section.

(4) A document attached to a certificate of validation pursuant to paragraph (3)(B) or (C) need not be separately executed and acknowledged and need not include any statement required by any other section of the Kansas general corporation code that such document has been approved and adopted in accordance with the provisions of such other section.

(f) From and after the validation effective time, unless otherwise determined in an action brought pursuant to section 9, and amendments thereto:

(1) Subject to the last sentence of subsection (d), each defective corporate act ratified in accordance with this section shall no longer be deemed void or voidable as a result of a the failure of authorization described in the resolutions adopted pursuant to subsection (b) and such effect shall be retroactive to the time of the defective corporate act; and

(2) subject to the last sentence of subsection (d), each share or fraction of a share of putative stock issued or purportedly issued pursuant to any such defective corporate act shall no longer be deemed void or voidable and shall be deemed to be an identical share or fraction of a share of outstanding stock as of the time it was purportedly issued.

(g) (1) In respect of each defective corporate act ratified by the board of directors pursuant to subsection (b), prompt notice of the ratification shall be given to all holders of valid stock and putative stock, whether voting or nonvoting, as of the date the board of directors adopts the resolutions approving such defective corporate act, or as of a date within 60 days after such date of adoption, as established by the board of directors, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice also shall be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted pursuant to subsection (b) or the information specified in subsection (b)(1)(A) through (E) or subsection (b)(2)(A) through (C), as applicable, and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the district court should declare in its discretion that a ratification in accordance with this section not be effective or be effective only on certain conditions must be brought within 120 days from the later of the validation effective time or the time at which the notice required by this subsection is given.

(2) Notwithstanding the provisions of paragraph (1): (A) No such notice shall be required if notice of the ratification of the defective corporate act is to be given in accordance with subsection (d); and (B) in the case of a corporation that has a class of stock listed on a national securities exchange, the notice required by this subsection may be deemed given if disclosed in a document publicly filed by the corporation with the securities and exchange commission pursuant to section 13, 14 or 15(d) of the securities exchange act of 1934, as amended, and the rules and regulations promulgated thereunder, or the corresponding provisions of any subsequent federal securities laws, rules or regulations.

(3) If any defective corporate act has been approved by stockholders acting pursuant to K.S.A. 17-6518, and amendments thereto, the notice required by this subsection may be included in any notice required to be given pursuant to K.S.A. 17-6518(e), and amendments thereto, and, if so given, shall be sent to the stockholders entitled thereto under K.S.A. 17-6518(e), and amendments thereto, and to all holders of valid and putative stock to whom notice would be required under this subsection if the defective corporate act had been approved at a meeting other than any stockholder who approved the action by consent in lieu of a meeting

pursuant to K.S.A. 17-6518, and amendments thereto, or any holder of putative stock who otherwise consented thereto in writing. Solely for purposes of subsection (d) and this subsection, notice to holders of putative stock, and notice to holders of valid stock and putative stock as of the time of the defective corporate act, shall be treated as notice to holders of valid stock for purposes of K.S.A. 17-6512, 17-6518, 17-6519, 17-6520, 17-6522 and 17-6523, and amendments thereto.

(h) As used in this section and in section 9, and amendments thereto, only, the terms:

(1) “Defective corporate act” means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or any act or transaction purportedly taken by or on behalf of the corporation that is, and at the time such act or transaction was purportedly taken would have been, within the power of a corporation under the provisions of article 61 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, but is void or voidable due to a failure of authorization.

(2) “Failure of authorization” means: (A) The failure to authorize or effect an act or transaction in compliance with the provisions of this code, the articles of incorporation or bylaws of the corporation, or any plan or agreement to which the corporation is a party, if and to the extent such failure would render such act or transaction void or voidable; or (B) the failure of the board of directors or any officer of the corporation to authorize or approve any act or transaction taken by or on behalf of the corporation that would have required for its due authorization the approval of the board of directors or such officer.

(3) “Overissue” means the purported issuance of:

(A) Shares of capital stock of a class or series in excess of the number of shares of such class or series the corporation has the power to issue under K.S.A. 17-6411, and amendments thereto, at the time of such issuance; or

(B) shares of any class or series of capital stock that is not then authorized for issuance by the articles of incorporation of the corporation.

(4) “Putative stock” means the shares of any class or series of capital stock of the corporation, including shares issued upon exercise of options, rights, warrants or other securities convertible into shares of capital stock of the corporation, or interests with respect thereto that were created or issued pursuant to a defective corporate act, that:

(A) But for any failure of authorization, would constitute valid stock; or

(B) cannot be determined by the board of directors to be valid stock.

(5) “Time of the defective corporate act” means the date and time the defective corporate act was purported to have been taken.

(6) “Validation effective time” with respect to any defective corporate act ratified pursuant to this section means the latest of:

(A) The time at which the defective corporate act submitted to the stockholders for approval pursuant to subsection (c) is approved by such stockholders, or if no such vote of stockholders is required to approve the ratification of the defective corporate act, the time at which the board of directors adopts the resolutions required by subsection (b)(1) or (b)(2);

(B) where no certificate of validation is required to be filed pursuant to subsection (e), the time, if any, specified by the board of directors in the resolutions adopted pursuant to subsection (b)(1) or (b)(2), which time shall not precede the time at which such resolutions are adopted; and

(C) the time at which any certificate of validation filed pursuant to subsection (e) shall become effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto.

(7) “Valid stock” means the shares of any class or series of capital stock of the corporation that have been duly authorized and validly issued in accordance with the Kansas general corporation code.

In the absence of actual fraud in the transaction, the judgment of the board of directors that shares of stock are valid stock or putative stock shall be conclusive, unless otherwise determined by the district court in a proceeding brought pursuant to section 9, and amendments thereto.

(i) Ratification under this section or validation under section 9, and amendments thereto, shall not be deemed to be the exclusive means of ratifying or validating any act or transaction taken by or on behalf of the

corporation, including any defective corporate act, or any issuance of stock, including any putative stock, or of adopting or endorsing any act or transaction taken by or in the name of the corporation prior to the commencement of its existence, and the absence or failure of ratification in accordance with either this section or validation under section 9, and amendments thereto, shall not, of itself, affect the validity or effectiveness of any act or transaction or the issuance of any stock properly ratified under common law or otherwise, nor shall it create a presumption that any such act or transaction is or was a defective corporate act or that such stock is void or voidable.

(j) This section shall be part of and supplemental to article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

New Sec. 9. (a) Subject to subsection (e), upon application by the corporation, any successor entity to the corporation, any member of the board of directors, any record or beneficial holder of valid stock or putative stock, any record or beneficial holder of valid or putative stock as of the time of a defective corporate act ratified pursuant to section 8, and amendments thereto, or any other person claiming to be substantially and adversely affected by a ratification pursuant to section 8, and amendments thereto, the district court may:

(1) Determine the validity and effectiveness of any defective corporate act ratified pursuant to section 8, and amendments thereto;

(2) determine the validity and effectiveness of the ratification of any defective corporate act pursuant to section 8, and amendments thereto;

(3) determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to section 8, and amendments thereto;

(4) determine the validity of any corporate act or transaction and any stock, rights or options to acquire stock; and

(5) modify or waive any of the procedures set forth in section 8, and amendments thereto, to ratify a defective corporate act.

(b) In connection with an action under this section, the district court may:

(1) Declare that a ratification in accordance with and pursuant to section 8, and amendments thereto, is not effective or shall only be effective at a time or upon conditions established by the court;

(2) validate and declare effective any defective corporate act or putative stock and impose conditions upon such validation by the court;

(3) require measures to remedy or avoid harm to any person substantially and adversely affected by a ratification pursuant to section 8, and amendments thereto, or from any order of the court pursuant to this section, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) order the secretary of state to accept an instrument for filing with an effective time specified by the court, which effective time may be prior or subsequent to the time of such order, provided that the filing date of such instrument shall be determined in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto;

(5) approve a stock ledger for the corporation that includes any stock ratified or validated in accordance with this section or with section 8, and amendments thereto;

(6) declare that shares of putative stock are shares of valid stock or require a corporation to issue and deliver shares of valid stock in place of any shares of putative stock;

(7) order that a meeting of holders of valid stock or putative stock be held and exercise the powers provided to the court under K.S.A. 17-6517, and amendments thereto, with respect to such a meeting;

(8) declare that a defective corporate act validated by the court shall be effective as of the time of the defective corporate act or at such other time as the court shall determine;

(9) declare that putative stock validated by the court shall be deemed to be an identical share or fraction of a share of valid stock as of the time originally issued or purportedly issued or at such other time as the court shall determine; and

(10) make such other orders regarding such matters as it deems proper under the circumstances.

(c) Service of the application under subsection (a) upon the resident

agent of the corporation shall be deemed to be service upon the corporation, and no other party need be joined in order for the district court to adjudicate the matter. In an action filed by the corporation, the court may require notice of the action be provided to other persons specified by the court and permit such other persons to intervene in the action.

(d) In connection with the resolution of matters pursuant to subsections (a) and (b), the district court may consider the following:

(1) Whether the defective corporate act was originally approved or effectuated with the belief that the approval or effectuation was in compliance with the provisions of the Kansas general corporation code, the articles of incorporation or bylaws of the corporation;

(2) whether the corporation and board of directors has treated the defective corporate act as a valid act or transaction and whether any person has acted in reliance on the public record that such defective corporate act was valid;

(3) whether any person will be or was harmed by the ratification or validation of the defective corporate act, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(4) whether any person will be harmed by the failure to ratify or validate the defective corporate act; and

(5) any other factors or considerations the court deems just and equitable.

(e) Notwithstanding any other provision of this section, no action asserting:

(1) That a defective corporate act or putative stock ratified in accordance with section 8, and amendments thereto, is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with section 8(b), and amendments thereto; or

(2) that the district court should declare in its discretion that a ratification in accordance with section 8, and amendments thereto, not be effective or be effective only on certain conditions, may be brought after the expiration of 120 days from the later of the validation effective time and the time notice, if any, that is required to be given pursuant to section 8(g), and amendments thereto, is given with respect to such ratification, except that this subsection shall not apply to an action asserting that a ratification was not accomplished in accordance with section 8, and amendments thereto, or to any person to whom notice of the ratification was required to have been given pursuant to section 8(d) or (g), and amendments thereto, but to whom such notice was not given.

(f) This section shall be part of and supplemental to article 64 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 10. K.S.A. 17-1289 is hereby amended to read as follows: 17-1289. (a) An “issuing public corporation” means a corporation organized under the laws of the state of Kansas that has:

(1) One hundred or more shareholders;

(2) its principal place of business; *or* its principal office *in Kansas*, or ~~substantial~~ *that owns or controls* assets within Kansas *having a fair market value of more than \$1,000,000*; and

(3) either:

(A) More than 10% of its shareholders resident in Kansas;

(B) more than 10% of its shares owned *of record or beneficially* by Kansas residents; or

(C) ~~two~~ *one thousand five hundred* shareholders resident in Kansas.

(b) The residence of a shareholder is presumed to be the address appearing in the records of the corporation.

~~(c) Shares held by banks, except as trustee or guardian, brokers or nominees shall be disregarded for purposes of calculating the percentages or numbers described in this section.~~

Sec. 11. K.S.A. 17-2036 is hereby amended to read as follows: 17-2036. (a) Every business trust shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the business trust at the close of business on the last day of its tax period under the Kansas income tax act next preceding the date of filing, but if a business trust’s tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms pro-

vided by the secretary of state and shall be filed at the time prescribed by law for filing the business trust's annual Kansas income tax return. The report shall be ~~dated~~, signed by a trustee or other authorized officer under penalty of perjury, and contain the following:

(1) Executed copies of all amendments to the instrument by which the business trust was created, or to prior amendments thereto, which have been adopted and have not theretofore been filed under K.S.A. 17-2033, and amendments thereto, and accompanied by the fee prescribed therein for each such amendment; and

(2) a verified list of the names and addresses of its trustees as of the end of its tax period.

(b) (1) At the time of filing its annual report, the business trust shall pay to the secretary of state an annual report fee in an amount equal to \$40.

(2) The failure of any domestic or foreign business trust to file its annual report and pay its annual report fee within 90 days from the date on which they are due, ~~as aforesaid~~ *described in subsection (a), or, in the case of an annual report filing and fee received by mail, postmarked within 90 days from the date on which they are due, as described in subsection (a)*, shall work a forfeiture of its authority to transact business in this state and all of the remedies, procedures, and penalties specified in K.S.A. 17-7509 and 17-7510, and amendments thereto, with respect to a corporation which fails to file its annual report or pay its annual report fee within 90 days after they are due, shall be applicable to such business trust.

(c) All copies of applications for extension of the time for filing income tax returns submitted to the secretary of state pursuant to law shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234, and amendments thereto, a proper judicial order and subsection (d). All copies of such applications shall be preserved for one year and until the secretary of state orders that the copies are to be destroyed.

(d) A copy of such application shall be open to inspection by or disclosure to any person designated by resolution of the trustees of the business trust.

Sec. 12. K.S.A. 17-2718 is hereby amended to read as follows: 17-2718. (a) Each professional corporation organized under the laws of this state shall file with the secretary of state an annual report in writing stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if any such corporation's tax period is other than the calendar year it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return. The report shall be made on a form provided by the secretary of state, containing the following information:

(1) The names and addresses of all officers, directors and shareholders of the professional corporation;

(2) a statement that each officer, director and shareholder is or is not a qualified person as defined in K.S.A. 17-2707, and amendments thereto, and setting forth the date on which any shares of the corporation were no longer owned by a qualified person; and

(3) the amount of capital stock issued.

(b) The report shall be signed by its president, secretary, treasurer or other officer duly authorized so to act, or by any two of its directors, or by an incorporator in the event its board of directors shall not have been elected. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury. Upon request by the regulatory board which licenses the shareholders described in the report, a copy of the annual report shall be forwarded to the regulatory board. At the time of filing its annual report, each professional corporation shall pay the annual report fee prescribed by K.S.A. 17-7503, and amendments thereto.

Sec. 13. K.S.A. 17-4634 is hereby amended to read as follows: 17-



4634. (a) Every corporation organized under the electric cooperative act of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if any such corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The report shall be filed on or before the ~~fifteenth~~ 15th day of the ~~fourth~~ 4th month following the close of the tax year of the electric cooperative. The report shall be made on a form provided by the secretary of state, containing the following information:

- (1) The name of the corporation;
- (2) the location of the principal office;
- (3) the names and addresses of the president, secretary, treasurer and all directors;
- (4) the number of memberships issued; and
- (5) the change or changes, if any, in the particulars made since the last annual report.

(b) Such reports shall be ~~dated~~, signed by the president, vice-president or secretary of the corporation under penalty of perjury and forwarded to the secretary of state. At the time of filing such annual report, each such corporation shall pay an annual report fee in an amount equal to \$40.

Sec. 14. K.S.A. 17-6001 is hereby amended to read as follows: 17-6001. (a) Any person, partnership, association or corporation, singly or jointly with others, and without regard to *such person's or entity's* residence, domicile or state of incorporation, may incorporate or organize a corporation under this ~~act code~~ by filing with the secretary of state articles of incorporation which shall be executed and filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto.

(b) Except as otherwise provided by law, a corporation may be incorporated or organized under this ~~act code~~ to conduct or promote any lawful business or purposes.

(c) Corporations subject to special statutory regulation may be organized under this ~~act code~~ if required by or otherwise consistent with such other statutory regulation, but such corporations shall be subject to the special provisions and requirements applicable to such corporations. Where the provisions and requirements of this ~~act code~~ are not inconsistent, they shall be construed as supplemental to such other statutes and not in derogation or limitation thereof, and such corporations shall be governed thereby. Subject to the foregoing provisions of this subsection, any corporation organized under the laws of this state or authorized to do business in this state shall be governed by the applicable provisions of this code.

Sec. 15. K.S.A. 2015 Supp. 17-6002 is hereby amended to read as follows: 17-6002. (a) The articles of incorporation shall set forth:

(1) The name of the corporation pursuant to K.S.A. 2015 Supp. 17-7918 and 17-7919, and amendments thereto, of the business entity standard treatment act;

(2) the address, ~~which shall include the street, number, city and zip code~~ of the corporation's registered office in this state, *which shall be stated in accordance with K.S.A. 2015 Supp. 17-7924, and amendments thereto*, and the name of its resident agent at such address;

(3) the nature of the business or purposes to be conducted or promoted. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the Kansas general corporation code, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any;

(4) (A) if the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and the par value of each of such shares, or a statement that all such shares are to be without par value. If the corporation is to be authorized to issue more than one class of stock, the articles of incorporation shall set forth the total number of shares of all classes of

stock which the corporation shall have authority to issue and the number of shares of each class, and shall specify each class the shares of which are to be without par value, and each class the shares of which are to have a par value and the par value of the shares of each such class. The articles of incorporation shall also set forth a statement of the designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, which are permitted by K.S.A. 17-6401, and amendments thereto, in respect to any class or classes of stock or any series of any class of stock of the corporation and the fixing of which by the articles of incorporation is desired, and an express grant of such authority as it may then be desired to grant to the board of directors to fix by resolution or resolutions any thereof that may be desired but which shall not be fixed by the articles of incorporation.

(B) (i) ~~The foregoing provisions of this subsection shall not apply to nonstock corporations which are not organized for profit and which are not to have authority to issue capital stock. In the case of such nonstock corporations, the fact that they are not to have authority~~ *authorized* to issue capital stock shall be stated in the articles of incorporation ~~and unless otherwise provided in the articles of incorporation or bylaws, the directors of such corporation shall be members for all purposes under the Kansas general corporation code. The conditions of membership of such, or other criteria for identifying members, of nonstock corporations shall likewise be stated in the articles of incorporation or the articles may provide that the conditions of membership shall be stated in the bylaws, and if a corporation not organized for profit is to have authority to issue capital stock, such fact shall be stated in the articles of incorporation bylaws. Nonstock corporations shall have members, but failure to have members shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation.~~

(ii) *Nonstock corporations may provide for classes or groups of members having relative rights, powers and duties, and may make provision for the future creation of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. Except as otherwise provided in this code, nonstock corporations may also provide that any member or class or group of members shall have full, limited or no voting rights or powers, including that any member or class or group of members shall have the right to vote on a specified transaction even if that member or class or group of members does not have the right to vote for the election of the members of the governing body of the corporation. Voting by members of a nonstock corporation may be on a per capita, number, financial interest, class, group or any other basis set forth.*

(iii) *The provisions referred to in paragraph (4)(B)(ii) may be set forth in the articles of incorporation or the bylaws. If neither the articles of incorporation nor the bylaws of a nonstock corporation state the conditions of membership, or other criteria for identifying members, the members of the corporation shall be deemed to be those entitled to vote for the election of the members of the governing body pursuant to the articles of incorporation or bylaws of such corporation or otherwise until thereafter otherwise provided by the articles of incorporation or the bylaws;*

(5) the name and mailing address of the incorporator or incorporators; and

(6) if the powers of the incorporator or incorporators are to terminate upon the filing of the articles of incorporation, the names and mailing addresses of the persons who are to serve as directors until the first annual meeting of stockholders or until their successors are elected and qualify.

(b) In addition to the matters required to be set forth in the articles of incorporation by subsection (a), the articles of incorporation may also contain any or all of the following matters:

(1) Any provision for the management of the business and for the conduct of the affairs of the corporation, and any provision creating, defining, limiting and regulating the sale or other disposition of stock and the powers of the corporation, the directors and the stockholders, or any class of the stockholders, or the *governing body, members or any class or group of members* of a nonstock corporation, if such provisions are not contrary to the laws of this state. Any provision which is required or

permitted by any section of this ~~act~~ *code* to be stated in the bylaws may be stated instead in the articles of incorporation;

(2) the following provisions, in these words:

(A) *For a corporation other than a nonstock corporation:* “Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them or between this corporation and its stockholders or any class of them, any court of competent jurisdiction within the state of Kansas, on the application in a summary way of this corporation or of any creditor or stockholder thereof ~~or on the application of any receiver or receivers appointed for this corporation under K.S.A. 17-6901, and amendments thereto,~~ or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of K.S.A. 17-6808 and 17-6901, and amendments thereto, may order a meeting of the creditors or class of creditors, or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing  $\frac{3}{4}$  in value of the creditors or class of creditors, or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, such compromise or arrangement and such reorganization shall, if sanctioned by the court to which the application has been made, be binding on all the creditors or class of creditors, or on all the stockholders or class of stockholders of this corporation, as the case may be, and also on this corporation”; or

(B) *for a nonstock corporation:* “Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them or between this corporation and its members or any class of them, any court of competent jurisdiction within the state of Kansas may, on the application in a summary way of this corporation or of any creditor or member thereof or on the application of any receiver or receivers appointed for this corporation under K.S.A. 17-6901, and amendments thereto, or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of K.S.A. 17-6808 and 17-6901, and amendments thereto, order a meeting of the creditors or class of creditors, or of the members or class of members of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing  $\frac{3}{4}$  in value of the creditors or class of creditors, or of the members or class of members of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, such compromise or arrangement and the such reorganization shall, if sanctioned by the court to which the application has been made, ~~shall~~ be binding on all the creditors or class of creditors, or on all the ~~stockholders~~ ~~members~~ or class of ~~stockholders~~ ~~members~~, of this corporation, as the case may be, and also on this corporation”;

(3) such provisions as may be desired granting to the holders of the stock of the corporation, or the holders of any class or series of a class thereof, the preemptive right to subscribe to any or all additional issues of stock of the corporation of any or all classes or series thereof, or to any securities of the corporation convertible into such stock. No stockholder shall have any preemptive right to subscribe to an additional issue of stock or to any security convertible into such stock unless, and except to the extent that, such right is expressly granted to such stockholder in the articles of incorporation. All such rights in existence on July 1, 1972, shall remain in existence unaffected by this paragraph ~~(3)~~ unless and until changed or terminated by appropriate action which expressly provides for such change or termination;

(4) provisions requiring for any corporate action, the vote of a larger portion of the stock or of any class or series thereof, or of any other securities having voting power, or a larger number of the directors, than is required by this ~~act~~ *code*;

(5) a provision limiting the duration of the corporation’s existence to a specified date; otherwise, the corporation shall have perpetual existence;

(6) a provision imposing personal liability for the debts of the corporation on its stockholders ~~or members~~ to a specified extent and upon specified conditions; otherwise, the stockholders ~~or members~~ of a cor-

poration shall not be personally liable for the payment of the corporation's debts except as they may be liable by reason of their own conduct or acts;

(7) the manner of adoption, alteration and repeal of bylaws; and

(8) a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders, ~~policyholders or members~~ for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director: (A) For any breach of the director's duty of loyalty to the corporation or its stockholders, ~~policyholders or members~~; (B) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (C) under the provisions of K.S.A. 17-6424, and amendments thereto; or (D) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in this subsection to a director *also* shall be deemed ~~also~~ to refer to ~~a member of the governing body of a corporation which is not authorized to issue capital stock~~ *such other person or persons, if any, who, pursuant to a provision of the articles of incorporation in accordance with K.S.A. 17-6301(a), and amendments thereto, exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by this code.*

(c) It shall not be necessary to set forth in the articles of incorporation any of the powers conferred on corporations by this ~~act~~ *code*.

(d) *Except for provisions included pursuant to subsections (a)(1), (a)(2), (a)(5), (a)(6), (b)(2), (b)(5), (b)(7) and (b)(8), and provisions included pursuant to subsection (a)(4) specifying the classes, number of shares and par value of shares a corporation, other than a nonstock corporation, is authorized to issue, any provision of the articles of incorporation may be made dependent upon facts ascertainable outside such instrument, provided that the manner in which such facts shall operate upon the provision is clearly and explicitly set forth in the provision. As used in this subsection, the term "facts" includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.*

(e) *The articles of incorporation may not contain any provision that would impose liability on a stockholder for the attorney fees or expenses of the corporation or any other party in connection with an internal corporate claim, as defined in section 5, and amendments thereto.*

Sec. 16. K.S.A. 17-6004 is hereby amended to read as follows: 17-6004. The term "articles of incorporation," as used in this ~~act~~ *code*, unless the context requires otherwise, includes not only the original articles of incorporation filed to create a corporation, which includes the charter, articles of association and any other instrument by whatever name known which a corporation has been or may be lawfully formed, but it also includes all other certificates, agreements of merger or consolidation, plans of reorganization or other instruments, howsoever designated, which are filed pursuant to K.S.A. ~~17-6002, 17-6203 to 17-6206, inclusive, 17-6401, 17-6601 to 17-6605, inclusive, 17-6701 to 17-6708, inclusive, and 17-6913~~ 2015 *Supp.* 17-7910, and amendments thereto, or any other section of this ~~act~~ *code*, and which have the effect of amending or supplementing in some respect a corporation's original articles of incorporation.

Sec. 17. K.S.A. 17-6006 is hereby amended to read as follows: 17-6006. Upon the filing with the secretary of state of the articles of incorporation, executed and filed in accordance with K.S.A. ~~17-6003~~ 2015 *Supp.* 17-7908 through 17-7910, and amendments thereto, the incorporator or incorporators who signed the certificate, and such incorporator's successors and assigns, shall be and constitute a body corporate from the date of such filing by the name set forth in the articles, subject to the provisions of ~~subsection (d) of K.S.A. 17-6003~~ K.S.A. 2015 *Supp.* 17-7911, and amendments thereto, and subject to dissolution or other termination of its existence as provided in this ~~act~~ *code*.

Sec. 18. K.S.A. 17-6007 is hereby amended to read as follows: 17-6007. If the persons who are to serve as directors until the first annual meeting of stockholders have not been named in the articles of incorporation, the incorporator or incorporators, until the directors are elected, shall manage the affairs of the corporation and may do whatever is nec-

essary and proper to obtain the necessary subscriptions for stock and to perfect the organization of the corporation, including the adoption of the original bylaws of the corporation and the election of directors.

Sec. 19. K.S.A. 17-6008 is hereby amended to read as follows: 17-6008. (a) After the filing of the articles of incorporation an organization meeting of the incorporator or incorporators, or of the board of directors if the initial directors were named in the articles of incorporation, shall be held, either within or without this state, at the call of a majority of the incorporators or directors, as the case may be, for the purposes of: (1) Adopting bylaws, unless a different provision is made in the articles of incorporation for the adoption thereof; (2) electing directors, if the meeting is of the incorporators, to serve or hold office until the first annual meeting of stockholders or until their successors are elected and qualify; (3) electing officers if the meeting is of the directors; (4) doing any other or further acts to perfect the organization of the corporation; and (5) transacting such other business as may come before the meeting.

(b) The persons calling the meeting shall give to each other incorporator or director, as the case may be, at least two (2) days' written notice thereof by any usual means of communication, which notice shall state the time, place and purposes of the meeting as fixed by the persons calling it. Notice of the meeting need not be given to anyone who attends the meeting or who signs a waiver of notice either before or after the meeting.

(c) Any action permitted to be taken at the organization meeting of the incorporators or directors, as the case may be, may be taken without a meeting if each incorporator or director, where there is more than one, or the sole incorporator or director where there is only one, signs an instrument which states the action so taken.

(d) *If any incorporator is not available to act, then any person for whom or on whose behalf the incorporator was acting directly or indirectly as employee or agent, may take action that such incorporator would have been authorized to take under this section or K.S.A. 17-6007, and amendments thereto, except that any instrument signed by such other person, or any record of the proceedings of a meeting in which such person participated, shall state that: (1) Such incorporator is not available and the reason therefor; (2) such incorporator was acting directly or indirectly as employee or agent for or on behalf of such person; and (3) such person's signature on such instrument or participation in such meeting is otherwise authorized and not wrongful.*

Sec. 20. K.S.A. 17-6009 is hereby amended to read as follows: 17-6009. (a) The right to adopt, amend or repeal bylaws of any corporation in existence on July 1, 1972, shall be vested in the corporation's board of directors, unless otherwise provided in such corporation's articles of incorporation and subject to the right of the stockholders to adopt, amend or repeal the bylaws. For all other corporations, the original or other bylaws of a corporation may be adopted, amended or repealed by the incorporators, unless the initial directors were named in the articles of incorporation, or, before a corporation has received any payment for any of its stock or, in the case of a nonstock corporation, before any person has been admitted to membership in the corporation, by its board of directors or governing body, as the case may be. After a corporation has received any payment for any of its stock or, in the case of a nonstock corporation, after any person has been admitted to membership in the corporation, the power to adopt, amend or repeal bylaws shall be in the stockholders entitled to vote or, in the case of a nonstock corporation, in its members entitled to vote except that, any corporation, in its articles of incorporation, may confer the power to adopt, amend or repeal bylaws upon the directors or, in the case of a nonstock corporation, upon its governing body by whatever name designated. The fact that such power has been so conferred upon the directors or governing body, as the case may be, shall not divest the stockholders or members of the power, nor limit their power to adopt, amend or repeal bylaws.

(b) The bylaws may contain any provision, not inconsistent with law or with the articles of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its stockholders, directors, officers or employees. *The bylaws may not contain any provision that would impose liability on a stockholder for the attorney fees or expenses of the corporation or any other*

*party in connection with an internal corporate claim, as defined in section 5, and amendments thereto.*

Sec. 21. K.S.A. 17-6010 is hereby amended to read as follows: 17-6010. (a) The board of directors of any corporation may adopt emergency bylaws, subject to repeal or change by action of the stockholders, which notwithstanding any different provision elsewhere in this ~~act code~~ or in chapters 17 and 66 of the Kansas Statutes Annotated, *and amendments thereto*, or in the articles of incorporation or bylaws, shall be operative during any emergency resulting from an attack on the United States or on a locality in which the corporation conducts its business or customarily holds meetings of its board of directors or its stockholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the board of directors or a standing committee thereof cannot readily be convened for action. The emergency bylaws may make any provision that may be practical and necessary for the circumstances of the emergency, including provisions that:

~~(a)~~ (1) A meeting of the board of directors or a committee thereof may be called by any officer or director in such manner and under such conditions as shall be prescribed in the emergency bylaws;

~~(b)~~ (2) the director or directors in attendance at the meeting, or any greater number fixed by the emergency bylaws, shall constitute a quorum; and

~~(c)~~ (3) the officers or other persons designated on a list approved by the board of directors before the emergency, all in such order of priority and subject to such conditions and for such period of time ~~not longer than reasonably necessary after the termination of the emergency~~, as may be provided in the emergency bylaws or in the resolution approving the list, shall be deemed directors ~~of the corporation~~ *for such meeting*, to the extent required to provide a quorum at any meeting of the board of directors.

(b) The board of directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the corporation shall be rendered incapable of discharging their duties for any reason.

(c) The board of directors, either before or during any such emergency, may change the head office or designate several alternative head offices or regional offices, or authorize the offices so to do, effective in the emergency.

(d) No officer, director or employee acting in accordance with any emergency bylaws shall be liable except for willful misconduct.

(e) To the extent not inconsistent with any emergency bylaws so adopted, the bylaws of the corporation shall remain in effect during any emergency, and upon its termination the emergency bylaws shall cease to be operative.

(f) Unless otherwise provided in emergency bylaws, notice of any meeting of the board of directors during such an emergency may be given only to such of the directors as it may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio.

(g) To the extent required to constitute a quorum at any meeting of the board of directors during such an emergency, and unless otherwise provided in emergency bylaws, the officers of the corporation who are present shall be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting.

(h) Nothing contained in this section shall be deemed exclusive of any other provisions for emergency powers consistent with other sections of this ~~act code~~ which have been or may be adopted by corporations created under the provisions of this ~~act code~~.

Sec. 22. K.S.A. 17-6101 is hereby amended to read as follows: 17-6101. (a) In addition to the powers enumerated in K.S.A. 17-6102, *and amendments thereto*, every corporation, its officers, directors, and stockholders shall possess and may exercise all the powers and privileges granted by this ~~act code~~ or by any other law or by its articles of incorporation, together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or

attainment of the business or purposes set forth in its articles of incorporation.

(b) Every corporation shall be governed by the provisions and be subject to the restrictions and liabilities contained in this ~~act~~ *code*.

Sec. 23. K.S.A. 17-6102 is hereby amended to read as follows: 17-6102. Every ~~domestic~~ corporation ~~subject to the provisions of this act created under this code~~ shall have power to:

~~(1)~~ (a) Have perpetual succession by its corporate name, unless a limited period of duration is stated in its articles of incorporation;

~~(2)~~ (b) sue and be sued in all courts and participate, as a party or otherwise, in any judicial, administrative, arbitratative or other proceeding, in its corporate name;

~~(3)~~ (c) have a corporate seal, which may be altered at pleasure, and use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

~~(4)~~ (d) purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, and to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, all or any of its property and assets, or any interest therein, wherever situated;

~~(5)~~ (e) appoint such officers and agents as the business of the corporation requires and to pay or otherwise provide for them suitable compensation;

~~(6)~~ (f) adopt, amend and repeal bylaws;

~~(7)~~ (g) wind up and dissolve itself in the manner provided in this ~~act~~ *code*;

~~(8)~~ (h) conduct its business, carry on its operations and have offices and exercise its powers within or without this state;

~~(9)~~ (i) make donations for the public welfare or for charitable, scientific or educational purposes, and in time of war or other national emergency in aid thereof;

~~(10)~~ (j) be an incorporator, promoter or manager of other corporations of any type or kind;

~~(11)~~ (k) participate with others in any corporation, partnership, limited partnership, joint venture or other association of any kind, or in any transaction, undertaking or arrangement which the participating corporation would have power to conduct by itself, whether or not such participation involves sharing or delegation of control with or to others;

~~(12)~~ (l) transact any lawful business which the corporation's board of directors shall find to be in aid of governmental authority;

~~(13)~~ (m) make contracts, including contracts of guaranty and suretyship, incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or other encumbrance of all or any of its property, franchises and income, and make contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of: ~~(A)~~ (1) A corporation all of the outstanding stock of which is owned, directly or indirectly, by the contracting corporation; ~~(B)~~ (2) a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation; or ~~(C)~~ (3) a corporation all of the outstanding stock of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, which contracts of guaranty and suretyship shall be deemed to be necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation, and make other contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion or attainment of the business of the contracting corporation;

~~(14)~~ (n) lend money for its corporate purposes, invest and reinvest its funds and take, hold and deal with real and personal property as security for the payment of funds so loaned or invested;

~~(15)~~ (o) pay ~~pension~~ *pensions* and establish and carry out pension, profit sharing, stock option, stock purchase, stock bonus, retirement, benefit, incentive and compensation plans, trusts and provisions for any or all of its directors, officers, and employees, and for any or all of the directors, officers, and employees of its subsidiaries;

~~(16)~~ (p) provide insurance for its benefit on the life of any of its directors, officers or employees, or on the life of any stockholder for the purpose of acquiring at such stockholder's death shares of its stock owned by such stockholder; and

~~(17)~~ (q) renounce, in its articles of incorporation or by action of its board of directors, any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more of its officers, directors or stockholders.

Sec. 24. K.S.A. 17-6104 is hereby amended to read as follows: 17-6104. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted:

(a) In a proceeding by a stockholder against the corporation to enjoin the doing of any act or acts or the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a party, the court may ~~set aside and enjoin the performance of such contract~~, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, *set aside and enjoin the performance of such contract*, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, such compensation as may be equitable for the loss or damage sustained by any of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) in a proceeding by the corporation, whether acting directly or through a receiver, trustee or other legal representative, or through stockholders in a representative suit, against an incumbent or former officer or director of the corporation, for loss or damage due to ~~his such incumbent or former officer's or director's~~ unauthorized act; and

(c) in a proceeding by the attorney general to dissolve the corporation, or to enjoin the corporation from the transaction of unauthorized business.

Sec. 25. K.S.A. 17-6106 is hereby amended to read as follows: 17-6106. (a) ~~Unless authority is expressly conferred by another law of this state,~~ No corporation *organized under this code* shall possess the power of issuing bills, notes or other evidences of debt for circulation as money, or the power of carrying on the business of receiving deposits of money.

(b) Corporations *organized under this code* to buy, sell and otherwise deal in notes, open accounts and other similar evidences of debt, or to loan money and to take notes, open accounts and other similar evidences of debt as collateral security therefor, shall not be deemed to be engaging in the business of banking.

Sec. 26. K.S.A. 17-6301 is hereby amended to read as follows: 17-6301. (a) The business and affairs of every corporation *organized under this code* shall be managed by or under the direction of a board of directors, except as may be otherwise provided in this ~~act code~~ or in the articles of incorporation. If any such provision is made in the articles of incorporation, the powers and duties conferred or imposed upon the board of directors by this ~~act code~~ shall be exercised or performed to such extent and by such person or persons as shall be provided in the articles of incorporation.

(b) The board of directors of a corporation shall consist of one or more members, each of whom shall be a natural person. The number of directors shall be fixed by, or in the manner provided in, the bylaws, unless the articles of incorporation ~~establish~~ *fixes* the number of directors, in which case a change in the number of directors shall be made only by amendment of the articles. Directors need not be stockholders unless so required by the articles of incorporation or the bylaws. The articles of incorporation or bylaws may prescribe other qualifications for directors. Each director shall hold office until ~~a such director's~~ successor is elected and qualified or until such director's earlier resignation or removal. Any



director may resign at any time upon notice given in writing or by electronic transmission to the corporation. A *resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable.* A majority of the total number of directors shall constitute a quorum for the transaction of business unless the articles of incorporation or the bylaws require a greater number. Unless the articles of incorporation provide otherwise, the bylaws may provide that a number less than a majority shall constitute a quorum which in no case shall be less than  $\frac{1}{3}$  of the total number of directors except that, when a board of one director is authorized under ~~the provisions of this section,~~ *then* one director shall constitute a quorum. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors; unless the articles of incorporation or the bylaws shall require a vote of a greater number.

(c) (1) All corporations incorporated prior to July 1, 2004, shall be governed by ~~paragraph subsection (c)(2),~~ except that any such corporation may by a resolution adopted by a majority of the whole board elect to be governed by ~~paragraph subsection (c)(3),~~ in which case ~~paragraph subsection (c)(2)~~ shall not apply to such corporation. All corporations incorporated on or after July 1, 2004, shall be governed by ~~paragraph subsection (c)(3).~~

(2) The board of directors may ~~designate,~~ by resolution passed by a majority of the whole board, *designate* one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The bylaws may provide that, in the absence or disqualification of a member of a committee, the member or members ~~thereof~~ present at any meeting and not disqualified from voting, whether or not ~~such~~ *the* member or members *present* constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the bylaws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, ~~and, but no such committee shall have the power or authority in reference to:~~ (A) Amending the articles of incorporation, except that a committee *may*, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in K.S.A. 17-6401, and amendments thereto, ~~may~~ fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series; ~~but no such committee shall have the power or authority in reference to amending the articles of incorporation;~~ (B) adopting an agreement of merger or consolidation pursuant to K.S.A. 17-6701 or 17-6702, and amendments thereto, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation; ~~and, or (C) unless the resolution, bylaws or articles of incorporation expressly provide~~ *provides*, no such committee shall have the power or authority to declare a dividend ~~or,~~ to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to K.S.A. 17-6703, and amendments thereto.

(3) The board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The bylaws may provide that in the

absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in *the* place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the bylaws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (A) Approving or adopting, or recommending to the stockholders, any action or matter, *other than the election or removal of directors*, expressly required by this ~~act~~ *code* to be submitted to stockholders for approval; or (B) adopting, amending or repealing any bylaw of the corporation.

(4) Unless otherwise provided in the articles of incorporation, the bylaws or the resolution of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

(d) The directors of any corporation *organized under this code* may be divided into one, two or three classes by the articles of incorporation or by an initial bylaw, or by a bylaw adopted by a vote of the stockholders; the term of office of those of the first class to expire at the *first* annual meeting ~~next ensuing~~ *held after such classification becomes effective*; of the second class one year thereafter; of the third class two years thereafter; and at each annual election held after such classification ~~and election~~ *becomes effective*, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire. *The articles of incorporation or bylaw provision dividing the directors into classes may authorize the board of directors to assign members of the board already in office to such classes at the time such classification becomes effective.* The articles of incorporation may confer upon holders of any class or series of stock the right to elect one or more directors who shall serve for such term, and have such voting powers; as *shall be* stated in the articles of incorporation. The terms of office and voting powers of the directors elected ~~in the manner so provided in the articles of incorporation~~ *separately by the holders of any class or series of stock* may be greater than or less than those of any other director or class of directors. *In addition, the articles of incorporation may confer upon one or more directors, whether or not elected separately by the holders of any class or series of stock, voting powers greater than or less than those of other directors. Any such provision conferring greater or lesser voting power shall apply to voting in any committee or subcommittee, unless otherwise provided in the articles of incorporation or bylaws.* If the articles of incorporation provide that *one or more* directors ~~elected by the holders of a class or series of stock~~ shall have more or less than one vote per director on any matter, every reference in this ~~act~~ *code* to a majority or other proportion of *the* directors shall refer to a majority or other proportion of the votes of ~~such~~ *the* directors.

(e) A member of the board of directors ~~of any corporation~~, or a member of any committee designated by the board of directors, shall ~~be fully protected~~, in the performance of such member's duties, *be fully protected* in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

(f) Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the

minutes of proceedings of the board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. *Any person, whether or not then a director, may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time, including a time determined upon the happening of an event, no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this subsection at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.*

(g) Unless otherwise restricted by the articles of incorporation or by-laws, the board of directors of any corporation organized under this ~~act~~ code may hold its meetings, and have an office or offices, outside of this state.

(h) Unless otherwise restricted by the articles of incorporation or by-laws, the board of directors shall have the authority to fix the compensation of directors.

(i) Unless otherwise restricted by the articles of incorporation or by-laws, members of the board of directors of any corporation, or any committee designated by ~~such the~~ board, may participate in a meeting of such board, or committee by means of conference telephone or ~~similar other~~ communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this subsection shall constitute presence in person at ~~such the~~ meeting.

(j) ~~The articles of incorporation of any nonstock corporation organized under this act which is not authorized to issue capital stock~~ may provide that less than  $\frac{1}{3}$  of the members of the governing body may constitute a quorum thereof and may otherwise provide that the business and affairs of the corporation shall be managed in a manner different from that provided in this section. Except as *may be otherwise* provided by the articles of incorporation, ~~the provisions of~~ this section shall apply to such a corporation, and; when so applied, all references to: (1) The board of directors, to members thereof and to stockholders shall be deemed to refer to the governing body of the corporation, the members thereof and the members of the corporation, respectively; and (2) *stock, capital stock or shares thereof shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.*

(k) ~~Any number of directors~~ *director* or the entire board of directors may be removed, with or without cause, by the holders of a majority of the ~~outstanding~~ shares then entitled to vote at an election of directors, except as follows:

(1) Unless the articles of incorporation otherwise provides, in the case of a corporation whose board is classified as provided in subsection (d), ~~shareholders~~ *stockholders* may effect such removal only for cause; or

(2) in the case of a corporation having cumulative voting ~~for directors~~, if less than the entire board is to be removed, no director may be removed without cause if the ~~shares voted~~ *votes cast* against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part.

Whenever the holders of any class or series are entitled to elect one or more directors by the ~~provisions of the~~ articles of incorporation, ~~the provisions of~~ this subsection shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole.

Sec. 27. K.S.A. 17-6302 is hereby amended to read as follows: 17-6302. (a) Every corporation organized under this ~~act~~ code shall have such officers with such titles and duties as shall be stated in the bylaws or in a resolution of the board of directors which is not inconsistent with the bylaws and as may be necessary to enable it to sign instruments and stock certificates which comply with ~~subsection (a)(2) of K.S.A. 17-6003 and K.S.A. 17-6408 and K.S.A. 2015 Supp. 17-7908(a)(2),~~ and amendments thereto. One of the officers shall have the duty to record the proceedings

of the meetings of the stockholders and directors in a book to be kept for that purpose. Any number of offices may be held by the same person unless the articles of incorporation or bylaws otherwise provide.

(b) Officers shall be chosen in such manner and shall hold their offices for such terms as are prescribed by the bylaws or determined by the board of directors or other governing body. Each officer shall hold ~~the~~ office until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign at any time upon ~~written notice given in writing or by electronic transmission~~ to the corporation.

(c) The corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

(d) A failure to ~~select a corporation's officers in accordance with the requirements of the bylaws or a resolution adopted by the board of directors or other governing body~~ elect officers shall not dissolve or otherwise affect ~~a~~ the corporation.

(e) Any vacancy occurring in any office of the corporation by death, resignation, removal or otherwise shall be filled as the bylaws provide. In the absence of such provision, the vacancy shall be filled by the board of directors or other governing body.

Sec. 28. K.S.A. 17-6304 is hereby amended to read as follows: 17-6304. (a) No contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee ~~thereof~~ which authorizes the contract or transaction, or solely because ~~his or their~~ *any such director's or officer's* votes are counted for such purpose, if:

(1) The material facts as to ~~his~~ *the director's or officer's* relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board or committee in good faith ~~authorized~~ *authorizes* the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; ~~or~~

(2) the material facts as to ~~his~~ *the director's or officer's* relationship or interest and as to the contract or transaction are disclosed or are known to the ~~shareholders~~ *stockholders* entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the ~~shareholders~~ *stockholders*; or

(3) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee ~~thereof~~ or the ~~shareholders~~ *stockholders*.

(b) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which ~~authorized~~ *authorizes* the contract or transaction.

Sec. 29. K.S.A. 2015 Supp. 17-6305 is hereby amended to read as follows: 17-6305. (a) A corporation shall have power to indemnify any person who was or is a party; or is threatened to be made a party; to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of the fact that ~~such~~ *the* person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, *including attorney fees*, judgments, fines and amounts paid in settlement actually and reasonably incurred by ~~such~~ *the* person in connection with such action, suit or proceeding, ~~including attorney fees, if such~~ *if the* person acted in good faith and in a manner ~~such~~ *the* person reasonably believed to be in or not opposed to the best interests of the corporation; and, with respect to any criminal action or proceeding, had no reasonable cause to believe ~~such~~ *the* person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which ~~such~~ *the*

person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that ~~such~~ *the* person's conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party; or is threatened to be made a party; to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that ~~such~~ *the* person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, *including attorney fees*, actually and reasonably incurred by ~~such~~ *the* person in connection with the defense or settlement of such action or suit, ~~including attorney fees~~, if ~~such~~ *if* the person acted in good faith and in a manner ~~such~~ *the* person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the *district court or the* court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the *district court or such other* court shall deem proper.

(c) To the extent that a present or former director; ~~or officer, employee or agent~~ of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, ~~such director, officer, employee or agent~~ *person* shall be indemnified against expenses, *including attorney fees*, actually and reasonably incurred by such person in connection therewith, ~~including attorney fees~~.

(d) Any indemnification under subsections (a) and (b), unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because ~~such director, officer, employee or agent~~ *the person* has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made, with respect to a person who is a director or officer *of the corporation* at the time of such determination: (1) By a majority vote of the directors who ~~were~~ *are* not parties to such action, suit or proceeding, even though less than a quorum; (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum; (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion; or (4) by the stockholders.

(e) Expenses, including attorney fees, incurred by ~~a director or officer~~ *an officer or director of the corporation* in defending ~~a~~ *any* civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of ~~the~~ *such* director or officer to repay such amount if ~~it is~~ *shall* ultimately be determined that ~~the director or officer~~ *such person* is not entitled to be indemnified by the corporation as authorized in this section. Such expenses, including attorney fees, incurred by former directors and officers or ~~incurred by~~ other employees and agents *of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise* may be so paid upon such terms and conditions, if any, as the ~~board of directors~~ *corporation* deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in ~~a~~ *such* person's official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or a bylaw shall not be eliminated or impaired by an amend-

ment to ~~such provision~~ *the articles of incorporation or the bylaws* after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under ~~the provisions of~~ this section.

(h) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation ~~(, including any constituent of a constituent)~~, absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(k) *The district court is hereby vested with jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this section or under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. The district court may summarily determine a corporation's obligation to advance expenses, including attorney fees.*

Sec. 30. K.S.A. 17-6401 is hereby amended to read as follows: 17-6401. (a) Every corporation may issue one or more classes of stock or one or more series of stock within any class thereof, any or all of which classes may be of stock with par value or stock without par value and which classes or series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the articles of incorporation or of any amendment thereto, or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the articles of incorporation. Any of the *voting* powers, designations, preferences, rights and qualifications, limitations or restrictions of any such class or series of stock may be made dependent upon facts ascertainable outside the articles of incorporation or of any amendment thereto, or outside the resolution or

resolutions providing for the issue of such stock adopted by the board of directors pursuant to authority expressly vested in it by the articles of incorporation, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such class or series of stock is clearly and expressly set forth in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors. The term "facts," as used in this subsection, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation. The power to increase or decrease or otherwise adjust the capital stock as provided in this ~~act~~ *code* shall apply to all or any such classes of stock.

(b) ~~The~~ Any stock of any class or series may be made subject to redemption by the corporation at its option or at the option of the holders of such stock or upon the happening of a specified event. Immediately following any such redemption the corporation shall have outstanding one or more shares of one or more classes or series of stock, which share, or shares together, shall have full voting powers. Notwithstanding the foregoing limitation:

(1) Any stock of a regulated investment company registered under the investment company act of 1940~~—~~ 15 U.S.C. §§ 80a-1 et seq.~~),~~ and amendments thereto, may be made subject to redemption by the corporation at its option or at the option of the holders of such stock; and

(2) any stock of a corporation which holds directly or indirectly a license or franchise from a governmental agency to conduct its business or is a member of a national securities exchange, which license, franchise or membership is conditioned upon some or all of the holders of its stock possessing prescribed qualifications, may be made subject to redemption by the corporation to the extent necessary to prevent the loss of such license, franchise or membership or to reinstate it.

Any stock which may be made redeemable under this section may be redeemed for cash, property or rights, including securities of the same or another corporation, at such time or times, price or prices, or rate or rates, and with such adjustments, as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to subsection (a).

(c) The holders of preferred or special stock of any class or of any series thereof shall be entitled to receive dividends at such rates, on such conditions and at such times as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors as hereinabove provided, payable in preference to, or in such relation to, the dividends payable on any other class or classes or of any other series of stock, and cumulative or noncumulative as shall be so stated and expressed. When dividends upon the preferred and special stocks, if any, to the extent of the preference to which such stocks are entitled, shall have been paid or declared and set apart for payment, a dividend on the remaining class or classes or series of stock may then be paid out of the remaining assets of the corporation available for dividends as elsewhere in this ~~act~~ *code* provided.

(d) The holders of the preferred or special stock of any class or of any series thereof shall be entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the corporation as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors ~~as hereinabove provided.~~

(e) At the option of either the holder or the corporation or upon the happening of a specified event, any stock of any class or of any series thereof may be made convertible into or exchangeable for shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation, at such price or prices or at such rate or rates of exchange and with such adjustments as shall be stated in the articles of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors ~~as hereinabove provided.~~

(f) If any corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of

each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent certificated shares of such class or series of stock. Except as otherwise provided in K.S.A. 17-6426, and amendments thereto, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation issues to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights, or both. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or K.S.A. 17-6406, ~~subsection (a) of K.S.A. 17-6426(a) or subsection (a) of K.S.A. 17-6508(a)~~, and amendments thereto, or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights, or both. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

(g) When any corporation desires to issue any shares of stock of any class or of any series of any class of which the powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, if any, shall not have been set forth in the articles of incorporation or in any amendment thereto, but shall be provided for in a resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the articles of incorporation or any amendment thereto, a certificate of designations setting forth a copy of such resolution or resolutions and the number of shares of stock of such class or series shall be executed ~~and in accordance with K.S.A. 2015 Supp. 17-7908, and amendments thereto,~~ filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910, and amendments thereto, ~~and shall become effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto.~~ Unless otherwise provided in any such resolution or resolutions, the number of shares of stock of any such series to which such resolution or resolutions apply may be increased, but not above the total number of authorized shares of the class, or decreased, but not below the number of shares thereof then outstanding, by a certificate likewise executed and filed setting forth a statement that a specified increase or decrease had been authorized and directed by a resolution or resolutions likewise adopted by the board of directors. In case the number of such shares shall be decreased, the number of shares specified in the certificate shall resume the status which they had prior to the adoption of the first resolution or resolutions. When ~~no share~~ *shares* of any such class or series are outstanding, either because none were issued or because no issued shares of any such class or series remain outstanding, a certificate setting forth a resolution or resolutions adopted by the board of directors that none of the authorized shares of such class or series are outstanding and that none will be issued, *subject to the certificate of designations previously filed with respect to such class or series,* may be executed *in accordance with K.S.A. 2015 Supp. 17-7908, and amendments thereto,* and filed *in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910,* and amendments thereto. When such certificate becomes effective, it shall have the effect of eliminating from the articles of incorporation all ~~reference~~ *matters set forth in the certificate of designations with respect to such class or series of stock.* Unless otherwise provided in the articles of incorporation, if no shares of stock have been issued of a class or series of stock established by a resolution of the board of directors, the *voting* powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations or restrictions thereof, may be amended by a resolution or resolutions adopted by the board of directors. A certificate which: (1) States that no shares of the class or series have been issued; (2) sets forth a copy



of the resolution or resolutions; and (3) if the designation of the class or series is being changed, indicates the original designation and the new designation; shall be executed and filed in accordance with K.S.A. 2015 Supp. 17-7908, and amendments thereto, filed in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto, and shall become effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto. When any certificate filed under this subsection becomes effective, it shall have the effect of amending the articles of incorporation, except that neither the filing of such certificate nor the filing of restated articles of incorporation pursuant to K.S.A. 17-6605, and amendments thereto, shall prohibit the board of directors from subsequently adopting such resolutions as authorized by this subsection.

Sec. 31. K.S.A. 17-6402 is hereby amended to read as follows: 17-6402. The consideration, as determined pursuant to ~~subsections (a) and (b) of K.S.A. 17-6403(a) and (b)~~, and amendments thereto, for subscriptions to, or the purchase of, the capital stock to be issued by a corporation shall be paid in such form and in such manner as the board of directors shall determine. ~~In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive.~~ The board of directors may authorize ~~shares~~ capital stock to be issued for consideration consisting of *cash*, any tangible or intangible property or *any* benefit to the corporation ~~including cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation.~~ Before the corporation issues shares, the board of directors must determine that the consideration received or to be received for shares to be issued is adequate. ~~That determination by the board of directors is conclusive as to the adequacy of consideration for the issuance of shares or any combination thereof. The resolution authorizing the issuance of capital stock may provide that any stock to be issued pursuant to such resolution may be issued in one or more transactions in such numbers and at such times as are set forth in or determined by or in the manner set forth in the resolution, which may include a determination or action by any person or body, including the corporation, provided the resolution fixes a maximum number of shares that may be issued pursuant to such resolution, a time period during which such shares may be issued and a minimum amount of consideration for which such shares may be issued. The board of directors may determine the amount of consideration for which shares may be issued by setting a minimum amount of consideration or approving a formula by which the amount or minimum amount of consideration is determined. The formula may include or be made dependent upon facts ascertainable outside the formula, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of such consideration shall be conclusive.~~ The capital stock so issued shall be deemed to be fully paid and nonassessable stock if: (a) ~~The entire amount of such consideration has been received by the corporation in the form of cash, services rendered, personal property, real property, leases of real property, or a combination thereof or forms authorized by the board of directors, or (b) not less than the amount of the consideration determined to be capital pursuant to K.S.A. 17-6404, and amendments thereto, has been received by the corporation in the form or forms authorized by the board of directors and the corporation has received a binding obligation of the subscriber or purchaser to pay the balance of the subscription or purchase price; provided, however, upon receipt by the corporation of such consideration, except that nothing contained herein shall prevent the board of directors from issuing partly paid shares under K.S.A. 17-6406, and amendments thereto.~~

Sec. 32. K.S.A. 17-6404 is hereby amended to read as follows: 17-6404. Any corporation, by resolution of its board of directors, may determine that only a part of the consideration which shall be received by the corporation for any of the shares of its capital stock which it shall issue from time to time shall be capital; but, in the event that any of the shares issued shall be shares having a par value, the amount of the part of such consideration so determined to be capital shall be in excess of the aggregate par value of the shares issued for such consideration having a par

value, unless all the shares issued shall be shares having a par value, in which case the amount of the part of such consideration so determined to be capital need be only equal to the aggregate par value of such shares. In each such case, the board of directors shall specify in dollars the part of such consideration which shall be capital. If the board of directors shall not have determined what part of the consideration for such shares shall be capital—~~(1)~~: (a) At the time of issue of any shares of the capital stock of the corporation issued for cash; or—~~(2)~~ (b) within 60 days after the issue of any shares of the capital stock of the corporation issued for property other than cash, the capital of the corporation in respect of such shares shall be an amount equal to the aggregate par value of such shares having a par value, plus the amount of the consideration for such shares without par value. The amount of the consideration so determined to be capital in respect of any shares without par value shall be the stated capital of such shares. The capital of the corporation may be increased from time to time by resolution of the board of directors, directing that a portion of the net assets of the corporation in excess of the amount so determined to be capital be transferred to the capital account. The board of directors may direct that the portion of such net assets so transferred shall be treated as capital in respect of any shares of the corporation of any designated class or classes. At any given time, the excess, if any, of the net assets of the corporation over the amount so determined to be capital shall be surplus. Net assets means the amount by which total assets exceed total liabilities, but capital and surplus are not liabilities for this purpose. *Notwithstanding anything in this section to the contrary, for purposes of this section and K.S.A. 17-6410 and 17-6420, and amendments thereto, the capital of any nonstock corporation shall be deemed to be zero.*

Sec. 33. K.S.A. 17-6405 is hereby amended to read as follows: 17-6405. A corporation may issue, but shall not be required to issue, fractions of a share, ~~either represented by a certificate or uncertificated~~. If it does not issue fractions of a share, it shall—~~(1)~~: (a) Arrange for the disposition of fractional interests by those entitled thereto;—~~(2)~~; (b) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined; or—~~(3)~~ (c) issue scrip or warrants in registered form, ~~either represented by a certificate or uncertificated, or in bearer form, represented by a certificate~~, which shall entitle the holder to receive a ~~certificate for a full share or an uncertificated full share upon the surrender of such scrip or warrants aggregating a full share~~. A certificate for a fractional share or an uncertificated fractional share shall entitle the holder to exercise voting rights, to receive dividends thereon and to participate in any of the assets of the corporation in the event of liquidation, but scrip or warrants shall not so entitle the holder thereof, unless otherwise provided therein. The board of directors may cause scrip or warrants to be issued subject to the conditions that they shall become void if not exchanged for certificates representing full shares or for uncertificated full shares before a specified date, or subject to the conditions that the shares for which scrip or warrants are exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of scrip or warrants, or subject to any other conditions which the board of directors may impose.

Sec. 34. K.S.A. 17-6407 is hereby amended to read as follows: 17-6407. (a) Subject to any provisions in the articles of incorporation, every corporation may create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the corporation, rights or options entitling the holders thereof to ~~purchase~~ *acquire* from the corporation any shares of its capital stock of any class or classes, such rights or options to be evidenced by or in such instrument or instruments as shall be approved by the board of directors.

(b) The terms upon which, including the time or times, which may be limited or unlimited in duration, at or within which, and the ~~price or prices~~ *consideration*, including a formula by which such ~~price or prices~~ *consideration* may be determined, ~~at for~~ which any such shares may be ~~purchased~~ *acquired* from the corporation upon the exercise of any such right or option, shall be such as shall be stated in the articles of incorporation, or in a resolution adopted by the board of directors providing for the creation and issue of such rights or options, and, in every case, shall be set forth or incorporated by reference in the instrument or in-

struments evidencing such rights or options. *A formula by which such consideration may be determined may include or be made dependent upon facts ascertainable outside the formula, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula.* In the absence of actual fraud in the transaction, the judgment of the directors as to the consideration for the issuance of such rights or options and the sufficiency thereof shall be conclusive.

(c) The board of directors, by resolution adopted by the board, may authorize one or more officers of the corporation to do one or both of the following: (1) Designate officers and employees of the corporation or any of its subsidiaries to be recipients of such rights or options created by the corporation; and (2) determine the number of such rights or options to be received by such officers and employees. The resolution so authorizing such officer or officers shall specify the total number of rights or options such officer or officers may award. The board of directors may not authorize an officer to designate the officer's self as a recipient of any such rights or options.

(d) In the event that the shares of stock ~~in~~ of the corporation to be issued upon the exercise of such rights or options shall be shares having a par value, the ~~price or prices~~ *consideration* so to be received therefor shall not be less than the par value thereof. In case the shares of stock so to be issued shall be shares of stock without par value, the consideration therefor shall be determined in the manner provided in K.S.A. 17-6403, and amendments thereto.

Sec. 35. K.S.A. 17-6408 is hereby amended to read as follows: 17-6408. The shares of a corporation shall be represented by certificates, except that the board of directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. ~~Notwithstanding the adoption of such a resolution by the board of directors, Every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the corporation by the chairperson or vice-chairperson of the board of directors, or the president or vice-president, and by the treasurer or an assistant treasurer, or the secretary or assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the corporation with the same effect as if the person were such officer, transfer agent or registrar at the date of issue. A corporation shall not have power to issue a certificate in bearer form.~~

Sec. 36. K.S.A. 17-6409 is hereby amended to read as follows: 17-6409. The shares of stock in every corporation shall be deemed personal property and transferable as provided in the acts contained in article 8 of chapter 84 of the Kansas Statutes Annotated, *and amendments thereto. No stock or bonds issued by any corporation organized under this code shall be taxed by this state when the same shall be owned by nonresidents of this state, or by foreign corporations.* Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented to the corporation for transfer or uncertificated shares are requested to be transferred, both the transferor and transferee request the corporation to do so.

Sec. 37. K.S.A. 17-6410 is hereby amended to read as follows: 17-6410. (a) Every corporation may purchase, redeem, receive, take or otherwise acquire, own and hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares; provided, however, that no corporation shall:

(1) Purchase or redeem its own shares of capital stock for cash or other property when the capital of the corporation is impaired or when such purchase or redemption would cause any impairment of the capital of the corporation, except that a corporation *other than a nonstock cor-*

poration may purchase or redeem out of capital any of its own shares which are entitled upon any distribution of its assets, whether by dividend or in liquidation, to a preference over another class or series of its stock, or, if no shares entitled to such a preference are outstanding, any of its own shares, if such shares will be retired upon their acquisition and the capital of the corporation reduced in accordance with K.S.A. 17-6603 and 17-6604, and amendments thereto. Nothing in this subsection shall invalidate or otherwise affect a note, debenture or other obligation of a corporation given by it as consideration for its acquisition by purchase, redemption or exchange of its shares of stock if at the time such note, debenture or obligation was delivered by the corporation its capital was not then impaired or did not thereby become impaired;

(2) purchase, for more than the price at which they may then be redeemed, any of its shares which are redeemable at the option of the corporation; or

(3) (A) *in the case of a corporation other than a nonstock corporation, redeem any of its shares unless their redemption is authorized by ~~subsection (b) of K.S.A. 17-6401(b)~~, and amendments thereto, and then only in accordance with such section and the articles of incorporation; or*

(B) *in the case of a nonstock corporation, redeem any of its membership interests, unless their redemption is authorized by the articles of incorporation and then only in accordance with the articles of incorporation.*

(b) Nothing in this section limits or affects a corporation's right to resell any of its shares theretofore purchased or redeemed out of surplus and which have not been retired, for such consideration as shall be fixed by the board of directors.

(c) Shares of its own capital stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes. Nothing in this section shall be construed as limiting the right of any corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

(d) Shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem such shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

Sec. 38. K.S.A. 17-6412 is hereby amended to read as follows: 17-6412. (a) When the whole of the consideration payable for shares of a corporation has not been paid in, and the assets shall be insufficient to satisfy the claims of its creditors, each holder of or subscriber for such shares shall be bound to pay on each share held or subscribed for by such holder or subscriber the sum necessary to complete the amount of the unpaid balance of the consideration for which such shares were issued or are to be issued by the corporation.

(b) The amounts which shall be payable as provided in subsection (a) ~~of this section~~ may be recovered as provided in K.S.A. 17-7101, and amendments thereto, after a writ of execution against the corporation has been returned unsatisfied as provided in such section.

(c) Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable for any unpaid portion of such consideration, but the transferor shall remain liable therefor.

(d) No person holding shares in any corporation as collateral security shall be personally liable as a stockholder, but the person pledging such shares shall be considered the holder thereof and shall be so liable. No executor, administrator, guardian, trustee or other fiduciary shall be personally liable as a stockholder, but the estate or funds held by such executor, administrator, guardian, trustee or other fiduciary in such fiduciary capacity shall be so liable.

(e) ~~Commencing with the date of~~ *No liability under this section or under K.S.A. 17-7101, and amendments thereto, shall be asserted more*

~~than six years after the date of issuance of the stock or the date of the subscription upon which the assessment is sought, the limitation of time prescribed by K.S.A. 60-511, and amendments thereto, shall be applicable to any liability asserted under this section or under K.S.A. 17-7101, and amendments thereto.~~

(f) In any action by a receiver or trustee of an insolvent corporation or by a judgment creditor to obtain an assessment under this section, any stockholder or subscriber for stock of the insolvent corporation may appear and contest the claim or claims of such receiver or trustee.

Sec. 39. K.S.A. 17-6413 is hereby amended to read as follows: 17-6413. The capital stock of a corporation shall be paid for in such amounts and at such times as the directors may require. From time to time, the directors may demand payment, in respect of each share of stock not fully paid, of such sum of money as the necessities of the business may require, in the judgment of the board of directors, not exceeding in the whole the balance remaining unpaid on said stock, and such sum so demanded shall be paid to the corporation at such times and by such installments as the directors shall direct. The directors shall give written notice of the time and place of such payments to each holder of or subscriber for stock which is not fully paid at ~~his~~ *such holder's or subscriber's* last known post-office address, which notice shall be mailed at least ~~thirty~~ (30) days before the time for such payment.

Sec. 40. K.S.A. 17-6414 is hereby amended to read as follows: 17-6414. When any stockholder fails to pay any installment or call upon ~~the~~ *such* stockholder's stock which may have been properly demanded by the directors, at the time when such payment is due, the directors may collect the amount of any such installment or call, or any balance thereof remaining unpaid, from ~~the~~ *such* stockholder by an action at law, or they shall sell at public sale such part of the shares of such delinquent stockholder as will pay all demands then due from ~~the~~ *such* stockholder with interest and all incidental expenses, and shall transfer the shares so sold to the purchaser, who shall be entitled to a certificate ~~for any of the shares which are certificated therefor~~. Notice of the time and place of such sale and of the sum due on each share shall be given at least one week before the sale by advertisement in a newspaper having general circulation in the county of this state where such corporation's registered office is located, and such notice shall be mailed by the corporation to such delinquent stockholder at ~~the~~ *such* stockholder's last known post office address, at least 20 days before such sale. If no bidder can be had to pay the amount due on the stock, and if the amount is not collected by an action at law, which may be brought within the county where the corporation has its registered office, within one year from the date of the bringing of such action at law, ~~the~~ *such* stock and the amount previously paid in by the delinquent stockholder on the stock shall be forfeited to the corporation.

Sec. 41. K.S.A. 17-6415 is hereby amended to read as follows: 17-6415. Unless otherwise provided by the terms of the subscription, a subscription for stock of a corporation to be formed shall be irrevocable, except with the consent of all other subscribers or the corporation, for a period of six ~~(6)~~ months from its date, ~~but nothing in this section shall be construed as limiting, modifying or abrogating the defense of fraud or estoppel or any other defense available in an action for the enforcement of a contract.~~

Sec. 42. K.S.A. 17-6416 is hereby amended to read as follows: 17-6416. A subscription for stock of a corporation, whether made before or after the formation of a corporation, shall not be enforceable against a subscriber, unless in writing and signed by the subscriber or by ~~his~~ *such* subscriber's agent.

Sec. 43. K.S.A. 17-6420 is hereby amended to read as follows: 17-6420. (a) The directors of every corporation, subject to any restrictions contained in its articles of incorporation, may declare and pay dividends upon the shares of its capital stock, ~~or to its members if the corporation is a nonstock corporation~~, either: (1) Out of its surplus, as defined in and computed in accordance with K.S.A. 17-6404 and 17-6604, and amendments thereto; or (2) in case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year, or both. If the capital of the corporation, computed in

accordance with K.S.A. 17-6404 and 17-6604, and amendments thereto, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the directors of such corporation shall not declare and pay out of such net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired. Nothing in this subsection shall invalidate or otherwise affect a note, debenture or other obligation of the corporation paid by it as a dividend on shares of its stock, or any payment made thereon, if at the time such note, debenture or obligation was delivered by the corporation, the corporation had either surplus or net profits as provided in ~~clause~~ *paragraph* (1) or (2) from which the dividend could lawfully have been paid.

(b) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets, including but not limited to a corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or engaged primarily in the liquidation of specific assets, may determine the net profits derived from the exploitation of such wasting assets or the net proceeds derived from such liquidation without taking into consideration the depletion of such assets resulting from lapse of time, consumption, liquidation or exploitation of such assets.

Sec. 44. K.S.A. 17-6422 is hereby amended to read as follows: 17-6422. A member of the board of directors, or a member of any committee designated by the board of directors, shall be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of its officers or employees, or committees of the board of directors, or by any other person as to matters the director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the corporation, as to the value and amount of the assets, liabilities or net profits, ~~or both~~ of the corporation or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid, or with which the corporation's stock might properly be purchased or redeemed.

Sec. 45. K.S.A. 17-6425 is hereby amended to read as follows: 17-6425. Except as otherwise provided in this ~~act~~ *code*, the transfer of stock and the certificates ~~representing certificated and~~ *of stock which represent the stock or uncertificated shares of stock* shall be governed by article 8 of the uniform commercial code, *as set forth in article 8 of chapter 84 of the Kansas Statutes Annotated*, and amendments thereto. *To the extent that any provision of this code is inconsistent with any provision of such article, this code shall be controlling.*

Sec. 46. K.S.A. 17-6426 is hereby amended to read as follows: 17-6426. (a) A written restriction *or restrictions* on the transfer or registration of transfer of a security of a corporation, or on the amount of the corporation's securities that may be owned by any ~~securities holder or a group of securities holders~~ *person or group of persons*, if permitted by this section and noted conspicuously on the certificate *or certificates* representing the security *or securities so restricted*, or, in the case of uncertificated shares, contained in the notice *or notices* sent pursuant to ~~sub-section (f) of~~ *sub-section (f) of* K.S.A. 17-6401(f), and amendments thereto, may be enforced against the holder of the restricted security *or securities* or any successor or transferee of the holder, including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the certificate *or certificates* representing the security *or securities so restricted*, or, in the case of uncertificated shares, contained in the notice *or notices* sent pursuant to ~~sub-section (f) of~~ *sub-section (f) of* K.S.A. 17-6401(f), and amendments thereto, *a* restriction, even though permitted by this section, is ineffective except against a person with actual knowledge of the restriction.

(b) A restriction on the transfer or registration of transfer of securities

of a corporation, or on the amount of ~~the~~ a corporation's securities that may be owned by any ~~securities holder or a group of securities holders~~ *person or group of persons*, may be imposed ~~either~~ by the articles of incorporation or by the bylaws or by an agreement among any number of security holders or among such holders and the corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

(c) A restriction on the transfer or registration of transfer of securities of a corporation or on the amount of such securities that may be owned by any ~~securities holder or group of securities holders~~ *person or group of persons* is permitted by this section if it:

(1) Obligates the holder of the restricted securities to offer to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities;

(2) obligates the corporation or any holder of securities of the corporation or any other person or any combination of the foregoing, to purchase the securities which are the subject of an agreement respecting the purchase and sale of the restricted securities;

(3) requires the corporation or the holders of any class or series of securities of the corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities, or to approve the amount of securities of the corporation that may be owned by any ~~securities holder or group of securities holders~~ *person or group of persons*;

(4) obligates the holder of the restricted securities to sell or transfer an amount of restricted securities to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, or causes or results in the automatic sale or transfer of an amount of restricted securities to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing; or

(5) prohibits or restricts the transfer of the restricted securities to, or the ownership of restricted securities by, designated persons or classes of persons or groups of persons, and such designation is not manifestly unreasonable.

(d) Any restriction on the transfer or the registration of transfer of the securities of a corporation, or on the amount of securities of a corporation that may be owned by a ~~securities holder or group of securities holders~~ *person or group of persons*, for any of the following purposes shall be conclusively presumed to be for a reasonable purpose: (1) Maintaining any local, state, federal or foreign tax advantage to the corporation or its stockholders, including without limitation: (A) Maintaining the corporation's status as an electing small business corporation under subchapter S of the United States internal revenue code, 26 U.S.C. § 1371 et seq.; (B) maintaining or preserving any tax attribute, including without limitation net operating losses; or (C) qualifying or maintaining the qualification of the corporation as a real estate investment trust pursuant to the United States internal revenue code or regulations adopted pursuant to the United States internal revenue code; or (2) maintaining any statutory or regulatory advantage or complying with any statutory or regulatory requirements under applicable local, state, federal or foreign law.

(e) Any other lawful restriction on transfer or registration of transfer of securities, or on the amount of securities that may be owned by any person or group of persons, is permitted by this section.

Sec. 47. K.S.A. 17-6501 is hereby amended to read as follows: 17-6501. (a) (1) Meetings of stockholders may be held at such place, either within or without this state, as may be designated by or in the manner provided in the articles of incorporation; *or* bylaws or, if not so designated, as determined by the board of directors. If, *pursuant to this subsection or the articles of incorporation or the bylaws of the corporation*, the board of directors is authorized to determine the place of a meeting of stockholders, the board of directors, in its sole discretion, may determine that the meeting shall not be held at any place, but may instead be held solely

by means of remote communication as authorized by ~~paragraph~~ *subsection* (a)(2).

(2) If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, stockholders and ~~proxy holders~~ *proxyholders* not physically present at a meeting of stockholders may, by means of remote communication:

(A) Participate in a meeting of stockholders; and

(B) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that: (i) The corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or ~~proxy holder~~ *proxyholder*; (ii) the corporation shall implement reasonable measures to provide such stockholders and ~~proxy holders~~ *proxyholders* a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or ~~proxy holder~~ *proxyholder* votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

(b) Unless directors are elected by written consent in lieu of an annual meeting as permitted by this subsection, an annual meeting of stockholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws. Stockholders, unless the articles of incorporation otherwise provide, may act by written consent to elect directors; except that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action. Any other proper business may be transacted at the annual meeting.

~~(c)(1) If the articles of incorporation or bylaws of a corporation registered under the investment company act of 1940 so provide, the corporation is only required to hold an annual meeting in any year in which the election of directors is required to be acted upon under the investment company act of 1940.~~

~~(2) If a corporation is required under paragraph (1) to hold a meeting of stockholders to elect directors, the meeting shall be designated as the annual meeting of stockholders for that year.~~

~~(d)(1)~~ A failure to hold any annual meeting at the designated time or to elect a sufficient number of directors to conduct the business of the corporation shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation, except as may be otherwise specifically provided in this ~~act~~ *code*. If the annual meeting for election of directors is not held on the date designated therefor or action by written consent to elect directors, in lieu of an annual meeting, has not been taken, the directors shall cause the meeting to be held as soon thereafter as is convenient. If there be a failure to hold the annual meeting or to take action by written consent to elect directors in lieu of an annual meeting for a period of 30 days after the date designated for the annual meeting, or if no date has been designated for a period of 13 months after the latest to occur of the organization of the corporation, its last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting, the district court may summarily order a meeting to be held upon the application of any stockholder or director. The shares of stock represented at such meeting, either in person or by proxy, and entitled to vote thereat, shall constitute a quorum for the purpose of such meeting, notwithstanding any provision of the articles of incorporation or bylaws to the contrary. The district court may issue such orders as may be appropriate, including, without limitation, orders designating the time and place of such meeting, the record date *or dates* for determination of stockholders entitled to *notice of the meeting and to vote at such meeting*, and the form of notice of such meeting.

~~(2) If a corporation is required under paragraph (1) of subsection (c) to hold a meeting of stockholders to elect directors, the meeting shall be held no later than 120 days after the occurrence of the event requiring the meeting.~~



~~(e)~~ (d) Special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.

~~(f)~~ (e) All elections of directors shall be by written ballot, unless otherwise provided in the articles of incorporation. If authorized by the board of directors, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder or ~~proxy holder~~ *proxyholder*.

Sec. 48. K.S.A. 17-6502 is hereby amended to read as follows: 17-6502. (a) Unless otherwise provided in the articles of incorporation and subject to the provisions of K.S.A. 17-6503, and amendments thereto, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. If the articles of incorporation provide for more or less than one vote for any share on any matter, every reference in this ~~act code~~ to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock.

(b) Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for the stockholder by proxy as provided in this subsection, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

(c) Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy pursuant to subsection (b), the following shall constitute a valid means by which a stockholder may grant such authority:

(1) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or the stockholder's authorized officer, director, employee or agent signing the writing or causing the stockholder's signature to be affixed to the writing by any reasonable means, including, but not limited to, facsimile signature; and

(2) a stockholder may authorize another person or persons to act *for such stockholder* as proxy by transmitting, or authorizing the transmission of, a ~~telegram, cablegram, or other~~ means of electronic transmission, including telephonic transmission, to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization, or like agent duly authorized by the person who will ~~act as~~ *be the holder of the proxy* to receive the transmission, provided that any such ~~telegram, cablegram or other means of~~ electronic transmission must either set forth or be submitted with information from which it can be determined that the ~~stockholder authorized the transmission~~ *electronic transmission was authorized by the stockholder. If it is determined that such electronic transmissions are valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.*

(d) A copy, facsimile telecommunication, or other reliable reproduction of the writing or transmission authorized under ~~paragraphs~~ *subsections* (c)(1) and (c)(2) may be substituted for the original writing or transmission for any purpose for which the original writing or transmission could be used, except that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

(e) A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally.

Sec. 49. K.S.A. 17-6503 is hereby amended to read as follows: 17-6503. (a) In order that the corporation may determine the stockholders entitled to notice of ~~or to vote at~~ any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than 60 nor less than 10 days before the date of

such meeting. ~~If no record is fixed by the board of directors, so fixes a date, such date shall also be the record date for determining the stockholders entitled to notice of or vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting except that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this subsection at the adjourned meeting.~~

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by this ~~act~~ *code*, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in this state, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by this ~~act~~ *code*, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Sec. 50. K.S.A. 17-6505 is hereby amended to read as follows: 17-6505. (a) The provisions of K.S.A. 17-6501 ~~to~~ through 17-6504 and 17-6506, and amendments thereto, shall not apply to *nonstock* corporations ~~not authorized to issue stock~~, except that ~~subsection (a) of K.S.A. 17-6501(a) and subsection (c) and (d) of K.S.A. 17-6502(c), (d) and (e), and amendments thereto, shall apply to such corporations, and, when so applied, all references therein to: (1) Stockholders and to the board of directors shall be deemed to refer to the members and the governing body of a nonstock corporation, respectively; and (2) stock, capital stock, or shares thereof shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.~~

(b) Unless otherwise provided in the articles of incorporation or the bylaws of a nonstock corporation, and subject to subsection (f), each member shall be entitled at every meeting of members to one vote on any

*matter submitted to a vote of members. A member may exercise such voting rights in person or by proxy, but no proxy shall be voted after three years from its date, unless the proxy provides for a longer period.*

(c) Unless otherwise provided in this ~~act~~ *code*, the articles of incorporation or bylaws of a nonstock corporation may specify the number of members having voting power who shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes; ~~or portion thereof~~; that shall be necessary for, the transaction of any business. In the absence of such specification in the articles of incorporation or bylaws of a nonstock corporation:

(1) *One-third of the members of such corporation present in person or represented by proxy after proper notice has been given shall constitute a quorum at a meeting of such members;*

(2) *in all matters other than the election of the governing body of the corporation, the affirmative vote of a majority of such members present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by this ~~act~~ code, the articles of incorporation or bylaws;*

~~(d)~~ (3) *members of the governing body shall be elected by a plurality of the votes of the members of the corporation present in person or represented by proxy at the meeting and entitled to vote thereon; and*

(4) *where a separate vote by a class or group or classes or groups is required, a majority of the members of such class or group or classes or groups, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, in all matters other than the election of members of the governing body, the affirmative vote of the majority of the members of such class or group or classes or groups present in person or represented by proxy at the meeting shall be the act of such class or group or classes or groups.*

~~(e)~~ (d) If the election of the governing body of any nonstock corporation shall not be held within the time period designated by the bylaws, the governing body shall cause the election to be held as soon thereafter as convenient. The failure to hold such an election within the time period shall not work any forfeiture or dissolution of the corporation, but the district court may summarily order such an election to be held upon the application of any member of the corporation. At any election pursuant to such order, the persons entitled to vote in such election who shall be present at such meeting, either in person or by proxy, shall constitute a quorum for such meeting, notwithstanding any provision of the articles of incorporation or the bylaws of the corporation to the contrary.

~~(f)~~ (e) If authorized by the governing body, any requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that *any* such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the member or proxy holder.

(f) *Except as otherwise provided in the articles of incorporation, in the bylaws, or by resolution of the governing body, the record date of any meeting or corporate action shall be deemed to be the date of such meeting or corporate action, except that no record date may precede any action by the governing body fixing such record date.*

Sec. 51. K.S.A. 17-6506 is hereby amended to read as follows: 17-6506. Subject to the provisions of this ~~act~~ *code* with respect to the vote that shall be required for a specified action, the articles of incorporation or bylaws of any corporation authorized to issue stock may specify the number of shares or the amount of other securities, or both, having voting power, the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business, but in no event shall a quorum consist of holders of less than  $\frac{1}{3}$  of the shares entitled to vote at the meeting, except that, where a separate vote by the holders of ~~a class or series or classes or series~~ *one or more than one class or series* is required, a quorum shall consist of no less than  $\frac{1}{3}$  of the holders of the shares of such class or series ~~or classes or series~~. In the absence of such specification in the articles of incorporation or bylaws of the corporation:

(a) The holders of a majority of the shares entitled to vote, present

in person or represented by proxy, shall constitute a quorum at a meeting of stockholders;

(b) in all matters other than the election of directors, the affirmative vote of the holders of a majority of shares who are present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders;

(c) directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors; and

(d) where a separate vote by ~~a class or classes or series~~ *one or more than one class or series* is required, the holders of a majority of the outstanding shares of such class or ~~classes or series~~, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, *in all matters other than the election of directors*, the affirmative vote of the holders of a majority of shares of such class or ~~classes or series~~ who are present in person or represented by proxy at the meeting shall be the act of such class or ~~classes or series~~. *A bylaw amendment adopted by the stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.*

Sec. 52. K.S.A. 17-6508 is hereby amended to read as follows: 17-6508. (a) One or more stockholders, by agreement in writing, may deposit capital stock of an original issue with or transfer capital stock to any person or persons, or entity or entities authorized to act as trustee, for the purpose of vesting in such person or persons, entity or entities, who may be designated voting trustee, or voting trustees, the right to vote thereon for any period of time determined by such agreement, upon the terms and conditions stated in such agreement. The agreement may contain any other lawful provisions not inconsistent with such purpose. After ~~the filing~~ *delivery* of a copy of the agreement ~~in~~ *to* the registered office of the corporation in this state *or the principal place of business of the corporation*, which copy shall be open to the inspection of any stockholder of the corporation, or any beneficiary of the trust under the agreement, daily during business hours, certificates of stock or uncertificated stock shall be issued to the voting trustee or trustees to represent any stock of an original issue so deposited with such voting trustee or trustees, and any certificates of stock or uncertificated stock so transferred to the voting trustee or trustees shall be surrendered and canceled and new certificates or uncertificated stock therefor shall be issued to the voting trustee or trustees. In the certificates so issued, if any, it shall be stated that they are issued pursuant to such agreement, or in the case of uncertificated shares, contained in the notice sent pursuant to ~~subsection (f) of~~ K.S.A. 17-6401(f), and amendments thereto, and that fact shall also be stated in the stock ledger of the corporation. The voting trustee or trustees may vote the stock so issued or transferred during the period specified in the agreement. Stock standing in the name of the voting trustee or trustees may be voted either in person or by proxy, and in voting the stock, the voting trustee or trustees shall incur no responsibility as stockholder, trustee or otherwise, except for such voting trustee's or trustees' individual malfeasance. In any case where two or more persons or entities are designated as voting trustees, and the right and method of voting any stock standing in their names at any meeting of the corporation are not fixed by the agreement appointing the trustees, the right to vote the stock and the manner of voting it at the meeting shall be determined by a majority of the trustees, or if they be equally divided as to the right and manner of voting the stock in any particular case, the vote of the stock in such case shall be divided equally among the trustees.

(b) Any amendment to a voting trust agreement shall be made by a written agreement, a copy of which shall be ~~filed in~~ *delivered to* the registered office of the corporation in this state *or the principal place of business of the corporation*.

(c) An agreement between two or more stockholders, if in writing and signed by the parties thereto, may provide that in exercising any voting rights, the shares held by them shall be voted as provided by the agreement, or as the parties may agree, or as determined in accordance with a procedure agreed upon by them.

(d) This section shall not be deemed to invalidate any voting or other

agreement among stockholders or any irrevocable proxy ~~which is not otherwise illegal.~~

Sec. 53. K.S.A. 17-6509 is hereby amended to read as follows: 17-6509. (a) The officer who has charge of the stock ledger of a corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, *except that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date*, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this section shall require the corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (1) On a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting; or (2) during ordinary business hours, at the principal place of business of the corporation. In the event *that* the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

~~(b) Upon the willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors held at a place, or to open such a list to examination on a reasonably accessible electronic network during any meeting for the election of directors held solely by means of remote communication, they shall be ineligible for election to any office at such meeting. If the corporation, or an officer or agent thereof, refuses to permit examination of the list by a stockholder, such stockholder may apply to the district court for an order to compel the corporation to permit such examination. The burden of proof shall be on the corporation to establish that the examination such stockholder seeks is for a purpose not germane to the meeting. The court may summarily order the corporation to permit examination of the list upon such conditions as the court may deem appropriate, and may make such additional orders as may be appropriate, including, without limitation, postponing the meeting or voiding the results of the meeting.~~

(c) The stock ledger shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of stockholders.

Sec. 54. K.S.A. 17-6510 is hereby amended to read as follows: 17-6510. (a) As used in this section:

(1) “Stockholder” means a holder of record of stock in a stock corporation, or a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person; ~~and also a member of a nonstock corporation as reflected on the records of the nonstock corporation;~~ (2) “list of stockholders” ~~includes lists of members in a nonstock corporation;~~

~~(3)~~ (2) “under oath” includes statements the declarant affirms to be true under penalty of perjury under the laws of the United States or any state; *and*

~~(4)~~ (3) “subsidiary” means any entity directly or indirectly owned, in whole or in part, by the corporation of which the stockholder is a stockholder and over the affairs of which the corporation directly or indirectly exercises control, and includes, without limitation, corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies, statutory trusts and/or joint ventures.

(b) Any stockholder, in person or by attorney or other agent, upon written demand under oath stating the purpose thereof, shall have the

right during the usual hours for business to inspect for any proper purpose, and to make copies and extracts from:

(1) The corporation's stock ledger, a list of its stockholders, and its other books and records; and

(2) a subsidiary's books and records, to the extent that ~~(i)~~: (A) The corporation has actual possession and control of such records of such subsidiary; or ~~(ii)~~ (B) the corporation could obtain such records through the exercise of control over such subsidiary, provided that as of the date of the making of the demand ~~(A)~~: (i) Stockholder inspection of such books and records of the subsidiary would not constitute a breach of an agreement between the corporation or the subsidiary and a person or persons not affiliated with the corporation; and ~~(B)~~ (ii) the subsidiary would not have the right under the law applicable to it to deny the corporation access to such books and records upon demand by the corporation. In every instance where the stockholder is other than a record holder of stock in a stock corporation or a member of a nonstock corporation, the demand under oath shall state the person's status as a stockholder, be accompanied by documentary evidence of beneficial ownership of the stock and state that such documentary evidence is a true and correct copy of what it purports to be. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in this state or at its principal place of business.

(c) If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a stockholder or attorney or other agent acting for the stockholder pursuant to subsection (b) or does not reply to the demand within five business days after the demand has been made, the stockholder may apply to the district court for an order to compel such inspection. The district court is hereby vested with exclusive jurisdiction to determine whether or not the person seeking inspection is entitled to the inspection sought. The court may summarily order the corporation to permit the stockholder to inspect the corporation's stock ledger, an existing list of stockholders, and its other books and records, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the stockholder a list of its stockholders as of a specific date on condition that the stockholder first pay to the corporation the reasonable cost of obtaining and furnishing such list and on such other conditions as the court deems appropriate. Where the stockholder seeks to inspect the corporation's books and records, other than its stock ledger or list of stockholders, such stockholder shall first establish that:

(1) ~~he, she or it~~ such stockholder is a stockholder;

(2) such stockholder has complied with this section respecting the form and manner of making demand for inspection of such documents; and

(3) the inspection such stockholder seeks is for a proper purpose. Where the stockholder seeks to inspect the corporation's stock ledger or list of stockholders and *establishes that* such stockholder *is a stockholder and* has complied with this section respecting the form and manner of making demand for inspection of such documents, the burden of proof shall be upon the corporation to establish that the inspection such stockholder seeks is for an improper purpose. The court, in its discretion, may prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper. The court may order books, documents and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within this state and kept in this state upon such terms and conditions as the order may prescribe.

(d) Any director, ~~including a member of the governing body of a nonstock corporation,~~ shall have the right to examine the corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to the director's position as a director. The district court is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The court may summarily order the corporation to permit the director to inspect any and

all books and records, the stock ledger and the list of stockholders and to make copies or extracts therefrom. The burden of proof shall be upon the corporation to establish that the inspection such director seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the court may deem just and proper.

Sec. 55. K.S.A. 17-6512 is hereby amended to read as follows: 17-6512. (a) Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, *the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting*, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

(b) Unless otherwise provided in this ~~act~~ *code*, the written notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such *meeting as of the record date for determining the stockholders entitled to notice of the meeting*. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given shall be prima facie evidence of the facts stated therein in the absence of fraud.

(c) When a meeting is adjourned to another time or place, unless the bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, ~~or if after the adjournment a new record date is fixed for the adjourned meeting~~, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. *If, after the adjournment, a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with K.S.A. 17-6503(a), and amendments thereto, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.*

Sec. 56. K.S.A. 17-6513 is hereby amended to read as follows: 17-6513. (a) (1) Unless otherwise provided in the articles of incorporation or bylaws: ~~(1)~~ (A) Vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director; ~~or~~ (2) (B) whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the articles of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

(2) If, at any time, by reason of death or resignation or other cause, a corporation should have no directors in office, then any receiver, officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the articles of incorporation or the bylaws, or may apply to the district court for a decree summarily ordering an election as provided in K.S.A. 17-6501 *or 17-6505*, and amendments thereto.

(3) If, at any time, in a corporation where the holders of any class or classes of stock or series thereof are entitled by the articles of incorpo-

ration to elect one or more directors, there is no director in office elected by the holders of any such class or series of stock, by reason of death or resignation or other cause, then any receiver, officer or any stockholder of such class or series, as the case may be, or an executor, administrator, trustee or guardian of any such stockholder, or other fiduciary entrusted with like responsibility for the person or estate of any such stockholder, may call a special meeting of stockholders of such class or series, in accordance with the provisions of the articles of incorporation or bylaws for calling a special meeting of stockholders, or may apply to the district court for a decree summarily ordering an election, as provided in K.S.A. 17-6501 *or 17-6505*, and amendments thereto.

(b) In the case of a corporation the directors of which are divided into classes, any directors chosen under subsection (a) shall hold office until the next election of the class for which such directors shall have been chosen, and until their successors shall be elected and qualified.

(c) If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board, as constituted immediately prior to any such increase, the district court, upon application of any stockholder or stockholders holding at least 10% of the total number of the shares at the time outstanding having the right to vote for such directors, may summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of K.S.A. 17-6501 *or 17-6505*, and amendments thereto, as far as applicable.

(d) Unless otherwise provided in the articles of incorporation or bylaws, when one or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Sec. 57. K.S.A. 17-6514 is hereby amended to read as follows: 17-6514. Any records maintained by a corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or by means of, or be in the form of any information storage device or method provided that the records so kept can be converted into clearly legible paper form within a reasonable time. Any corporation shall so convert any records so kept upon the request of any person entitled to inspect ~~the same~~ *such records pursuant to any provision of this code*. When records are kept in such manner, a clearly legible paper form produced from or by the means of the information storage device or method shall be admissible in evidence and shall be accepted for all other purposes, to the same extent as an original paper record of the same information would have been, provided the paper form accurately portrays the record.

Sec. 58. K.S.A. 17-6515 is hereby amended to read as follows: 17-6515. (a) Upon application of any stockholder or director, or any officer whose title to office is contested, ~~or any member of a corporation without capital stock,~~ the district court may hear and determine the validity of any election, appointment, removal or resignation of any director, ~~member of the governing body,~~ or officer of any corporation, and the right of any person to hold or continue to hold such office, and, in case any such office is claimed by more than one person, may determine the person entitled thereto. In making such determination, the court may make such order or decree in any such case as may be just and proper, with power to enforce the production of any books, papers and records of the corporation relating to the issue. In case it should be determined that no valid election has been held, the court may order an election to be held in accordance with K.S.A. 17-6501 *or 17-6505*, and amendments thereto. In any such application, service of copies of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation and upon the person whose title to office is contested and upon the person, if any, claiming such office; and the resident agent shall forward immediately a copy of the application to the corporation and to the person whose title to office is contested and to the person, if any, claiming such office, in a postpaid, sealed, registered letter addressed to such cor-



poration and such person at their post-office addresses last known to the resident agent or furnished to the resident agent by the applicant stockholder. The court may make such order respecting further or other notice of such application as it deems proper under the circumstances.

(b) Upon application of any stockholder or ~~any member of a corporation without capital stock upon application of the corporation itself~~, the district court may hear and determine the result of any vote of stockholders ~~or members, as the case may be~~, upon matters other than the election of directors; ~~or officers or members of the governing body~~. Service of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation, and no other party need be joined in order for the court to adjudicate the result of the vote. The court may make such order respecting notice of the application as it deems proper under the circumstances.

(c) *If one or more directors has been convicted of a felony in connection with the duties of such director or directors to the corporation, or if there has been a prior judgment on the merits by a court of competent jurisdiction that one or more directors has committed a breach of the duty of loyalty in connection with the duties of such director or directors to that corporation, then, upon application by the corporation, or derivatively in the right of the corporation by any stockholder, in a subsequent action brought for such purpose, the district court may remove from office such director or directors if the court determines that the director or directors did not act in good faith in performing the acts resulting in the prior conviction or judgment and judicial removal is necessary to avoid irreparable harm to the corporation. In connection with such removal, the court may make such orders as are necessary to effect such removal. In any such application, service of copies of the application upon the resident agent of the corporation shall be deemed to be service upon the corporation and upon the director or directors whose removal is sought and the resident agent shall forward immediately a copy of the application to the corporation and to such director or directors, in a postpaid, sealed, registered letter addressed to such corporation and such director or directors at their post office address last known to the resident agent or furnished to the resident agent by the applicant. The court may make such order respecting further or other notice of such application as it deems proper under the circumstances.*

Sec. 59. K.S.A. 17-6516 is hereby amended to read as follows: 17-6516. (a) The district court, upon application of any stockholder, may appoint one or more persons to be custodians and, if the corporation is insolvent, to be receivers, of and for any corporation when:

(1) At any meeting held for the election of directors the stockholders are so divided that they have failed to elect successors to directors whose terms have expired or would have expired upon qualification of their successors; ~~or~~

(2) the business of the corporation is suffering or is threatened with irreparable injury because the directors are so divided respecting the management of the affairs of the corporation that the required vote for action by the board of directors cannot be obtained and the stockholders are unable to terminate this division; or

(3) the corporation has abandoned its business and has failed within a reasonable time to take steps to dissolve, liquidate or distribute its assets.

(b) A custodian appointed under this section shall have all the powers and title of a receiver appointed under K.S.A. 17-6901, *and amendments thereto*, but the authority of the custodian is to continue the business of the corporation and not to liquidate its affairs and distribute its assets, except when the court shall otherwise order and except in cases arising under subsection (a)(3) ~~of this section or subsection (a)(2) of~~ or K.S.A. 17-7212(a)(2), *and amendments thereto*.

(c) *In the case of a charitable nonstock corporation, the applicant shall provide a copy of any application referred to in subsection (a) to the attorney general of the state of Kansas within one week of its filing with the district court.*

Sec. 60. K.S.A. 17-6517 is hereby amended to read as follows: 17-6517. (a) The district court, in any proceeding instituted under K.S.A. 17-6501, 17-6505 or 17-6515, and amendments thereto, may determine the right and power of persons claiming to own stock, ~~or in the case of a~~

corporation without capital stock, of the persons claiming to be members, to vote at any meeting of the stockholders ~~or members~~.

(b) The court may: (1) Appoint a master to hold any election provided for in K.S.A. 17-6501, 17-6505 or 17-6515, and amendments thereto, under such orders and powers as it deems proper; ~~and it may~~ (2) punish any officer or director for contempt in case of disobedience of any order made by the court; and, (3) in case of disobedience by a corporation of any order made by the court, may enter a decree against such corporation for a penalty of not more than ~~\$25,000~~ \$5,000.

Sec. 61. K.S.A. 17-6518 is hereby amended to read as follows: 17-6518. (a) Unless otherwise provided in the articles of incorporation, any action required by this ~~act~~ code to be taken at any annual or special meeting of stockholders of a corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, are signed by ~~all~~ the holders of outstanding stock ~~entitled to vote~~. ~~Such consent or consents having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and~~ shall be delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. *Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.*

(b) Unless otherwise provided in the articles of incorporation, any action required by this ~~act~~ code to be taken at a meeting of the members of a nonstock corporation, or any action which may be taken at any meeting of the members of a nonstock corporation, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, are signed by members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members having a right to vote *thereon* were present and voted and shall be delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of members are recorded. *Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.*

(c) Every written consent shall bear the date of signature of each stockholder or member who signs the consent ~~or consents~~, and no written consent shall be effective to take the corporate action referred to ~~in the consent or consents therein~~ unless, within 60 days of the earliest dated consent delivered in the manner required by this section to the corporation, written ~~consent~~ consents signed by a sufficient number of holders or members to take action are delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders or members are recorded. *Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Any person executing a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time, including a time determined upon the happening of an event, no later than 60 days after such instruction is given or such provision is made, and, for the purposes of this section, if evidence of such instruction or provision is provided to the corporation, such later effective time shall serve as the date of signature. Unless otherwise provided, any such consent shall be revocable prior to its becoming effective.*

(d) (1) ~~A telegram, cablegram or other~~ Any electronic transmission consenting to an action to be taken and transmitted by a stockholder, member or ~~proxy holder~~ proxyholder, or by a person or persons authorized to act for a stockholder, member or ~~proxy holder~~ proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such ~~telegram, cablegram or other~~ electronic transmission sets forth or is delivered with information from which the corporation can determine: (A) That the ~~telegram, cablegram or other~~

electronic transmission was transmitted by the stockholder, member or ~~proxy holder~~ *proxyholder* or by a person or persons authorized to act for the stockholder, member or ~~proxy holder~~ *proxyholder*; and (B) the date on which such stockholder, member or ~~proxy holder~~ *proxyholder* or authorized person or persons transmitted such ~~telegram, cablegram or~~ electronic transmission. The date on which such ~~telegram, cablegram or~~ electronic transmission is transmitted shall be deemed to be the date on which such consent ~~or consents were~~ *was* signed. No consent ~~or consents~~ given by ~~telegram, cablegram or other~~ electronic transmission shall be deemed to have been delivered until such consent ~~or consents are~~ *is* reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in this state, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders or members are recorded. *Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.* Notwithstanding the foregoing limitations on delivery, any consent or consents given by ~~telegram, cablegram or other~~ electronic transmission, may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders *or members* are recorded if, to the extent and in the manner provided by resolution of the board of directors or governing body of the corporation.

(2) Any copy, facsimile or other reliable reproduction of a consent ~~or consents~~ in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

(e) Prompt notice of the taking of ~~nonstock~~ *any* corporate action without a meeting by less than unanimous written consent shall be given to those *stockholders or* members who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for *notice of* such meeting had been the date that a written consent or consents signed by a sufficient number of *stockholders or* members to take the action were delivered to the corporation as provided in subsection (c). In the event that the action which is consented to is such as would have required the filing of a certificate under any other section of this ~~act~~ *code*, if such action had been voted on by *stockholders or* members at a meeting thereof, the certificate filed under such other section shall state, in lieu of any statement required by such section concerning any vote of *stockholders or* members, that written consent has been given in accordance with the provisions of this section.

Sec. 62. K.S.A. 17-6521 is hereby amended to read as follows: 17-6521. (a) In advance of any meeting of stockholders, the corporation shall appoint one or more inspectors to act at the meeting and make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Before entering upon the discharge of the duties of inspector, each inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

(b) The inspectors shall:

(1) Ascertain the number of shares outstanding and the voting power of each;

(2) determine the shares represented at a meeting and the validity of proxies and ballots;

(3) count all votes and ballots;

(4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and

(5) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(c) The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the district court upon application by a stockholder determines otherwise.

(d) In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with ~~subsection (f) of K.S.A. 17-6501(f) or subsection (c)(2) of 17-6502(c)(2), and amendments thereto, or any information provided pursuant to subsection (a)(2)(B)(i) or (iii) of K.S.A. 17-6501(a)(2)(B)(i) or (iii), and amendments thereto,~~ ballots and the regular books and records of the corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification pursuant to subsection (b)(5) shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

(e) Unless otherwise provided in the articles of incorporation or bylaws, this section shall not apply to a corporation that does not have a class of voting stock that is:

- (1) Listed on a national securities exchange;
  - (2) authorized for quotation on an interdealer quotation system of a registered national securities association; or
  - (3) held of record by more than 2,000 stockholders.
- ~~(f) This section shall be part of and supplemental to the Kansas general corporation code, and amendments thereto.~~

Sec. 63. K.S.A. 17-6522 is hereby amended to read as follows: 17-6522. (a) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under any ~~provisions~~ *provision* of this ~~act~~ *code*, the articles of incorporation, or the bylaws shall be effective if given by a form of electronic transmission consented to by the ~~stockholders~~ *stockholder* to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if: (1) The corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice. The inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) Notice given pursuant to subsection (a) shall be deemed given: (1) If by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of: (A) Such posting; and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission, in the absence of fraud, shall be prima facie evidence of the facts stated therein.

(c) For purposes of this ~~act~~ *code*, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

~~(d) This section shall apply to a corporation organized under this act~~

~~that is not authorized to issue capital stock, and when so applied, all references to stockholders shall be deemed to refer to members of such a corporation.~~

~~(e) This section shall not apply to K.S.A. 17-6414, 17-6906, 17-7001 or 17-7002, and amendments thereto.~~

~~(f) This section shall be a part of and supplemental to the Kansas general corporation code, and amendments thereto.~~

Sec. 64. K.S.A. 17-6523 is hereby amended to read as follows: 17-6523. (a) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under any provision of this chapter, the articles of incorporation or the bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation.

(b) Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice permitted under subsection (a), shall be deemed to have consented to receiving such single written notice.

~~(c) This section shall apply to a corporation organized under this chapter that is not authorized to issue capital stock, and when so applied, all references to stockholders shall be deemed to refer to members of such a corporation.~~

~~(d) This section shall not apply to K.S.A. 17-6414, 17-6906, 17-7001, and 17-7002, and amendments thereto.~~

~~(e) This section shall be part of and supplemental to the Kansas general corporation code, and amendments thereto.~~

Sec. 65. K.S.A. 2015 Supp. 17-6601 is hereby amended to read as follows: 17-6601. (a) Before a corporation has received any payment for any of its stock, it may amend its articles of incorporation at any time or times, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of filing the amendment.

(b) The amendment of the articles of incorporation authorized by this section shall be adopted by a majority of the incorporators, if directors were not named in the original articles of incorporation or have not yet been elected, or, if directors were named in the original articles of incorporation or have been elected and have qualified, by a majority of the directors. A certificate setting forth the amendment and certifying that the corporation has not received any payment for any of its stock, *or that the corporation has no members, as applicable*, and that the amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto. Upon *the effectiveness* of such filing, the corporation's articles of incorporation shall be deemed to be amended accordingly as of the date on which the original articles of incorporation became effective except as to those persons who are substantially and adversely affected by the amendment and as to those persons the amendment shall be effective from the filing date.

*(c) This section shall apply to a nonstock corporation before such corporation has any members, except that all references to directors shall be deemed to be references to members of the governing body of the corporation.*

Sec. 66. K.S.A. 2015 Supp. 17-6602 is hereby amended to read as follows: 17-6602. (a) After a corporation has received payment for any of its capital stock, *or after a nonstock corporation has members*, it may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, so long as its articles of incorporation, as amended, would contain only such provisions as it would be lawful and proper to insert in an original articles of incorporation filed at the time of the filing of the amendment. If a change in stock or the rights of stockholders, or an exchange, reclassification, *subdivision, combination* or cancellation of stock or rights of stockholders is to be made, the amendment to the articles of incorporation shall contain such provisions as may be necessary to effect such change, exchange, reclassification, *subdivision, combination* or cancellation. In particular, and without limitation upon

such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

- (1) To change its corporate name;
- (2) to change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes;
- (3) to increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, *or by subdividing or combining the outstanding shares of any class or series into a greater or lesser number of outstanding shares;*
- (4) to cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared;
- (5) to create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; ~~or~~
- (6) to change the period of its duration. Any or all such changes or alterations may be effected by one certificate of amendment; *or*
- (7) *to delete: (A) Such provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and (B) such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.*

~~(b) Notwithstanding the provisions of subsection (c), the board of directors of a corporation that is registered or intends to register as an open-end investment company under the investment company act of 1940, 15 U.S.C. § 80a-1 et seq., after the registration takes effect, by resolution, may approve the amendment of the articles of incorporation of the corporation to: (1) Increase or decrease the aggregate number of shares of stock or the number of shares of any class of stock that the corporation has authority to issue, or (2) authorize the issuance of an indefinite number of shares of any such stock, unless a provision has been included in the charter of the corporation after July 1, 1995, prohibiting such action by the board of directors without stockholder approval. A certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. 17-7910, and amendments thereto. If the board of directors authorizes the issuance of an indefinite number of shares of any class of stock of the corporation pursuant to this subsection, such authorization shall be disclosed wherever the corporation would otherwise be required by law to disclose the total number of authorized shares of any such class of stock of the corporation.~~

~~(c) Except as provided in subsection (b), Every amendment authorized by subsection (a) shall be made and effected in the following manner:~~

- (1) If the corporation has capital stock, its board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders, *except that unless otherwise expressly required by the articles of incorporation, no meeting or vote of stockholders shall be required to adopt an amendment that effects only changes described in subsection (a)(1) or (a)(7).* Such special or annual meeting shall be called and held upon notice in accordance with K.S.A. 17-6512, and amendments thereto. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, ~~as the directors shall deem advisable unless such notice constitutes a notice of internet availability of proxy materials under the rules promulgated under the securities exchange act of 1934.~~ At the meeting a vote of the stockholders entitled to vote *thereon* shall be taken for and against ~~the any~~ proposed amendment *that requires adoption by stockholders.* If no vote of stock-

*holders is required to effect such amendment, or if a majority of the outstanding stock entitled to vote; thereon and a majority of the outstanding stock of each class entitled to vote thereon as a class has have been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with the provisions of this section shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. ~~17-7910~~ 17-7908 through 17-7911, and amendments thereto.*

(2) The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, whether or not entitled to vote *thereon* by the provisions of the articles of incorporation, if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences or special rights of one or more series of any class so as to affect them adversely, but does not affect the entire class, then only the shares of the series affected by the amendment shall be considered a separate class for the purposes of this subsection. The number of authorized shares of any such class or classes of stock may be increased or decreased, but not below the number of shares *thereof* then outstanding, by the affirmative vote of the holders of a majority of the stock of the corporation entitled to vote *irrespective of this paragraph*, if so provided in the original articles of incorporation ~~or~~, in any amendment *thereto* which created *such class or classes of stock or which was adopted prior to the issuance of any shares of such class or classes of stock or in any amendment thereto* which was authorized by a resolution or resolutions adopted by the affirmative vote of the holders of a majority of such class or classes of stock.

(3) ~~If the corporation has no capital stock is a nonstock corporation,~~ then the governing body of the corporation shall adopt a resolution setting forth the amendment proposed and declaring its advisability. ~~If at a subsequent meeting, held not earlier than 15 days and not later than 60 days from the meeting at which such resolution has been passed,~~ a majority of all the members of the governing body shall vote in favor of such amendment, a certificate thereof shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. ~~17-7910~~ 17-7908 through 17-7911, and amendments thereto. The articles of incorporation of any ~~such nonstock corporation without capital stock~~ may contain a provision requiring any amendment *thereto* to be approved by a specified number or percentage of the members or of any specified class of members of such corporation; ~~in which event only one meeting of the governing body thereof shall be necessary, and~~ such proposed amendment shall be submitted to the members or to any specified class of members of such corporation ~~without capital stock~~ in the same manner, so far as applicable, as is provided in this section for an amendment to the articles of incorporation of a stock corporation. In the event of the adoption of such amendment, a certificate evidencing such amendment shall be executed and filed and shall become effective in accordance with K.S.A. 2015 Supp. ~~17-7910~~ 17-7908 through 17-7911, and amendments thereto.

(4) Whenever the articles of incorporation shall require for action by the board of directors *of a corporation other than a nonstock corporation or by the governing body of a nonstock corporation*, by the holders of any class or series of shares or by the *members, or by the* holders of any other securities having voting power the vote of a greater number or proportion than is required by any section of this ~~act~~ *code*, the provision of the articles of incorporation requiring such greater vote shall not be altered, amended or repealed except by such greater vote.

~~(d)~~ (c) The resolution authorizing a proposed amendment to the articles of incorporation may provide that at any time prior to the *effectiveness of the* filing of the amendment with the secretary of state, notwithstanding authorization of the proposed amendment by the stockholders of the corporation or by the members of a nonstock corporation, the board of directors or governing body may abandon such proposed amendment without further action by the stockholders or members.

Sec. 67. K.S.A. 17-6603 is hereby amended to read as follows: 17-

6603. (a) A corporation, by resolution of its board of directors, may retire any shares of its capital stock that are issued but are not outstanding.

(b) Whenever any shares of the capital stock of a corporation are retired, they shall resume the status of authorized and unissued shares of the class or series to which they belong unless the articles of incorporation otherwise provides. If the articles of incorporation prohibits the reissuance of such shares, or prohibits the reissuance of such shares as a part of a specific series only, a certificate stating that reissuance of the shares, as part of the class or series, is prohibited, identifying the shares and reciting that their retirement shall be executed and filed and shall become effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7911, and amendments thereto. When such certificate becomes effective, it shall have the effect of amending the articles of incorporation so as to reduce accordingly the number of authorized shares of the class or series to which such shares belong or, if such retired shares constitute all of the authorized shares of the class or series to which they belong, of eliminating from the articles of incorporation all reference to such class or series of stock.

(c) If the capital of the corporation shall be reduced by or in connection with the retirement of shares, the reduction of capital shall be effected pursuant to K.S.A. 17-6604, and amendments thereto.

Sec. 68. K.S.A. 17-6605 is hereby amended to read as follows: 17-6605. (a) Whenever it is desired, a corporation may integrate into a single instrument all of the provisions of its articles of incorporation which are then in effect and operative as a result of there having been filed with the secretary of state one or more certificates or other instruments pursuant to any of the sections referred to in K.S.A. 17-6004, and amendments thereto. Such corporation may at the same time also further amend its articles of incorporation by adopting a restated articles of incorporation.

(b) If the restated articles of incorporation merely restate and integrate but do not further amend the articles of incorporation, as theretofore amended or supplemented by any instrument that was filed pursuant to any of the sections mentioned in K.S.A. 17-6004, and amendments thereto, such restated articles may be adopted by the board of directors without a vote of the stockholders, or they may be proposed by the directors and submitted by them to the stockholders for adoption, in which case the procedure and vote required, *if any*, by K.S.A. 17-6602, and amendments thereto, for amendment of the articles of incorporation shall be applicable. If the restated articles of incorporation restate and integrate and also further amend in any respect the articles of incorporation, as theretofore amended or supplemented, they shall be proposed by the directors and adopted by the stockholders in the manner and by the vote prescribed by K.S.A. 17-6602, and amendments thereto, or, if the corporation has not received any payment for any of its stock, in the manner and by the vote prescribed by K.S.A. 17-6601, and amendments thereto.

(c) Any restated articles of incorporation shall be specifically designated as such in ~~its~~ *the* heading. They shall state, either in the heading or in an introductory paragraph, the corporation's present name, and, if it has been changed, the name under which it was originally incorporated, and the date of filing of its original articles of incorporation with the secretary of state. Any restated articles shall also state that they were duly adopted by the directors or stockholders, as the case may be, in accordance with the provisions of this section. If they were adopted by the board of directors without a vote of the stockholders unless ~~it was~~ adopted pursuant to the provisions of K.S.A. 17-6601, *and amendments thereto, or without vote of the members pursuant to K.S.A. 2015 Supp. 17-7910*, and amendments thereto, they shall state that they only restate and integrate and do not further amend, *except, if applicable, as permitted under K.S.A. 17-6002(a)(1) and (b)(1), and amendments thereto*, the provisions of the corporation's articles of incorporation as theretofore amended or supplemented, and that there is no discrepancy between those provisions and the provisions of the restated articles. A restated articles of incorporation may omit: (1) Such provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors, and the original subscribers for shares; and (2) such provisions contained in any amendment to the articles of incorporation as were nec-



essary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock if such change, exchange, reclassification, subdivision, combination or cancellation has become effective. Any such omissions shall not be deemed a further amendment.

(d) Any restated articles of incorporation shall be executed and filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, and upon such restated articles of incorporation becoming effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto. ~~Upon filing with the secretary of state,~~ The corporation's original articles of incorporation, as theretofore amended or supplemented, shall be superseded; and ~~thereafter~~ the restated articles of incorporation, including any further amendments or changes made thereby, shall be the articles of incorporation of the corporation, but the original date of incorporation shall remain unchanged.

(e) Any amendment or change effected in connection with the restatement and integration of the articles of incorporation shall be subject to any other ~~provisions~~ provision of this ~~act~~ code, not inconsistent with this section, which would apply if a separate certificate of amendment were filed to effect such amendment or change.

Sec. 69. K.S.A. 17-6701 is hereby amended to read as follows: 17-6701. (a) Any two or more corporations existing under the laws of this state ~~and authorized to issue capital stock~~ may merge into a single corporation, which may be any one of the constituent corporations or ~~they~~ may consolidate into a new corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

(b) The board of directors of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation *and declaring its advisability*. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, *which amendments or changes may amend and restate the articles of incorporation of the surviving corporation in their entirety*, or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be its articles of incorporation; (4) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as ~~is~~ are set forth in an attachment to the agreement; (5) the manner, if any, of converting the shares of each of the constituent corporations into shares or other securities of the corporation surviving or resulting from the merger or consolidation, or of cancelling some or all of such shares and, if any shares of any of the constituent corporations are not to remain outstanding, to be converted solely into shares or other securities of the surviving or resulting corporation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and the surrender of any certificates evidencing them, which cash, property, rights or securities of any other corporation or entity may be in addition to or in lieu of shares or other securities of the surviving or resulting corporation; and (6) such other details or provisions as are deemed desirable, including, without limiting, the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares, interests or rights, or for any other arrangement with respect thereto, consistent with the provisions of K.S.A. 17-6405, and amendments thereto. The agreement ~~so adopted as provided in this subsection~~ shall be executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908, and amendments thereto. Any terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) (1) The agreement required by subsection (b) shall be submitted

to the stockholders of each constituent corporation at an annual or special meeting thereof for the purpose of acting on the agreement.

~~(2) The terms of the agreement may require that the agreement be submitted to the stockholders whether or not the board of directors determines at any time subsequent to declaring its advisability that the agreement is no longer advisable and recommends that the stockholders reject it.~~

~~(3) Due notice of the time, place and purpose of the meeting shall be mailed to each holder of stock of the corporation, whether voting or nonvoting, of the corporation at the stockholder's address as it appears on the records of the corporation, at least 20 days prior to the date of the meeting. The notice shall contain a copy of the agreement or a brief summary thereof, as the directors deem advisable.~~

~~(4) (3) At the meeting the agreement shall be considered and a vote taken for its adoption or rejection. If a majority of the outstanding stock of the corporation entitled to vote thereon shall be voted for the adoption of the agreement, that fact shall be certified on the agreement by the secretary or assistant secretary of the corporation, except that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement. If the agreement is shall be so adopted and certified by each constituent corporation, it shall then be executed and filed, and shall become effective, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910 and 17-7911, and amendments thereto.~~

~~(5) (4) In lieu of filing the agreement of merger or consolidation required by this section, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908, and amendments thereto, which states: (A) The name and state of incorporation of each of the constituent corporations; (B) that an agreement of merger or consolidation has been approved, adopted, certified and executed by each of the constituent corporations in accordance with this section; (C) the name of the surviving or resulting corporation; (D) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes may amend and restate the articles of incorporation of the surviving corporation in their entirety, or, if no such amendments or changes are desired, a statement that the articles of incorporation of one of the constituent corporations shall be the articles of incorporation of the surviving corporation; (E) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be as ~~is~~ are set forth in an attachment to the certificate; (F) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving or resulting corporation, stating the address thereof; and (G) that a copy of the agreement of consolidation or merger will be furnished by the surviving or resulting corporation, on request and without cost, to any stockholder of any constituent corporation.~~

(d) Any agreement of merger or consolidation may contain a provision that at any time prior to the time that the agreement, or a certificate in lieu thereof, filed with the secretary of state becomes effective in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto, the agreement may be terminated by the board of directors of any constituent corporation notwithstanding approval of the agreement by the stockholders of all or any of the constituent corporations; in the event the agreement of merger or consolidation is terminated after the filing of the agreement, or a certificate *in lieu thereof*, with the secretary of state but before the agreement, or a certificate *in lieu thereof*, has become effective, a certificate of termination of merger or consolidation shall be filed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7910, and amendments thereto. Any agreement of merger or consolidation may contain a provision that the boards of directors of the constituent corporations may amend the agreement at any time prior to the ~~filing of~~ time that the agreement, or a certificate in lieu thereof, ~~with the secretary of state filed with the secretary of state becomes effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto,~~ except that an amendment made subsequent to the adoption of the agreement by the stockholders of any constituent corporation shall not: (1) Alter or change the amount or kind of shares, securities, cash, property or rights, ~~or any combination,~~

to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such constituent corporation; (2) alter or change any term of the articles of incorporation of the surviving or resulting corporation to be effected by the merger or consolidation; or (3) alter or change any of the terms and conditions of the agreement if such alteration or change would adversely affect the holders of any class or series thereof of such constituent corporation. In the event the agreement of merger or consolidation is amended after the filing of such merger or consolidation thereof with the secretary of state but before the agreement has become effective, a certificate of ~~amendments~~ *amendment* of merger or consolidation shall be filed in accordance with K.S.A. ~~17-6003~~ *2015 Supp. 17-7910*, and amendments thereto.

(e) In the case of a merger, the articles of incorporation of the surviving corporation shall automatically be amended to the extent, if any, that changes in the articles of incorporation are set forth in the agreement of merger.

(f) (1) Notwithstanding the requirements of subsection (c), unless required by its articles of incorporation, no vote of stockholders of a constituent corporation surviving a merger shall be necessary to authorize a merger if: (A) The agreement of merger does not amend in any respect the articles of incorporation of such constituent corporation; (B) each share of stock of such constituent corporation outstanding immediately prior to the effective date of the merger is to be an identical outstanding or treasury share of the surviving corporation after the effective date of the merger; and (C) either no shares of common stock of the surviving corporation and no shares, securities or obligations convertible into such stock are to be issued or delivered under the plan of merger, or the authorized unissued shares or the treasury shares of common stock of the surviving corporation to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any other shares, securities or obligations to be issued or delivered under such plan do not exceed 20% of the shares of common stock of such constituent corporation outstanding immediately prior to the effective date of the merger.

(2) No vote of stockholders of a constituent corporation shall be necessary to authorize a merger or consolidation if no shares of the stock of such corporation shall have been issued prior to the adoption by the board of directors of the resolution approving the agreement of merger or consolidation.

(3) If an agreement of merger is adopted by the constituent corporation surviving the merger, by action of its board of directors and without any vote of its stockholders pursuant to this subsection, the secretary or assistant secretary of that corporation shall certify on the agreement that the agreement has been adopted pursuant to this subsection and: (A) If it has been adopted pursuant to ~~the first sentence of this subsection (f)(1),~~ that the conditions specified in that ~~sentence~~ *subsection* have been satisfied; or (B) if it has been adopted pursuant to ~~the second sentence of this subsection (f)(2),~~ that no shares of stock of such corporation were issued prior to the adoption by the board of directors of the resolution approving the agreement of merger or consolidation.

~~(3)~~ (4) The agreement *so* adopted and certified shall then be executed and filed, and shall become effective, in accordance with K.S.A. ~~17-6003~~ *2015 Supp. 17-7908 through 17-7911*, and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.

(g) Notwithstanding the requirements of subsection (c), unless expressly required by its articles of incorporation, no vote of stockholders of a constituent corporation shall be necessary to authorize a merger with or into a single direct or indirect wholly-owned subsidiary of such constituent corporation if:

(1) Such constituent corporation and the direct or indirect wholly-owned subsidiary of such constituent corporation are the only constituent entities to the merger;

(2) each share or fraction of a share of the capital stock of the constituent corporation outstanding immediately prior to the effective time of the merger is converted in the merger into a share or equal fraction of share of capital stock of a holding company having the same designations, rights, powers and preferences, and the qualifications, limitations

and restrictions thereof, as the share of stock of the constituent corporation being converted in the merger;

(3) the holding company and the constituent ~~corporations~~ *corporation* are corporations of this state and the direct or indirect wholly-owned subsidiary that is the other constituent entity to the merger is a corporation or limited liability company of this state;

(4) the articles of incorporation and bylaws of the holding company immediately following the effective time of the merger contain provisions identical to the articles of incorporation and bylaws of the constituent corporation immediately prior to the effective time of the merger, other than provisions, if any, regarding the incorporator or incorporators, the corporate name, the registered office and agent, the initial board of directors and the initial subscribers for shares and such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective;

(5) as a result of the merger the constituent corporation or its successor becomes or remains a direct or indirect wholly-owned subsidiary of the holding company;

(6) the directors of the constituent corporation become or remain the directors of the holding company upon the effective time of the merger; ~~and~~

(7) (A) the organizational documents of the surviving entity immediately following the effective time of the merger contain provisions identical to the articles of incorporation of the constituent corporation immediately prior to the effective time of the merger, other than provisions, if any, regarding the incorporator or incorporators, the corporate or entity name, the registered office and agent, the initial board of directors and the initial subscribers for shares, references to members rather than stockholders or shareholders, references to interests, units or the like rather than stock or shares, references to managers, managing members or other members of the governing body rather than directors and such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective;

(B) if the organizational documents of the surviving entity do not contain the following provisions, such documents shall be amended in the merger to contain provisions requiring that: (i) Any act or transaction by or involving the surviving entity, other than the election or removal of directors or managers, managing members or other members of the governing body of the surviving entity, that requires for its adoption under this ~~act~~ *code* or its organizational documents the approval of the stockholders or members of the surviving entity shall, by specific reference to this subsection, require, in addition, the approval of the stockholders of the holding company, or any successor by merger, by the same vote as is required by this ~~act~~ *code* or by the organizational documents of the surviving entity, or both. For purposes of this clause, any surviving entity that is not a corporation shall include in such ~~amendments~~ *amendment* a requirement that the approval of the stockholders of the holding company be obtained for any act or transaction by or involving the surviving entity, other than the election or removal of directors or managers, managing members or other members of the governing body of the surviving entity, which would require the approval of the stockholders of the surviving entity if the surviving entity were a corporation subject to this ~~act~~ *code*;

(ii) any amendment of the organizational documents of a surviving entity that is not a corporation, which amendment would, if adopted by a corporation subject to this ~~act~~ *code*, be required to be included in the articles of incorporation of such corporation, shall, by specific reference to this subsection, require, in addition, the approval of the stockholders of the holding company, or any successor by merger, by the same vote as is required by this ~~act~~ *code* or by the organizational documents of the surviving entity or both; and

(iii) the business and affairs of a surviving entity that is not a corporation shall be managed by or under the direction of a board of directors, board of managers or other governing body consisting of individuals who

are subject to the same fiduciary duties applicable to, and who are liable for breach of such duties to the same extent as, directors of a corporation subject to this act. ~~Neither the provisions of this subsection code; and~~

~~(C) the organizational documents of the surviving entity may be amended in the merger to: (i) Reduce the number of classes and shares of capital stock or other equity interests or units that the surviving entity is authorized to issue; and (ii) eliminate any provision authorized by K.S.A. 17-6301(d), and amendments thereto; and~~

~~(8) the stockholders of the constituent corporation do not recognize gain or loss for United States federal income tax purposes as determined by the board of directors of the constituent corporation. Neither subsection (g)(7)(B) nor any provision of a surviving entity's organizational documents required by this subsection (g)(7)(B) shall be deemed or construed to require approval of the stockholders of the holding company to elect or remove directors or managers, managing members or other members of the governing body of the surviving entity.~~

~~(C) The organizational documents of the surviving entity may be amended in the merger to reduce the number of classes and shares of capital stock or other equity interests or units that the surviving entity is authorized to issue.~~

~~(D) As used in this subsection only, The term “organizational documents,” as used in subsection (g)(7) and (g)(8), when used in reference to a corporation, means the articles of incorporation of such corporation and, when used in reference to a limited liability company, means the articles of organization or operating agreement of such limited liability company.~~

~~As used in this subsection, the term “holding company” means a corporation which, from its incorporation until consummation of a merger governed by this subsection, was at all times a direct or indirect wholly-owned subsidiary of the constituent corporation and whose capital stock is issued in such merger. From and after the effective time of a merger adopted by a constituent corporation by action of its board of directors and without any vote of stockholders pursuant to this subsection: (1) To the extent the restriction of K.S.A. 17-12,100 et seq. section 7, and amendments thereto, applied to the constituent corporation and its stockholders at the effective time of the merger, such restrictions shall apply to the holding company and its stockholders immediately after the effective time of the merger as though it were the constituent corporation, and all shares of stock of the holding company acquired in the merger shall for the purposes of K.S.A. 17-12,100 et seq. section 7, and amendments thereto, be deemed to have been acquired at the time that the shares of stock of the constituent corporation converted in the merger were acquired, and provided further that any stockholder who immediately prior to the effective time of the merger was not an interested stockholder within the meaning of K.S.A. 17-12,100 et seq. section 7, and amendments thereto, shall not solely by reason of the merger become an interested stockholder of the holding company; and (2) if the corporate name of the holding company immediately following the effective time of the merger is the same as the corporate name of the constituent corporation immediately prior to the effective time of the merger, the shares of capital stock of the holding company into which the shares of capital stock of the constituent corporation are converted in the merger shall be represented by the stock certificates that previously represented shares of capital stock of the constituent corporation; and (3) to the extent a stockholder of the constituent corporation immediately prior to the merger had standing to institute or maintain derivative litigation on behalf of the constituent corporation, nothing in this section shall be deemed to limit or extinguish such standing. If an agreement of merger is adopted by a constituent corporation by action of its board of directors and without any vote of stockholders pursuant to this subsection, the secretary or assistant secretary of the constituent corporation shall certify on the agreement or a certificate of merger that the agreement has been adopted pursuant to this subsection and that the conditions specified in the first sentence of this subsection have been satisfied. ~~The, except that such certification on the agreement or shall not be required if a certificate of merger or consolidation is filled in lieu of filing the agreement. The agreement so adopted and certified shall then be executed, filed and become effective, in accordance with K.S.A. 17-6003 2015 Supp. 17-7908 through~~~~

17-7911, and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement ~~or certificate of merger~~ that the facts stated in the certificate remain true immediately prior to such filing.

(h) (1) *Notwithstanding the requirements of subsection (c), unless expressly required by its articles of incorporation, no vote of stockholders of a constituent corporation whose shares are listed on a national securities exchange or held of record by more than 2,000 holders immediately prior to the execution of the agreement of merger by such constituent corporation shall be necessary to authorize a merger if:*

(A) *The agreement of merger expressly: (i) Permits or requires such merger to be effected under this subsection; and (ii) provides that such merger shall be effected as soon as practicable following the consummation of the offer referred to in subsection (i)(1)(B) if such merger is effected under this subsection;*

(B) *a corporation consummates a tender or exchange offer for any and all of the outstanding stock of such constituent corporation on the terms provided in such agreement of merger that, absent this subsection, would be entitled to vote on the adoption or rejection of the agreement of merger, except that such offer may exclude stock of such constituent corporation that is owned at the commencement of such offer by: (i) Such constituent corporation; (ii) the corporation making such offer; (iii) any person that owns, directly or indirectly, all of the outstanding stock of the corporation making such offer; or (iv) any direct or indirect wholly owned subsidiary of any of the foregoing;*

(C) *following the consummation of the offer referred to in subsection (i)(1)(B), the stock irrevocably accepted for purchase or exchange pursuant to such offer and received by the depository prior to expiration of such offer, plus the stock otherwise owned by the consummating corporation equals at least such percentage of the stock, and of each class or series thereof, of such constituent corporation that, absent this subsection, would be required to adopt the agreement of merger by this code and by the articles of incorporation of such constituent corporation;*

(D) *the corporation consummating the offer described in subsection (i)(1)(B) merges with or into such constituent corporation pursuant to such agreement; and*

(E) *each outstanding share of each class or series of stock of the constituent corporation that is the subject of and not irrevocably accepted for purchase or exchange in the offer referred to in subsection (i)(1)(B) is to be converted in such merger into, or into the right to receive, the same amount and kind of cash, property, rights or securities to be paid for shares of such class or series of stock of such constituent corporation irrevocably accepted for purchase or exchange in such offer.*

(2) *As used in this subsection, the term: (A) “Consummates,” and with correlative meaning, “consummation” and “consummating,” means irrevocably accepts for purchase or exchange stock tendered pursuant to a tender or exchange offer; (B) “depository” means an agent, including a depository, appointed to facilitate consummation of the offer referred to in subsection (i)(1)(B); (C) “person” means any individual, corporation, partnership, limited liability company, unincorporated association or other entity; and (D) “received,” solely for purposes of subsection (i)(1)(C), means physical receipt of a stock certificate in the case of certificated shares and transfer into the depository’s account, or an agent’s message being received by the depository, in the case of uncertificated shares.*

(3) *If an agreement of merger is adopted without the vote of stockholders of a corporation pursuant to this subsection, the secretary or assistant secretary of the surviving corporation shall certify on the agreement that the agreement has been adopted pursuant to this subsection and that the conditions specified in this subsection, other than the condition listed in subsection (i)(1)(D), have been satisfied, except that such certification on the agreement shall not be required if a certificate of merger is filed in lieu of filing the agreement. The agreement so adopted and certified shall then be executed and filed and shall become effective, in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7911, and amendments thereto. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.*

Sec. 70. K.S.A. 17-6702 is hereby amended to read as follows: 17-6702. (a) Any one or more corporations of this state may merge or consolidate with one or more other ~~stock~~ corporations of any other state or states of the United States, or of the District of Columbia if the laws of such other jurisdiction permit a corporation of such jurisdiction to merge or consolidate with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, which may be a corporation of the state of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. In addition, any one or more corporations organized under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more corporations existing under the laws of this state, if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge or consolidate with a corporation of another jurisdiction.

(b) All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state: (1) The terms and conditions of the merger or consolidation; (2) the mode of carrying the same into effect; (3) the manner, if any, of converting the shares of each of the constituent corporations into shares or other securities of the corporation surviving or resulting from the merger or consolidation, or of cancelling some or all of such shares, and, if any shares of any of the constituent corporations are not to remain outstanding, to be converted solely into shares or other securities of the surviving or resulting corporation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of such shares are to receive in exchange for, or upon conversion of, such shares and the surrender of any certificates evidencing them, which cash, property, rights or securities of any other corporation may be in addition to or in lieu of the shares or other securities of the surviving or resulting corporation; (4) such other details or provisions as are deemed desirable, including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares of the surviving or resulting corporation or of any other corporation the securities of which are to be received in the merger or consolidation, or for some other arrangement with respect thereto consistent with the provisions of K.S.A. 17-6405, and amendments thereto; and (5) such other provisions or facts as shall be required to be set forth in articles of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term “facts,” as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) The agreement shall be adopted, approved, certified and executed by each of the constituent corporations in accordance with the laws under which it is formed, and, in the case of a Kansas corporation, in the same manner as provided in K.S.A. 17-6701, and amendments thereto. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701, and amendments thereto, with respect to the merger or consolidation of corporations of this state. In lieu of filing the agreement of merger or consolidation, the surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with K.S.A. ~~17-6003~~ 2015 *Supp.* 17-7908, and amendments thereto, which states: (1) The name and jurisdiction of incorporation of each of the constituents; (2) that an agreement of merger or consolidation has been approved, adopted, certified and executed by each of the constituent corporations in accordance with this section; (3) the name of the surviving or resulting corporation; (4) in the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the

merger, *which amendments or changes may amend and restate the articles of incorporation of the surviving corporation in their entirety*, or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be its articles of incorporation; (5) in the case of a consolidation, that the articles of incorporation of the resulting corporation shall be ~~as is~~ *are* set forth in an attachment to the certificate; (6) that the executed agreement of consolidation or merger is on file at the principal place of business of the surviving or resulting corporation and the address thereof; (7) that a copy of the agreement of consolidation or merger will be furnished by the surviving or resulting corporation, on request and without cost, to any stockholder of any constituent corporation; (8) if the corporation surviving or resulting from the merger or consolidation is to be a corporation of this state, the authorized capital stock of each constituent corporation which is not a corporation of this state; and (9) the agreement, if any, required by subsection (d).

(d) If the corporation surviving or resulting from the merger or consolidation is to be governed by the laws of the District of Columbia or any state *or jurisdiction* other than this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, as well as for enforcement of any obligation of the surviving or resulting corporation arising from the merger or consolidation, including any suit or other proceeding to enforce the right of any ~~stockholder~~ *stockholders* as determined in appraisal proceedings pursuant to ~~the provisions of~~ K.S.A. 17-6712, and amendments thereto. ~~Such corporation, and shall irrevocably appoint the secretary of state as its agent to accept service of process in any such suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the secretary of state. Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process. The secretary of state shall forthwith send by registered mail one of such copies~~ *Process may be served upon the secretary of state under this subsection by means of electronic transmission but only as prescribed by the secretary of state. The secretary of state is authorized to issue such rules and regulations with respect to such service as the secretary of state deems necessary or appropriate. In the event of such service upon the secretary of state in accordance with this subsection, the secretary of state shall forthwith notify such surviving or resulting corporation thereof by letter, directed to such surviving or resulting corporation at its address so specified, unless such surviving or resulting corporation shall thereafter have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated. Such letter shall be sent by a mail or courier service that includes a record of mailing or deposit with the courier and a record of delivery evidenced by the signature of the recipient. Such letter shall enclose a copy of the process and any other papers served on the secretary of state pursuant to this subsection. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the secretary of state that service is being effected pursuant to this subsection and to pay the secretary of state the sum of \$40 for the use of the state, which sum and any administrative fees shall be taxed as part of the costs of the proceeding, if the plaintiff shall prevail therein. The secretary of state shall maintain a record of any such service in a manner deemed appropriate by the secretary. The secretary of state shall not be required to retain such information longer than five years from receipt of the service of process.*

(e) ~~The provisions of subsection (d) of K.S.A. 17-6701(d), and amendments thereto, shall apply to any merger or consolidation under this section; the provisions of subsection (e) of K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section in which the surviving corporation is a corporation of this state; the provisions of subsection (f) of and K.S.A. 17-6701(f) and (h), and amendments thereto, shall apply to any merger under this section.~~

Sec. 71. K.S.A. 17-6703 is hereby amended to read as follows: 17-6703. (a) In any case in which at least 90% of the outstanding shares of each class of the stock of a corporation or corporations, *other than a*



corporation which has in its articles of incorporation the provisions required by K.S.A. 17-6701(g)(7)(B), and amendments thereto, of which class there are outstanding shares that, absent this subsection, would be entitled to vote on such merger, is owned by another corporation and one of ~~such the~~ corporations is a corporation of this state and the other or others are corporations of this state, or ~~of~~ any other state or states, or ~~of~~ the District of Columbia and the laws of ~~such the~~ other state or states, or the District of Columbia permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction, the corporation having such stock ownership may either merge ~~such the~~ other corporation or corporations into itself and assume all of its or their obligations, or merge itself, or itself and one or more of such other corporations, into one of such other corporations by executing and filing, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, a certificate of such ownership and merger setting forth a copy of the resolution of its board of directors to so merge and the date of the adoption thereof, except that in case the parent corporation shall not own all the outstanding stock of all the subsidiary corporations, parties to a merger as provided in this section, the resolution of the board of directors of the parent corporation shall state the terms and conditions of the merger, including the securities, cash, property or rights to be issued, paid, delivered or granted by the surviving corporation upon surrender of each share of the subsidiary corporation or corporations not owned by the parent corporation, or the cancellation of some or all of such shares. Any of the terms of the resolution of the board of directors to so merge may be made dependent upon facts ascertainable outside of such resolution, provided that the manner in which such facts shall operate upon the terms of the resolution is clearly and expressly set forth in the resolution. The term “facts,” as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation. If the parent corporation ~~is~~ *be* not the surviving corporation, the resolution shall include provision for the pro rata issuance of stock of the surviving corporation to the holders of the stock of the parent corporation on surrender of any certificates therefor, and the certificate of ownership and merger shall state that the proposed merger has been approved by a majority of the outstanding stock of the parent corporation entitled to vote thereon at a meeting ~~thereof~~ duly called and held after 20 days’ notice of the purpose of the meeting mailed to each such stockholder at the stockholder’s address as it appears on the records of the corporation, if the parent corporation is a corporation of this state, or the certificate shall state that the proposed merger has been adopted, approved, certified and executed by the parent corporation in accordance with the laws under which it is organized, if the parent corporation is not a corporation of this state. If the surviving corporation exists under the laws of the District of Columbia or any state or jurisdiction other than this state, ~~the provisions of subsection (d) of:~~

(1) K.S.A. 17-6702(d) or 17-6708(c), and amendments thereto, as applicable, shall also apply to a merger under this section; and

(2) *the terms and conditions of the merger shall obligate the surviving corporation to provide the agreement and take the actions required by K.S.A. 17-6702(d) or 17-6708(c), and amendments thereto, as applicable.*

(b) If the surviving corporation is a Kansas corporation, it may change its corporate name by the inclusion of a provision to that effect in the resolution of merger adopted by the directors of the parent corporation and set forth in the certificate of ownership and merger, and upon the effective date of the merger, the name of the corporation shall be changed.

(c) ~~The provisions of subsection (d) of K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, and the provisions of subsection (e) of K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section in which the surviving corporation is the subsidiary corporation and is a corporation of this state. References to “agreement of merger” in subsections (d) and (e) of K.S.A. 17-6701(d) and (e), and amendments thereto, shall mean, for the purposes of this subsection (c), the resolution of merger adopted by the board of directors of the parent corporation. Any merger which effects any changes other than those authorized by this section or made applicable~~

by this subsection shall be accomplished under the provisions of K.S.A. 17-6701 ~~or~~, 17-6702, 17-6707 or 17-6708, and amendments thereto. ~~The provisions of~~ K.S.A. 17-6712, and amendments thereto, shall not apply to any merger effected under this section, except as provided in subsection (d).

(d) In the event all of the stock of a subsidiary Kansas corporation party to a merger effected under this section is not owned by the parent corporation immediately prior to the merger, the stockholders of the subsidiary Kansas corporation party to the merger shall have appraisal rights as set forth in K.S.A. 17-6712, and amendments thereto.

(e) A merger may be effected under this section although one or more of the corporations ~~party parties~~ to the merger is a corporation organized under the laws of a jurisdiction other than one of the United States, if: ~~(1) the laws of such jurisdiction permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction, and (2) the surviving corporation shall be a corporation of this state.~~

(f) *This section shall apply to nonstock corporations if the parent corporation is such a corporation and is the surviving corporation of the merger, except that references to the directors of the parent corporation shall be deemed to be references to members of the governing body of the parent corporation, and references to the board of directors of the parent corporation shall be deemed to be references to the governing body of the parent corporation.*

(g) *Nothing in this section shall be deemed to authorize the merger of a corporation with a charitable nonstock corporation, if the charitable status of such charitable nonstock corporation would thereby be lost or impaired.*

Sec. 72. K.S.A. 17-6705 is hereby amended to read as follows: 17-6705. (a) Any two or more nonstock corporations of this state, whether or not organized for profit, may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock corporation, whether or not organized for profit, formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

(b) *Subject to subsection (d)*, the governing body of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state:

- (1) The terms and conditions of the merger or consolidation;
- (2) the mode of carrying the same into effect;
- (3) such other provisions or facts required or permitted by this ~~act~~ *code* to be stated in articles of incorporation for nonstock corporations as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require;
- (4) the manner, if any, of converting the memberships *or membership interests* of each of the constituent corporations into memberships *or membership interests* of the corporation surviving or resulting from the merger or consolidation, or of cancelling some or all of such memberships *or membership interests*; and

(5) such other details or provisions as are deemed desirable. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term “facts,” as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) *Subject to subsection (d)*, the agreement shall be submitted to the members of each constituent corporation ~~who have the right to vote for the election of the members of the governing body of their corporation;~~ at an annual or special meeting thereof for the purpose of acting on the agreement. Due notice of the time, place and purpose of the meeting shall be mailed to each member of each such corporation who has the right to vote for the election of the members of the governing body *of the corporation and to each other member who is entitled to vote on the merger under the articles of incorporation or the bylaws* of such corporation, at the member’s address as it appears on the records of the cor-

poration, at least 20 days prior to the date of the meeting. The notice shall contain a copy of the agreement or a brief summary thereof, ~~as the governing body shall deem advisable.~~ At the meeting the agreement shall be considered and a vote ~~by ballot~~, in person or by proxy, taken for the adoption or rejection of the agreement, ~~each member who has the right to vote for the election of the members of the governing body of such member's corporation being entitled to one vote.~~ *The following vote shall be required for the adoption of the agreement: (1) ~~If~~ A majority of the voting power of members of each such corporation who have the voting power above mentioned shall be for the adoption of the agreement entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote on the merger under the articles of incorporation or the bylaws of the corporation, except those corporations that are the subject of paragraph (2); or, (2) in the case of a nonstock, nonprofit corporation, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act, cited at K.S.A. 40-19a01 et seq., and amendments thereto, if a majority of the total number of members voting at an annual or special meeting for the purpose of acting on the agreement vote for the adoption of the agreement, then of each corporation entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote on the merger under the articles of incorporation or the bylaws of the corporation voting at the meeting. If the agreement is so adopted, that fact shall be certified on the agreement by the officer of each such corporation performing the duties ordinarily performed by the secretary or assistant secretary of a corporation: ~~The agreement, except that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement.~~ *If the agreement shall be so adopted and certified by each constituent corporation in accordance with this section, it shall be executed and filed, and shall become effective, in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7911, and amendments thereto. The provisions set forth in the last sentence of subsection (c) of K.S.A. 17-6701(c), and amendments thereto, shall apply to a merger under this section, and the reference therein to "stockholder" shall be deemed to include "member" hereunder.**

(d) *Notwithstanding subsection (b) or (c), if, under the provisions of the articles of incorporation or the bylaws of any one or more of the constituent corporations, there shall be no members who have the right to vote for the election of the members of the governing body of the corporation, or for the merger, other than the members of that body themselves, the agreement duly entered into as provided in subsection (b) shall be submitted to the members of the governing body of such corporation or corporations, at a meeting of such corporation or corporations. Notice of the meeting shall be mailed to the members of the governing body in the same manner as is provided in the case of a meeting of the members of a corporation. If at the meeting  $\frac{2}{3}$  of the total number of members of the governing body shall vote by ballot, in person, for the adoption of the agreement, the governing body themselves, no further action by the governing body or the members of such corporation shall be necessary if the resolution approving an agreement of merger or consolidation has been adopted by a majority of all the members of the governing body thereof, and that fact shall be certified on the agreement in the same manner as is provided in the case of the adoption of the agreement by the vote of the members of a corporation; ~~except that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement, and thereafter the same procedure shall be followed to consummate the merger or consolidation.~~*

(e) ~~The provisions of subsection (c) of K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, except that references to the board of directors, to stockholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.~~

(f) *K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section.*

(g) Nothing in this section shall be deemed to authorize the merger

of a charitable nonstock corporation into a nonstock corporation if such charitable nonstock corporation would thereby have its charitable status lost or impaired, but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

Sec. 73. K.S.A. 17-6706 is hereby amended to read as follows: 17-6706. (a) Any one or more nonstock corporations of this state may merge or consolidate with one or more other nonstock corporations of any other state or states of the United States or of the District of Columbia; if the laws of such other ~~jurisdiction~~ *state or states or of the District of Columbia* permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock corporation formed by the consolidation, which may be a corporation of the state of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. In addition, any one or more nonstock corporations organized under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more nonstock corporations of this state if the surviving or resulting corporation will be a corporation of this state, and if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction.

(b) All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state:

- (1) The terms and conditions of the merger or consolidation;
- (2) the mode of carrying the same into effect;
- (3) the manner, if any, of converting the memberships *or membership interests* of each of the constituent corporations into memberships *or membership interests* of the corporation surviving or resulting from such merger or consolidation, or of cancelling some or all of such memberships *or membership interests*;
- (4) such other details and provisions as shall be deemed desirable; and

(5) such other provisions or facts as shall then be required to be stated in articles of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, if the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term “facts,” as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) The agreement shall be adopted, approved, *certified* and executed by each of the constituent corporations in accordance with the laws under which it is formed and, in the case of a Kansas corporation, in the same manner as is provided in K.S.A. 17-6705, and amendments thereto. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6705, and amendments thereto, with respect to the merger of nonstock corporations of this state. Insofar as they may be applicable, the provisions set forth in the last sentence of ~~subsection (c) of K.S.A. 17-6702(c)~~, and amendments thereto, shall apply to a merger under this section, and the reference *therein* to “stockholder” shall be deemed to include “member” hereunder.

(d) If the corporation surviving or resulting from the merger or consolidation is to be governed by the laws of any state other than this state, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent corporation of this state, as well as for enforcement of any obligation of the surviving or resulting corporation arising from the merger or consolidation; and shall irrevocably appoint the secretary of state as its agent to accept service of process in any ~~such~~ suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the secretary

of state. ~~Service of such process shall be made by personally delivering to and leaving with the secretary of state duplicate copies of such process. The secretary of state shall forthwith send by registered mail one of such copies to~~ *Process may be served upon the secretary of state under this subsection by means of electronic transmission but only as prescribed by the secretary of state. The secretary of state is authorized to issue such rules and regulations with respect to such service as the secretary of state deems necessary or appropriate. In the event of such service upon the secretary of state in accordance with this subsection, the secretary of state shall forthwith notify such surviving or resulting corporation thereof by letter, directed to such corporation at its address so specified, unless such surviving or resulting corporation shall thereafter have designated in writing to the secretary of state a different address for such purpose, in which case it shall be mailed to the last address so designated. Such letter shall be sent by a mail or courier service that includes a record of mailing or deposit with the courier and a record of delivery evidenced by the signature of the recipient. Such letter shall enclose a copy of the process and any other papers served upon the secretary of state. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the secretary of state that service is being made pursuant to this subsection, and to pay the secretary of state the sum of \$40 for the use of the state, which sum and any administrative fees shall be taxed as a part of the costs in the proceeding if the plaintiff shall prevail therein. The secretary of state shall maintain a record of any such service in a manner deemed appropriate by the secretary. The secretary of state shall not be required to retain such information for a period longer than five years from receipt of the service of process.*

(e) ~~The provisions of subsection (e) of K.S.A. 17-6701(e), and amendments thereto,~~ shall apply to a merger under this section, if the corporation surviving the merger is a corporation of this state.

(f) ~~K.S.A. 17-6701(d), and amendments thereto,~~ shall apply to a merger under this section, except that references to the board of directors, to stockholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.

(g) ~~Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a nonstock corporation, if the charitable status of such charitable nonstock corporation would thereby be lost or impaired, but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.~~

Sec. 74. K.S.A. 17-6707 is hereby amended to read as follows: 17-6707. (a) Any one or more nonstock corporations of this state, whether or not organized for profit, may merge or consolidate with one or more stock corporations of this state, whether or not organized for profit. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. The surviving constituent corporation or the new corporation may be organized for profit or not organized for profit and may be a stock corporation or a nonstock corporation.

(b) The board of directors of each stock corporation which desires to merge or consolidate and the governing body of each nonstock corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state:

- (1) The terms and conditions of the merger or consolidation;
- (2) the mode of carrying the same into effect;
- (3) such other provisions or facts required or permitted by ~~this act~~ *code* to be stated in articles of incorporation as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require;
- (4) the manner, if any, of converting the shares of stock of a stock corporation and the *memberships or membership* interests of ~~the members~~ *members* of a nonstock corporation into shares or other securities of a stock

corporation *or memberships* or membership interests of a nonstock corporation surviving or resulting from such merger or consolidation; or of cancelling some or all of such shares or *memberships or membership* interests, and, if any shares of any such stock corporation *or memberships* or membership interests of any such nonstock corporation are not to remain outstanding, to be converted solely into shares or other securities of the stock corporation *or memberships* or membership interests of the nonstock corporation surviving or resulting from such merger or consolidation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of shares of any such stock corporation *or memberships* or membership interests of any such nonstock corporation are to receive in exchange for, or upon conversion of such shares *or memberships* or membership interests, and the surrender of any certificates evidencing them, which cash, property, rights; or securities of any other corporation or entity may be in addition to or in lieu of shares or other securities of any stock corporation *or memberships* or membership interests of any nonstock corporation surviving or resulting from such merger or consolidation; and

(5) such other details or provisions as are deemed desirable.

In such merger or consolidation, the *memberships or membership* interests of ~~members of~~ a constituent nonstock corporation may be treated in various ways so as to convert such *memberships or membership* interests into interests of value, other than shares of stock, in the surviving or resulting stock corporation or into shares of stock in the surviving or resulting stock corporation, voting or nonvoting, or into creditor interests or any other interests of value equivalent to their *memberships or membership* interests in their nonstock corporation. The voting rights of members of a constituent nonstock corporation need not be considered an element of value in measuring the reasonable equivalence of the value of the interests received in the surviving or resulting stock corporation by members of a constituent nonstock corporation, nor need the voting rights of shares of stock in a constituent stock corporation be considered as an element of value in measuring the reasonable equivalence of the value of the interests in the surviving or resulting nonstock corporation received by stockholders of a constituent stock corporation, and the voting or nonvoting shares of a stock corporation may be converted into ~~voting or nonvoting regular, life, general, special or other~~ *any* type of membership *or membership interest*, however designated, creditor interests or participating interests, ~~in any~~ *the* nonstock corporation surviving or resulting from such merger or consolidation of a stock corporation and a nonstock corporation. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term “facts,” as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

(c) The agreement required by subsection (b), in the case of each constituent stock corporation, shall be adopted, approved, *certified* and executed by each constituent corporation in the same manner as is provided in K.S.A. 17-6701, and amendments thereto, and, in the case of each constituent nonstock corporation, shall be adopted, approved, *certified* and executed by each of such constituent corporations in the same manner as is provided in K.S.A. 17-6705, and amendments thereto. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided in K.S.A. 17-6701, and amendments thereto, with respect to the merger of stock corporations of this state. Insofar as they may be applicable, the provisions set forth in the last sentence of ~~subsection (e) of~~ K.S.A. 17-6701(c), and amendments thereto, shall apply to a merger under this section, and the reference *therein* to “stockholder” shall be deemed to include “member” hereunder.

(d) ~~The provisions of subsection (e) of~~ K.S.A. 17-6701(e), and amendments thereto, shall apply to a merger under this section, if the surviving corporation is a corporation of this state; ~~the provisions of subsection (d) of~~ K.S.A. 17-6701, and amendments thereto, shall apply to any constituent stock corporation participating in a merger or consolidation under this

~~section, and the provisions of subsection (f) of, and K.S.A. 17-6701(f), and amendments thereto, shall apply to any constituent stock corporation participating in a merger under this section.~~

(e) *K.S.A. 17-6701(d), and amendments thereto, shall apply to a merger under this section, except that, for purposes of a constituent nonstock corporation, references to the board of directors, to stockholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.*

(f) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired; *but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.*

Sec. 75. K.S.A. 17-6708 is hereby amended to read as follows: 17-6708. (a) Any one or more corporations of this state, whether stock or nonstock corporations and whether or not organized for profit, may merge or consolidate with one or more other corporations of any other state or states of the United States or of the District of Columbia, whether stock or nonstock corporations and whether or not organized for profit, if the laws under which the other corporation or corporations are formed shall permit *such* a corporation of such jurisdiction to merge with a corporation of another jurisdiction. The constituent corporations may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new corporation formed by the consolidation, which may be a corporation of the place of incorporation of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section. The surviving or new corporation may be either a stock corporation or a ~~membership~~ *nonstock* corporation, as shall be specified in the agreement of merger required by subsection (b) ~~of this section.~~

(b) The method and procedure to be followed by the constituent corporations so merging or consolidating shall be as prescribed in K.S.A. 17-6707, *and amendments thereto*, in the case of Kansas corporations. The agreement of merger or consolidation shall also set forth such other matters or provisions as shall then be required to be set forth in articles of incorporation by the laws of the state which are stated in the agreement to be the laws which shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation. The agreement, in the case of foreign corporations, shall be adopted, approved, *certified* and executed by each of the constituent foreign corporations in accordance with the laws under which each is formed.

(c) The requirements of ~~subsection (d) of~~ K.S.A. 17-6702(d), and amendments thereto, as to the appointment of the secretary of state to receive process and the manner of serving the same in the event the surviving or new corporation is to be governed by the laws of any other state shall also apply to mergers or consolidations effected under ~~the provisions of this section. The provisions of subsection (e) of~~ K.S.A. 17-6701(e), and amendments thereto, shall apply to mergers effected under ~~the provisions of this section if the surviving corporation is a corporation of this state; the provisions of subsection (d) of~~ K.S.A. 17-6701(d), and amendments thereto, shall apply to any constituent ~~stock~~ corporation participating in a merger or consolidation under this section, *except that for purposes of a constituent nonstock corporation, references to the board of directors, to stockholders, and to shares shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests of the corporation, as applicable, respectively; and the provisions of subsection (f) of* K.S.A. 17-6701(f), and amendments thereto, shall apply to any constituent stock corporation participating in a merger under this section.

(d) Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired; but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

Sec. 76. K.S.A. 17-6710 is hereby amended to read as follows: 17-

6710. When two or more corporations are merged or consolidated, the corporation surviving or resulting from the merger or consolidation may issue bonds or other obligations, negotiable or otherwise, and with or without coupons or interest certificates thereto attached, to an amount sufficient with its capital stock to provide for all the payments it will be required to make, or obligations it will be required to assume, in order to effect the merger or consolidation. For the purpose of securing the payment of any such bonds and obligations, it shall be lawful for the surviving or resulting corporation to mortgage its corporate franchise, rights, privileges and property, real, personal or mixed. The surviving or resulting corporation may issue ~~certificated or uncertificated shares~~ *certificates* of its capital stock *or uncertificated stock if authorized to do so* and other securities to the stockholders of the constituent corporations in exchange or payment for the original shares, in such amount as shall be necessary in accordance with the terms of the agreement of merger or consolidation in order to effect such merger or consolidation in the manner and on the terms specified in the agreement.

Sec. 77. K.S.A. 17-6712 is hereby amended to read as follows: 17-6712. (a) ~~When Any stockholder of a corporation of this state who holds shares of stock on the date of the making of a demand pursuant to subsection (d) with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to K.S.A. 17-6518, and amendments thereto, shall be entitled to an appraisal by the district court of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c). As used in this section, the word "stockholder" means a holder of record of stock in a stock corporation and also a member of record of a nonstock corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words and also membership or membership interest of a member of a nonstock corporation; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in one or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.~~

(b) ~~(1)~~ Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to K.S.A. 17-6701, and amendments thereto, other than a merger effected pursuant to ~~subsection (g) of~~ K.S.A. 17-6701(g), and amendments thereto, *and, subject to subsection (b)(3), K.S.A. 17-7601(h), 17-6702, 17-6704, 17-6705, 17-6706, 17-6707; and 17-6708 or 17-7703, and amendments thereto, except that:*

~~(A)~~ (1) No appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of ~~and to vote at~~ the meeting of stockholders to act upon the agreement of merger or consolidation, were either: (A) Listed on a national securities exchange ~~or designated as a national market system security on an interdealer quotation system by the national association of securities dealers, inc.;~~ or (B) held of record by more than 2,000 holders; ~~(B)~~, *except that* no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in ~~subsection (f) of~~ K.S.A. 17-6701(f), and amendments thereto.

(2) Notwithstanding ~~the provisions of subsections (b)(1)(A) and (b)(1)(B)~~ *subsection (b)(1)*, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to K.S.A. 17-6701, 17-6702, ~~17-6704~~ 17-6705, 17-6706, 17-6707; *and* 17-6708 ~~and 17-7703~~, and amendments thereto, to accept for such stock anything except:

(A) Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect ~~of such shares of stock thereof;~~

(B) shares of stock of any other corporation, or depository receipts in respect ~~of such shares of stock thereof,~~ which shares of stock, or depository



tory receipts in respect of such shares of stock thereof, or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the national association of securities dealers, inc. or held of record by more than 2,000 holders;

(C) cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs (A) and (B); or

(D) any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing subparagraphs (A), (B) and (C).

(3) In the event all of the stock of a subsidiary Kansas corporation party to a merger effected under K.S.A. 17-6701(h) or 17-6703, and amendments thereto, is not owned by the parent corporation immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Kansas corporation.

(c) Any corporation may provide in its articles of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its articles of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the articles of incorporation ~~contains~~ contain such a provision, the procedures of this section, including those set forth in subsections (d) and (e), shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting, or such members who received notice in accordance with K.S.A. 17-6705, and amendments thereto, with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if one of the constituent corporations is a nonstock corporation, a copy of section 4, and amendments thereto. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to K.S.A. 17-6518, 17-6701(h) or ~~K.S.A.~~ 17-6703, and amendments thereto, then, either a constituent corporation before the effective date of the merger or consolidation; or the surviving or resulting corporation within 10 days thereafter; shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if one of the constituent corporations is a nonstock corporation, a copy of section 4, and amendments thereto. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to K.S.A. 17-6701(h), and amendments thereto, within the later of the consummation of the tender or exchange offer contemplated by K.S.A. 17-6701(h), and amendments thereto, and 20 days after the date of mail-

ing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either: (A) Each such constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation; or (B) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice *or, in the case of a merger approved pursuant to K.S.A. 17-6701(h), and amendments thereto, later than the later of the consummation of the tender or exchange offer contemplated by K.S.A. 17-6701(h), and amendments thereto, and 20 days following the sending of the first notice*, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) and who is otherwise entitled to appraisal rights, ~~may file~~ *commence an appraisal proceeding by filing a petition in the district court demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of ~~subsection~~ subsections (a) and (d), upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d), whichever is later. Notwithstanding subsection (a), a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.*

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the clerk of the court in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The clerk of the court, if so ordered by the court, shall give notice of the time and place

fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by one or more publications at least one week before the day of the hearing, in a newspaper of general circulation published in the county in which the court is located or such publication as the court deems advisable. The forms of the notices by mail and by publication shall be approved by the court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the clerk of the court for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the court may dismiss the proceedings as to such stockholder.

(h) ~~After determining the court determines~~ the stockholders entitled to an appraisal, ~~the court shall appraise the shares, determining their fair value~~ *appraisal proceeding shall be conducted in accordance with the rules of the district court, including any rules specifically governing appraisal proceedings. Through such proceeding the court shall determine the fair value of the shares* exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with a fair rate of interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the court shall take into account all relevant factors. ~~In determining the fair rate of interest, the court may consider all relevant factors, including the rate of interest which the surviving or resulting corporation would have had to pay to borrow money during the pendency of the proceeding~~ *Unless the court in its discretion determines otherwise for good cause shown, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the federal reserve discount rate, including any surcharge, as established from time to time during the period between the effective date of the merger and the date of payment of the judgment.* Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the court may, in its discretion, ~~permit discovery or other pretrial proceedings and may proceed to trial upon the appraisal prior to the final determination of the stockholder~~ *stockholders* entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) and who has submitted such stockholder's certificates of stock to the clerk of the court, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. ~~Interest may be simple or compound, as the court may direct.~~ Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The court's decree may be enforced as other decrees in the district court may be enforced, whether such surviving or resulting corporation be a corporation of this state or of any state.

(j) The costs of the proceeding may be determined by the court and taxed upon the parties as the court deems equitable in the circumstances. Upon application of a stockholder, the court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable ~~attorney's~~ *attorney* fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock, except dividends or other distributions payable to stockholders of record at a

date which is prior to the effective date of the merger or consolidation; provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e), or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the district court shall be dismissed as to any stockholder without the approval of the court, and such approval may be conditioned upon such terms as the court deems just, *except that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e).*

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation.

Sec. 78. K.S.A. 17-6801 is hereby amended to read as follows: 17-6801. (a) Every corporation *may* at any meeting of its board of directors ~~may or governing body~~ sell, lease or exchange all or substantially all of its property and assets, including its ~~good will~~ goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or other property, including shares of stock in, ~~or and~~ other securities of, ~~or both,~~ any other corporation or corporations, as its board of directors *or governing body* deems expedient and for the best interests of the corporation, when and as authorized by a resolution adopted *at a meeting duly called upon at least 20 days' notice as follows: (1) By the holders of a majority of the outstanding stock of the corporation entitled to vote thereon* ~~or;~~ (2) in the case of ~~non-stock~~ nonstock corporations, *other than those corporations that are the subject of the next paragraph*, by a majority of the members ~~thereof~~ *entitled to vote for the election of the members of the governing body and any other members* entitled to vote thereon, ~~at a meeting thereof duly called upon at least 20 days' notice under the articles of incorporation or the bylaws of such corporation; or (3) in the case of nonprofit nonstock corporations, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto, by a majority of the members entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote thereon under the articles of incorporation or the bylaws of such corporation voting at such meeting.~~ The notice of the meeting shall state that such a resolution will be considered.

(b) Notwithstanding authorization or consent to a proposed sale, lease or exchange of a corporation's property and assets ~~pursuant to subsection (a)~~ *by the stockholders or members*, the board of directors *or governing body* may abandon such proposed sale, lease or exchange without further action by the stockholders or members, ~~as the case may be~~, subject to the rights, if any, of third parties under any contract relating thereto.

(c) *For purposes of this section only, the property and assets of the corporation include the property and assets of any subsidiary of the corporation. As used in this subsection, "subsidiary" means any entity wholly owned and controlled, directly or indirectly, by the corporation and includes, without limitation, corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies and statutory trusts. Notwithstanding subsection (a), except to the extent the articles of incorporation otherwise provide, no resolution by stockholders or members shall be required for a sale, lease or exchange of property and assets of the corporation to a subsidiary.*

Sec. 79. K.S.A. 17-6803 is hereby amended to read as follows: 17-6803. ~~Before beginning~~ *If a corporation has not issued shares or has not commenced the business for which the corporation was organized, a ma-*

majority of the incorporators, or, if directors were named in the articles of incorporation or have been elected, a majority of the directors, may surrender all of the corporation's rights and franchises by filing in the office of the secretary of state a certificate, executed by a majority of the incorporators or directors, stating that: (a) *No shares of stock have been issued or that the business or activity for which the corporation was organized has not been begun;* ~~that~~ (b) *no part of the capital of the corporation has been paid or, if some capital has been paid, that the amount actually paid in for the corporation's shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;* ~~that~~ (c) *if the corporation has begun business but it has not issued shares, all debts of the corporation have been paid;* (d) *if the corporation has not begun business but has issued stock certificates, all issued stock certificates, if any, have been surrendered and canceled;* and ~~that~~ (e) *all rights and franchises of the corporation are surrendered.* Upon ~~the filing of~~ such certificate *becoming effective* in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7911, and amendments thereto, the corporation shall be dissolved.

Sec. 80. K.S.A. 17-6804 is hereby amended to read as follows: 17-6804. (a) ~~It is~~ *should be* deemed advisable in the judgment of the board of directors of any corporation that it should be dissolved, the board, after the adoption of a resolution to that effect by a majority of the whole board at any meeting called for that purpose, shall ~~give notice by mail to each stockholder entitled to vote on a dissolution~~ *cause notice* of the adoption of the resolution and of a meeting of stockholders to take action upon the resolution *to be mailed to each stockholder entitled to vote thereon as of the record date for determining the stockholders entitled to notice of the meeting.*

(b) ~~At the meeting a vote shall be taken for and against the proposed dissolution. If a majority of the outstanding stock of the corporation entitled to vote votes for the proposed dissolution, a certificate stating that the dissolution has been authorized in accordance with the provisions of this section and setting forth the names and residences of the directors and officers shall be executed and filed in accordance with K.S.A. 17-6003 and amendments thereto. The secretary of state, upon being satisfied that the requirements of this section have been complied with, shall issue a certificate that the certificate has been filed, and thereupon, the corporation shall be dissolved upon the proposed dissolution. If a majority of the outstanding stock of the corporation entitled to vote thereon shall vote for the proposed dissolution, a certificate of dissolution shall be filed with the secretary of state pursuant to subsection (d).~~

(c) ~~Whenever all the stockholders entitled to vote on a dissolution shall consent in writing to a dissolution, either in person or by duly authorized attorney, no meeting of directors or stockholders shall be necessary, but on filing the consent in the office of the secretary of state in accordance with K.S.A. 17-6003, and amendments thereto, the secretary of state, upon being satisfied that the requirements of this section have been complied with, shall issue a certificate that the consent to dissolution has been filed, and thereupon the corporation shall be dissolved. In the event that the consent is signed by an attorney, the original power of attorney or a photocopy thereof shall be attached to and filed with the consent. The consent filed with the secretary of state shall have attached to it the affidavit of the secretary or some other officer of the corporation stating that the consent has been signed by or on behalf of all the stockholders entitled to vote on a dissolution, in addition there shall be attached to the consent a certification by the secretary or some officer of the corporation setting forth the names and residences of the directors and officers of the corporation. Dissolution of a corporation may also be authorized without action of the directors if all the stockholders entitled to vote thereon shall consent in writing and a certificate of dissolution shall be filed with the secretary of state pursuant to subsection (d).~~

(d) *If dissolution is authorized in accordance with this section, a certificate of dissolution shall be executed and filed, and shall become effective, in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7911, and amendments thereto. Such certificate of dissolution shall set forth:*

- (1) *The name of the corporation;*
- (2) *the date dissolution was authorized;*
- (3) *that the dissolution has been authorized by the board of directors*

and stockholders of the corporation, in accordance with subsections (a) and (b), or that the dissolution has been authorized by all of the stockholders of the corporation entitled to vote on a dissolution, in accordance with subsection (c); and

(4) the names and addresses of the directors and officers of the corporation.

(e) The resolution authorizing a proposed dissolution may provide that notwithstanding authorization or consent to the proposed dissolution by the stockholders, or the members of a nonstock corporation pursuant to K.S.A. 17-6805, and amendments thereto, the board of directors or governing body may abandon such proposed dissolution without further action by the stockholders or members.

(f) Upon a certificate of dissolution becoming effective in accordance with K.S.A. 2015 Supp. 17-7911, and amendments thereto, the corporation shall be dissolved.

(g) If the stockholders of a corporation having only two stockholders, each of which owns 50% of the stock therein, are unable to agree upon the desirability of dissolving the corporation and disposing of the corporate assets, either stockholder may file with the district court a petition stating that it desires to dissolve the corporation and to dispose of the assets thereof in accordance with a plan to be agreed upon by both stockholders. Such petition shall have attached thereto a copy of the proposed plan of dissolution and distribution and a certificate stating that copies of such petition and plan have been transmitted in writing to the other stockholder and to the directors and officers of such corporation.

Unless both stockholders file with the district court: (1) Within three months of the date of the filing of such petition, a certificate stating that they have agreed on such plan, or a modification thereof; and (2) within one year from the date of the filing of such petition, a certificate stating that the distribution provided by such plan has been completed, the court may either: (A) Dissolve such corporation and, by appointment of one or more receivers with all the powers and title of a receiver appointed under K.S.A. 17-6808, and amendments thereto, may administer and wind up its affairs; (B) order the redemption of the stock of one of the stockholders on such terms as are just and equitable; or (C) decline to grant any relief. Either or both of the above periods of time may be extended by agreement of the stockholders, evidenced by a certificate filed with the court prior to the expiration of such period.

Sec. 81. K.S.A. 17-6805 is hereby amended to read as follows: 17-6805. (a) Whenever it shall be desired to dissolve any *nonstock* corporation ~~having no capital stock~~, the governing body shall perform all the acts necessary for dissolution which are required by K.S.A. 17-6804, and amendments thereto, to be performed by the board of directors of a corporation having capital stock. ~~If~~ *The following members of a nonstock corporation having no capital stock are entitled to vote for the election of members of its governing body, they shall perform all the acts necessary for dissolution which are required by K.S.A. 17-6804, and amendments thereto, to be performed by the stockholders of a corporation having capital stock, including dissolution without action of the members of the governing body if all the members of the corporation entitled to vote thereon shall consent in writing and a certificate of dissolution shall be filed with the secretary of state pursuant to K.S.A. 17-6804(d), and amendments thereto: (1) Any members entitled to vote for the election of the members of its governing body and any other members entitled to vote for dissolution under the articles of incorporation or the bylaws of such corporation, except those corporations that are the subject of the next paragraph; or (2) in the case of a nonprofit nonstock corporation, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto, any members entitled to vote for the election of the members of its governing body and any other members entitled to vote for dissolution under the articles of incorporation or the bylaws of such corporation voting at the meeting. If there is no member entitled to vote ~~on such dissolution~~ thereon, the dissolution of the corporation shall be authorized at a meeting of the governing body, upon the adoption of a resolution to dissolve by the vote of a majority of members of its governing body then in office. In all other respects, the method and pro-*

ceedings for the dissolution of a *nonstock* corporation ~~having no capital stock~~ shall conform as nearly as may be ~~possible~~ to the proceedings prescribed by K.S.A. 17-6804, and amendments thereto, for the dissolution of corporations having capital stock.

(b) If a *nonstock* corporation ~~having no capital stock~~ has not commenced the business for which the corporation was organized, a majority of the governing body or, if none, a majority of the incorporators may surrender all of the corporation's rights and franchises by filing in the office of the secretary of state a certificate, executed by a majority of the incorporators or governing body, conforming as nearly as may be ~~possible~~ to the certificate prescribed by K.S.A. 17-6803, and amendments thereto.

Sec. 82. K.S.A. 17-6805a is hereby amended to read as follows: 17-6805a. Notwithstanding any provision of law or the articles of incorporation, the articles of incorporation of each nonprofit corporation that qualifies otherwise for an exemption under section 501(c)(3) of the internal revenue code of 1986, ~~as amended (26 U.S.C. § 501(c)(3))~~, shall be considered to contain the following provision:

Upon the dissolution of the corporation, ~~the board of directors or governing body of the corporation, after paying or providing for the payment of all liabilities of the corporation, shall dispose of all the assets of the corporation exclusively: (1) In accordance with the purposes of the corporation, in the manner determined by the board of directors or governing body, or (2) to organizations qualified for exemption under section 501(c)(3) of the internal revenue code of 1986, as amended (26 U.S.C. § 501(c)(3)), and specified by the board of directors or governing body. Any assets of the corporation not so disposed of shall be disposed of by the district court of the county where the principal office of the corporation is then located, exclusively for the purposes or to the organizations provided above, as determined by the court assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the internal revenue code of 1986 or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the district court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as the court shall determine, which are organized and operated exclusively for such purposes.~~

Sec. 83. K.S.A. 17-6807 is hereby amended to read as follows: 17-6807. (a) All corporations, whether they expire by their own limitation or are otherwise dissolved, including revocation or forfeiture of articles of incorporation pursuant to K.S.A. 17-6812 or 17-7510, and amendments thereto, shall be continued, nevertheless, for the term of three years from such expiration or dissolution or for such longer period as the district court in its discretion shall direct, bodies corporate for the purpose of prosecuting and defending suits, whether civil, criminal or administrative, by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, to discharge their liabilities and to distribute to their stockholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit or proceeding begun by or against the corporation either prior to or within three years after the date of its expiration or dissolution, the action shall not abate by reason of the dissolution of the corporation, ~~and~~. The corporation shall, solely for the purpose of such action, suit or proceeding, be continued as a body corporate beyond the three-year period and until any judgments, orders or decrees ~~thereon~~ *therein* shall be *fully* executed, without the necessity for any special direction to that effect *by the district court*.

(b) *K.S.A. 17-6808 through 17-6811 and section 6, and amendments thereto, shall apply to any corporation that has expired by its own limitation, and when so applied, all references in those sections to a dissolved corporation or dissolution shall include a corporation that has expired by its own limitation and to such expiration, respectively.*

Sec. 84. K.S.A. 17-6808 is hereby amended to read as follows: 17-6808. When any corporation organized under this ~~act~~ *code* shall be dissolved in any manner whatever, the district court, on application of any creditor, stockholder or director of the corporation, or any other person who shows good cause therefor, at any time, *may* either ~~may~~ appoint one

or more of the directors of the corporation *to be trustees*, or *appoint* one or more ~~other~~ persons to be receivers, of and for the corporation, ~~or both~~, to take charge of the corporation's property, and to collect the debts and property due and belonging to the corporation, with power to prosecute and defend, in the name of the corporation, or otherwise, all such suits as may be necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by the corporation, if in being, that may be necessary for the final settlement of the unfinished business of the corporation. The powers of the *trustees* or receivers may be continued as long as the court shall think necessary for the purposes aforesaid.

Sec. 85. K.S.A. 17-6809 is hereby amended to read as follows: 17-6809. The district court shall have jurisdiction of ~~the~~ *any* application prescribed in ~~K.S.A. 17-6808~~ *this article* and of all questions arising in the proceedings thereon, and may make such orders and decrees and issue injunctions therein as justice and equity shall require.

Sec. 86. K.S.A. 17-6810 is hereby amended to read as follows: 17-6810. ~~The directors or, if appointed by the district court, the receivers of a dissolved corporation, after payment of all allowances, expenses and costs, and the satisfaction of all special and general liens upon the funds of the corporation to the extent of their lawful priority, shall pay the other debts due from the corporation, if the funds in their hands shall be sufficient therefor, and if not, they shall distribute the same ratably among all the creditors who shall prove their debts in the manner that shall be directed by an order or decree of the court for that purpose. If there shall be any balance remaining after the payment of the debts and necessary expenses, they shall distribute and pay the same to and among those who shall be justly entitled thereto, as having been stockholders of the corporation or their legal representatives~~

(a) (1) *A dissolved corporation or successor entity which has followed the procedures described in section 6, and amendments thereto, shall:*

(A) *Pay the claims made and not rejected in accordance with section 6(a), and amendments thereto;*

(B) *post the security offered and not rejected pursuant to section 6(b)(2), and amendments thereto;*

(C) *post any security ordered by the district court in any proceeding under section 6(c), and amendments thereto; and*

(D) *pay or make provision for all other claims that are mature, known and uncontested or that have been finally determined to be owing by the corporation or such successor entity.*

(2) *Such claims or obligations shall be paid in full and any such provision for payment shall be made in full if there are sufficient assets. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority, and, among claims of equal priority, ratably to the extent of assets legally available therefor. Any remaining assets shall be distributed to the stockholders of the dissolved corporation, except that such distribution shall not be made before the expiration of 150 days from the date of the last notice of rejections given pursuant to section 6(a)(4), and amendments thereto. In the absence of actual fraud, the judgment of the directors of the dissolved corporation or the governing persons of such successor entity as to the provision made for the payment of all obligations under subsection (a)(1)(D) shall be conclusive.*

(b) (1) *A dissolved corporation or successor entity which has not followed the procedures described in section 6, and amendments thereto, shall, prior to the expiration of the period described in K.S.A. 17-6807, and amendments thereto, adopt a plan of distribution pursuant to which the dissolved corporation or successor entity shall:*

(A) *Pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims known to the corporation or such successor entity;*

(B) *make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the corporation which is the subject of a pending action, suit or proceeding to which the corporation is a party; and*

(C) *make such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to*



*the corporation or that have not arisen but that, based on facts known to the corporation or successor entity, are likely to arise or to become known to the corporation or successor entity within 10 years after the date of dissolution.*

*(2) The plan of distribution shall provide that such claims shall be paid in full and any such provision for payment made shall be made in full if there are sufficient assets. If there are insufficient assets, such plan shall provide that such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of assets legally available therefor. Any remaining assets shall be distributed to the stockholders of the dissolved corporation.*

*(c) Directors of a dissolved corporation or governing persons of a successor entity which has complied with subsection (a) or (b) shall not be personally liable to the claimants of the dissolved corporation.*

*(d) As used in this section, the term “successor entity” has the meaning set forth in section 6(e), and amendments thereto.*

*(e) As used in this section, the term “priority” does not refer either to the order of payments set forth in subsection (a)(1) or to the relative times at which any claims mature or are reduced to judgment.*

*(f) In the case of a nonprofit nonstock corporation, provisions of this section regarding distributions to members shall not apply to the extent that those provisions conflict with any other applicable law or with that corporation’s articles of incorporation or bylaws.*

Sec. 87. K.S.A. 17-6811 is hereby amended to read as follows: 17-6811. ~~If any corporation becomes dissolved in any manner whatever before final judgment is obtained in any action pending or commenced in any court of this state against the corporation, the action shall not abate by reason thereof, but the dissolution of the corporation being suggested upon the record, and the names of the receivers of the corporation being entered upon the record, and notice thereof served upon the receivers, or if such service be impracticable, upon the counsel of record in such case, the action shall proceed to final judgment against the receivers in the name of the corporation~~

*(a) A stockholder of a dissolved corporation the assets of which were distributed pursuant to K.S.A. 17-6810(a) or (b), and amendments thereto, shall not be liable for any claim against the corporation in an amount in excess of such stockholder’s pro rata share of the claim or the amount so distributed to such stockholder, whichever is less.*

*(b) A stockholder of a dissolved corporation the assets of which were distributed pursuant to K.S.A. 17-6810(a), and amendments thereto, shall not be liable for any claim against the corporation on which an action, suit or proceeding is not begun prior to the expiration of the period described in K.S.A. 17-6807, and amendments thereto.*

*(c) The aggregate liability of any stockholder of a dissolved corporation for claims against the dissolved corporation shall not exceed the amount distributed to such stockholder in dissolution.*

Sec. 88. K.S.A. 17-6812 is hereby amended to read as follows: 17-6812. (a) The district court shall have jurisdiction to revoke or forfeit the articles of incorporation of any corporation for abuse, misuse or nonuse of its corporate powers, privileges or franchises. The attorney general shall, upon ~~his~~ the attorney general’s own motion or upon the relation of a proper party, ~~shall~~ proceed for this purpose by ~~commencing a quo warranto action~~ petition in the district court of the county in which the registered office of the corporation is located.

(b) The district court shall have power, by appointment of receivers or otherwise, to administer and wind up the affairs of any corporation whose articles of incorporation shall be revoked or forfeited by any court under any section of this ~~act~~ code or otherwise, and to make such orders and decrees with respect thereto as shall be just and equitable respecting its affairs and assets and the rights of its stockholders and creditors.

(c) No proceeding shall be instituted under this section for nonuse of any corporation’s powers, privileges or franchises during the first two ~~(2)~~ years after its incorporation.

Sec. 89. K.S.A. 17-6813 is hereby amended to read as follows: 17-6813. Whenever any corporation is dissolved or its articles of incorporation forfeited by decree or judgment of the district court, the decree or judgment shall be forthwith filed by the clerk of such district court in

*which the decree or judgment was entered and* in the office of the secretary of state, and a note thereof shall be made by the secretary of state on the corporation's articles of incorporation.

Sec. 90. K.S.A. 17-6902 is hereby amended to read as follows: 17-6902. (a) *Trustees or* receivers appointed by the district court of and for any corporation, and their respective survivors and successors, upon their appointment and qualification or upon the death, resignation or discharge of any *co-trustee or* co-receiver, shall be vested by operation of law and without any act or deed with the title of the corporation to all of its property, real, personal or mixed of whatsoever nature, kind, class or description, and wheresoever situate, except real estate situated outside this state.

(b) Within 20 days after the date of their qualification, *trustees or* receivers appointed by the court shall file in the office of the register of deeds of each county in this state in which any real estate belonging to the corporation may be situated, a certified copy of the order of their appointment and evidence of their qualification.

(c) This section shall not apply to receivers appointed *pendente lite*.

Sec. 91. K.S.A. 17-6903 is hereby amended to read as follows: 17-6903. All notices required to be given to stockholders and creditors in any action in which a *trustee or* receiver for a corporation was appointed shall be given by the clerk of the district court or in the manner provided by any applicable section of the code of civil procedure, unless otherwise ordered by the district court.

Sec. 92. K.S.A. 17-6904 is hereby amended to read as follows: 17-6904. As soon as convenient, *trustees or* receivers shall file in the office of the clerk of the district court of the county in which the proceeding is pending, a full and complete itemized inventory of all the assets of the corporation, which shall show their nature and probable value, and an account of all debts due from and to the corporation, as nearly as the same can be ascertained. They shall make a report to the court of their proceedings whenever and as often as the court shall direct.

Sec. 93. K.S.A. 17-6905 is hereby amended to read as follows: 17-6905. All creditors shall make proof under oath of their respective claims against the corporation and shall cause such proof of claim to be filed in the office of the clerk of the district court of the county in which the proceeding is pending ~~within six months from the date of the appointment of a receiver for the corporation, or within such other period of time if the court shall so order and direct the time fixed by and in accordance with the procedure established by the district court.~~ All creditors and claimants failing to do so, within the time limited by this section, or the time prescribed by the order of the court, may be barred by the court from participating in the distribution of the assets of the corporation. The court also may prescribe what notice, by publication or otherwise, shall be given to the creditors of the time fixed for the filing and making proof of claims.

Sec. 94. K.S.A. 17-6906 is hereby amended to read as follows: 17-6906. (a) The clerk of the district court, immediately upon the expiration of the time fixed for the filing of claims, in compliance with the provisions of K.S.A. 17-6905, and amendments thereto, shall notify the *trustee or* receiver of the filing of the claims, and the *trustee or* receiver, within 30 days after receiving the notice, shall inspect the claims, and if the *trustee or* receiver or any creditor shall not be satisfied with the validity or correctness of the same, or any of them, the *trustee or* receiver shall forthwith notify the creditors whose claims are disputed of such decision. The *trustee or* receiver shall require all creditors whose claims are disputed to submit themselves to such examination in relation to their claims as the *trustee or* receiver shall direct, and the creditors shall produce such books and papers relating to their claims as shall be required. The *trustee or* receiver shall have power to examine, under oath or affirmation, all witnesses produced before the *trustee or* receiver touching the claims, and shall ~~recommend to the court the allowance or disallowance of~~ *pass upon and allow or disallow* the claims, or any part thereof, and notify the claimants of such determination.

(b) ~~The court shall approve, disapprove or modify the recommendations of the receiver and shall cause notice thereof to be given to the claimants. Within 30 days after receipt of such notice, any creditor or~~

~~claimant dissatisfied with the court's determination shall have the right to a hearing thereon. Every creditor or claimant who shall have received notice from the receiver or trustee that such creditor's or claimant's claim has been disallowed in whole or in part may appeal to the district court within 30 days thereafter. The court, after hearing, shall determine the rights of the parties. Any party aggrieved thereby may appeal to the supreme court as a matter of right from the order or decree expressing such determination.~~

Sec. 95. K.S.A. 17-6907 is hereby amended to read as follows: 17-6907. Whenever the property of a corporation is at the time of the appointment of a *trustee* or receiver encumbered with liens of any character, and the validity, extent or legality of any such lien is disputed or brought in question, and the property of the corporation is of a character which will deteriorate in value pending the litigation respecting the lien, the district court may order the receiver or trustee to sell the property of the corporation, clear of all encumbrances, at public or private sale, for the best price that can be obtained therefor. The net proceeds arising from the sale thereof, after deducting the costs of the sale, shall be paid into the court, there to remain subject to the order of the court, and to be disposed of as the court shall direct.

Sec. 96. K.S.A. 17-6908 is hereby amended to read as follows: 17-6908. The district court, before making distribution of the assets of a corporation among the creditors or stockholders thereof, shall allow and pay out of the assets: ~~(1)~~ (a) A reasonable compensation to the *trustee* or receiver for the *trustee's* or receiver's services; ~~(2)~~ (b) the cost and expenses incurred in and about the execution of the receivership ~~such trustee's or receiver's trust~~, including reasonable ~~attorneys' attorney~~ fees; and ~~(3)~~ (c) the costs of the proceedings in the court.

Sec. 97. K.S.A. 17-6909 is hereby amended to read as follows: 17-6909. A *trustee* or receiver, upon application by the *trustee* or receiver in the court in which any suit is pending, shall be substituted as party plaintiff in the place of the corporation in any suit or proceeding which was so pending at the time of the *trustee's* or receiver's appointment. No action against a *trustee* or receiver of a corporation shall abate by reason of the *trustee's* or receiver's death, but, upon suggestion of the facts on the record, shall be continued against the *trustee's* or receiver's successor or against the corporation in case no new *trustee* or receiver is appointed.

Sec. 98. K.S.A. 17-6910 is hereby amended to read as follows: 17-6910. Whenever any corporation of this state, or any foreign corporation doing business in this state, shall become insolvent, the employees doing labor or service of whatever character in the regular employ of the corporation, shall have a lien upon the assets thereof for the amount of the wages due to them, not exceeding two months' wages, respectively, which shall be paid prior to any other debt or debts of the corporation. The word "employee" as used in this section shall not be construed to include ~~anyone owning or controlling a majority of the voting stock or voting power any of the officers~~ of the corporation.

Sec. 99. K.S.A. 17-6911 is hereby amended to read as follows: 17-6911. The liquidation of the assets and business of an insolvent corporation may be discontinued at any time during the liquidation proceedings when it is established that cause for liquidation no longer exists. In such event the district court in its discretion, and subject to such condition as it may deem appropriate, may dismiss the proceedings and direct the *trustee* or receiver to redeliver to the corporation all of its remaining property and assets.

Sec. 100. K.S.A. 17-6913 is hereby amended to read as follows: 17-6913. (a) Any corporation of this state, ~~a plan of reorganization of which, pursuant to the provisions of any applicable statute of the United States relating to reorganizations of corporations, has been or shall be confirmed by the decree or order of a court of competent jurisdiction~~ *an order for relief with respect to which has been entered pursuant to the federal bankruptcy reform act of 1978 (11 U.S.C. §§ 101 et seq.), may put into effect and carry out the plan and the any decrees and orders of the court or judge relative thereto in such bankruptcy proceeding, and may take any proceeding and do any act provided in the plan corporate action provided or directed by such decrees and orders, without further action*

by its directors or stockholders. Such power and authority may be exercised, and such ~~proceedings and acts~~ *corporate action* may be taken, as may be directed by such decrees or orders, by the trustee or trustees of such corporation appointed *or elected* in the ~~reorganization~~ *bankruptcy* proceedings, or a majority thereof, or if none be appointed *or elected* and acting, by designated officers of the corporation, or by a ~~master or other~~ representative appointed by the court or judge, with like effect as if exercised and taken by unanimous action of the directors and stockholders of the corporation.

(b) In the manner provided in subsection (a) ~~of this section~~, but without limiting the generality or effect of the foregoing, such corporation may: Alter, amend or repeal its bylaws; constitute or reconstitute and classify or reclassify its board of directors, and name, constitute or appoint directors and officers in place of or in addition to all or some of the directors or officers then in office; amend its articles of incorporation, and make any change in its capital or capital stock, or any other amendment, change or alteration, or provision, authorized by this ~~act~~ *code*; be dissolved, transfer all or part of its assets, merge or consolidate as permitted by this ~~act~~ *code*, except that no stockholder shall have any statutory right of appraisal of such stockholder's stock; change the location of its registered office, change its resident agent and remove or appoint any agent to receive service of process; authorize and fix the terms, manner and conditions of, the issuance of bonds, debentures or other obligations, whether or not convertible into stock of any class, or bearing warrants or other evidences of optional rights to purchase or subscribe for stock of any class; or lease its property and franchises to any corporation, if permitted by law.

(c) A certificate of any amendment, change or alteration, or of dissolution, or any agreement of merger or consolidation, made by such corporation pursuant to the provisions of this section, shall be filed with the secretary of state in accordance with K.S.A. ~~17-6003~~ *2015 Supp. 17-7910*, and amendments thereto, and, subject to ~~subsection (d)~~ of K.S.A. ~~17-6003~~ *2015 Supp. 17-7911*, and amendments thereto, shall thereupon become effective in accordance with its terms and the provisions of ~~the instrument as provided in~~ this subsection. Such certificate, agreement of merger or other instrument shall be made and executed, as may be directed by such decrees or orders, by the trustee or trustees appointed *or elected* in the ~~reorganization~~ *bankruptcy* proceedings, or a majority thereof, or, if none be appointed *or elected* and acting, by the officers of the corporation, or by a ~~master or other~~ representative appointed by the court, and shall certify that provision for the making of such certificate, agreement or instrument is contained in a decree or order of a court having jurisdiction of a proceeding under ~~such applicable statute of the United States for the reorganization of such corporation~~ *the federal bankruptcy reform act of 1978 (11 U.S.C. §§ 101 et seq.)*.

(d) The provisions of this section shall cease to apply to such corporation upon the entry of a final decree in the ~~reorganization~~ *bankruptcy* proceedings closing the case and discharging the trustee or trustees, if any, *will not affect the validity of any act previously performed pursuant to subsections (a) through (c)*.

(e) On filing any certificate, agreement, report or other paper made or executed pursuant to the provisions of this section, there shall be paid to the secretary of state for the use of the state the same fees as are payable by corporations not in ~~reorganization~~ *bankruptcy* upon the filing of like certificates, agreements, reports or other papers.

Sec. 101. K.S.A. 17-7001 is hereby amended to read as follows: 17-7001. (a) At any time prior to the expiration of three years following the dissolution of a corporation pursuant to K.S.A. 17-6804, and amendments thereto, or, at any time prior to the expiration of such longer period as the court may have directed pursuant to K.S.A. 17-6807, and amendments thereto, a corporation may revoke the dissolution theretofore effected by it in the following manner:

(1) *For purposes of this section, the term "stockholders" shall mean the stockholders of record on the date the dissolution became effective.*

(2) The board of directors shall adopt a resolution recommending that the dissolution be revoked and directing that the question of the revocation be submitted to a vote at a special meeting of stockholders.

~~(2)~~ (3) Notice of the special meeting of stockholders shall be given in accordance with K.S.A. 17-6512, and amendments thereto, to each stockholder whose shares were entitled to vote upon a proposed dissolution before the corporation was dissolved of the stockholders.

~~(3)~~ (4) At the meeting, a vote of the stockholders shall be taken on the a resolution to revoke the dissolution. If a majority of the stock of the corporation which was outstanding and entitled to vote upon a dissolution at the time of its dissolution shall be voted for the resolution, a certificate of revocation of dissolution shall be executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, which shall state:

~~(i)~~ (A) The name of the corporation;

(B) *the address of the corporation's registered office in this state, which shall be stated in accordance with K.S.A. 2015 Supp. 17-7924(c), and amendments thereto, and the name of its resident agreement at such address;*

~~(ii)~~ (C) the names and respective addresses of its officers;

~~(iii)~~ (D) the names and respective addresses of its directors; and

~~(iv)~~ (E) that a majority of the stock of the corporation which was outstanding and entitled to vote upon a dissolution at the time of its dissolution have voted in favor of a resolution to revoke the dissolution, or that, if applicable, in lieu of a meeting and vote of stockholders, the stockholders have given their written consent to the revocation in accordance with K.S.A. 17-6518, and amendments thereto.

(b) Upon the filing in the office of the secretary of state of the certificate of revocation of dissolution in the office of the secretary of state, the revocation of the dissolution shall become effective and the corporation may again carry on its business.

~~(c) If, after the dissolution of any such corporation became effective, any other corporation organized under the laws of this state shall have adopted the same name as such corporation, or shall have adopted a name so nearly similar thereto as not to distinguish it from such corporation, or any foreign corporation shall have qualified to do business in this state under the same name as such corporation or under a name so nearly similar thereto as not to distinguish it from such corporation, then such corporation shall not be reinstated under the same name which it bore when its dissolution became effective. In such case, it shall adopt and be reinstated under some other name, and the certificate to be filed under the provisions of this section shall set forth the name borne by such corporation at the time its dissolution became effective and the new name under which it is to be reinstated.~~

~~(d)~~ Upon the filing of the certificate with the secretary of state to which subsection (b) refers, the provisions of ~~subsection (d) of K.S.A. 17-6501(c), and amendments thereto, shall govern, and the period of time the corporation was in dissolution shall be included within the calculation of the 30-day and 13-month periods to which subsection (d) of K.S.A. 17-6501(c), and amendments thereto, refers. An election of directors, however, may be held at the special meeting of stockholders to which subsection (a) refers, and; in that event, that meeting of stockholders shall be deemed an annual meeting of stockholders for purposes of subsection (d) of K.S.A. 17-6501(c), and amendments thereto.~~

(d) *If, after the dissolution became effective, any other entity identified in K.S.A. 2015 Supp. 17-7918, and amendments thereto, shall have adopted the same name as the corporation, or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation, or any foreign covered entity shall have qualified to do business in this state under the same name as the corporation or under a name so nearly similar thereto as not to distinguish it from the corporation, then, in such case, the corporation shall not be reinstated under the same name which it bore when its dissolution became effective, but shall adopt and be reinstated under some other name, and in such case the certificate to be filed under this section shall set forth the name borne by the corporation at the time its dissolution became effective and the new name under which the corporation is to be reinstated.*

(e) Nothing in this section shall be construed to affect the jurisdiction or power of the district court under K.S.A. 17-6808 and 17-6809, and amendments thereto.

(f) *At any time prior to the expiration of three years following the*

*dissolution of a nonstock corporation pursuant to K.S.A. 17-6805, and amendments thereto, or, at any time prior to the expiration of such longer period as the district court may have directed pursuant to K.S.A. 17-6807, and amendments thereto, a nonstock corporation may revoke the dissolution effected by it in a manner analogous to that by which the dissolution was authorized, including: (1) If applicable, a vote of the members entitled to vote, if any, on the dissolution; and (2) the filing of a certificate of revocation of dissolution containing information comparable to that required by subsection (a)(4). Notwithstanding the foregoing, only subsections (b), (d) and (e) shall apply to nonstock corporations.*

Sec. 102. K.S.A. 2015 Supp. 17-7002 is hereby amended to read as follows: 17-7002. (a) *As used in this section, the term: (1) “Articles of incorporation” includes the articles of incorporation of a corporation organized under any special act or any law of this state; and (2) “authority to engage in business” includes the registration of any foreign corporation under K.S.A. 2015 Supp. 17-7931, and amendments thereto.*

~~(b) Any corporation may procure an extension, renewal or reinstatement, at any time before the expiration of the time limited for its existence and any corporation whose articles of incorporation or authority to engage in business has become forfeited or void pursuant to this code and any corporation whose articles of incorporation or authority to engage in business has expired by reason of failure to renew it or whose articles of incorporation or authority to engage in business has been renewed, but, through failure to comply strictly with the provisions of this code, the validity of whose renewal has been brought into question, at any time procure an extension, renewal or reinstatement of its articles of incorporation, if a domestic corporation, or its authority to engage in business, if a foreign corporation, together with all the rights, franchises, privileges and immunities and subject to all of its duties, debts and liabilities which had been secured or imposed by its original articles of incorporation, and all amendments thereto, or by its authority to engage in business, as the case may be, and may designate a new registered office and resident agent in the following instances:~~

~~(1) At any time before the expiration of the time limited for the corporation’s existence;~~

~~(2) at any time, where the corporation’s articles of incorporation, if a domestic corporation, or the authority to engage in business, if a foreign corporation, has become inoperative by law for nonpayment of taxes or fees, or failure to file its annual report;~~

~~(3) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has expired by reason of failure to renew it;~~

~~(4) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has been renewed, but through failure to comply strictly with the provisions of this act, the validity of such renewal has been brought into question, and~~

~~(5) at any time, where the articles of incorporation of a domestic corporation or the authority to engage in business of a foreign corporation has been forfeited pursuant to K.S.A. 2015 Supp. 17-7929 or 17-7931, and amendments thereto by complying with the requirements of this section.~~

~~(b) (c)~~ (c) The extension, renewal or reinstatement of the articles of incorporation or authority to engage in business may be procured by executing and filing a certificate in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto.

~~(e) (d)~~ (d) The certificate required by subsection ~~(b) (c)~~ shall state:

(1) The name of the corporation, which shall be the existing name of the corporation or the name it bore when its articles of incorporation or authority to engage in business expired, except as provided in subsection ~~(e) (f)~~ and the date of filing of its original articles of incorporation with the secretary of state;

(2) ~~if a new registered office and resident agent is designated,~~ the address of the corporation’s registered office in this state, which shall ~~include the street, city and zip code~~ be stated in accordance with K.S.A. 2015 Supp. 17-7924(c), and amendments thereto, and the name of its resident agent at such address;

(3) whether or not the renewal, or reinstatement is to be perpetual and, if not perpetual, the time for which the renewal or reinstatement is to continue; and, in case of renewal before the expiration of the time limited for its existence, the date when the renewal is to commence, which shall be prior to the date of the expiration of the old articles of incorporation or authority to engage in business which it is desired to renew;

(4) that the corporation desiring to be renewed or reinstated and so renewing or reinstating its corporate existence was duly organized under the laws of the state of its original incorporation;

(5) the date when the articles of incorporation or the authority to engage in business would expire, if such is the case, or such other facts as may show that the articles of incorporation or the authority to engage in business has become ~~inoperative~~ *forfeited* or void *pursuant to this code*, or that the validity of any renewal has been brought into question; and

(6) that the certificate for reinstatement is filed by authority of those who were directors or members of the governing body of the corporation at the time its articles of incorporation or the authority to engage in business expired, or who were elected directors or members of the governing body of the corporation as provided in subsection ~~(g)~~ *(h)*.

~~(d)~~ *(e)* Upon the filing of the certificate in accordance with K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto, the corporation shall be renewed or reinstated with the same force and effect as if its articles of incorporation *or authority to engage in business* had not become ~~inoperative~~ *and void* ~~been forfeited or void pursuant to this code~~ or had not expired by limitation. Such reinstatement shall validate all contracts, acts, matters and things made, done and performed within the scope of its articles of incorporation *or authority to engage in business* by the corporation, its officers and agents during the time when its articles of incorporation ~~were inoperative~~ *or authority to engage in business was forfeited* or void *pursuant to this code*, or after their expiration by limitation, with the same force and effect and to all intents and purposes as if the articles of incorporation had at all times remained in full force and effect. All real and personal property, rights and credits, which belonged to the corporation at the time its articles of incorporation ~~became inoperative~~ *or authority to engage in business became forfeited* or void *pursuant to this code*, or expired by limitation and which were not disposed of prior to the time of its renewal or reinstatement shall be vested in the corporation after its renewal or reinstatement, as fully and amply as they were held by the corporation at and before the time its articles of incorporation ~~became inoperative~~ *or authority to engage in business became forfeited* or void *pursuant to this code*, or expired by limitation, and the corporation after its renewal or reinstatement shall be as exclusively liable for all contracts, acts, matters and things made, done or performed in its name and on its behalf by its officers and agents prior to its reinstatement, as if its articles of incorporation *or authority to engage in business* had ~~remained~~ *remained* in full force and effect.

~~(e)~~ *(f)* If, since the articles of incorporation became ~~inoperative or void for nonpayment of taxes or fees, or, failure to file annual reports forfeited or void pursuant to this code~~, or expired by limitation, any other corporation organized under the laws of this state shall have adopted the same name as the corporation sought to be renewed or reinstated or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation to be renewed or reinstated, or any foreign corporation registered in accordance with K.S.A. 2015 Supp. 17-7931, and amendments thereto, shall have adopted the same name as the corporation sought to be renewed or reinstated, or shall have adopted a name so nearly similar thereto as not to distinguish it from the corporation to be renewed or reinstated, then in such case the corporation to be renewed or reinstated shall not be renewed under the same name which it bore when its articles of incorporation became ~~inoperative~~ *forfeited* or void *pursuant to this code* or expired, but shall *adopt or* be renewed under some other name; and in such case the certificate to be filed under the provisions of this section shall set forth the name borne by the corporation at the time its articles of incorporation became ~~inoperative~~ *forfeited* or void *pursuant to this code*, or expired and the new name under which the corporation is to be renewed or reinstated.

~~(f)~~ *(g)* Any corporation ~~seeking to renew or reinstate that renews or reinstates~~ its articles of incorporation ~~under the provisions of this act or~~

*authority to engage in business under this code* shall file all annual reports and pay to the secretary of state an amount equal to all fees and any penalties thereon due. Nonprofit corporations shall file only the annual reports for the three most recent reporting periods, but shall pay all fees due.

~~(g)~~ (h) If a sufficient number of the last acting officers of any corporation desiring to renew or reinstate its articles of incorporation are not available by reason of death, unknown address or refusal or neglect to act, the directors of the corporation or those remaining on the board, even if only one, may elect successors to such officers. In any case where there shall be no directors of the corporation available for the purposes aforesaid, the stockholders may elect a full board of directors, as provided by the bylaws of the corporation, and the board shall then elect such officers as are provided by law, by the articles of incorporation or by the bylaws to carry on the business and affairs of the corporation. A special meeting of the stockholders for the ~~purpose~~ *purposes* of electing directors may be called by any officer, director or stockholder upon notice given in accordance with K.S.A. 17-6512, and amendments thereto.

~~(h)~~ (i) After a reinstatement of the articles of incorporation of the corporation shall have been effected, ~~except where the provisions of K.S.A. 17-6501(c), and amendments thereto, shall govern and the period of time the articles of incorporation of the corporation was forfeited pursuant to this code, or after its expiration by limitation, shall be included within the calculation of the 30-day and 13-month periods to which K.S.A. 17-6501(c), and amendments thereto, refers.~~ A special meeting of stockholders ~~has been called held~~ in accordance with the provisions of subsection ~~(g)~~, the officers who signed the certificate of reinstatement jointly shall call forthwith a special subsection (h) shall be deemed an annual meeting of the stockholders of the corporation upon notice given in accordance with K.S.A. 17-6512, and amendments thereto, and at the special meeting the stockholders shall elect a full board of directors, which board shall then elect such officers as are provided by law, by the articles of incorporation or the bylaws to carry on the business and affairs of the corporation for purposes of K.S.A. 17-6501(c), and amendments thereto.

~~(i)~~ (j) Whenever it shall be desired to renew or reinstate the articles of incorporation ~~or authority to engage in business~~ of any *nonstock corporation not for profit and having no capital stock*, the governing body shall perform all the acts necessary for the renewal or reinstatement of the articles of incorporation of the corporation ~~or its authority to engage in business~~ which are performed by the board of directors in the case of a corporation having capital stock, ~~and the members of any nonstock corporation not for profit and having no capital stock~~ who are entitled to vote for the election of members of its governing body ~~and any other members entitled to vote for dissolution under the articles of incorporation or bylaws of such corporation~~, shall perform all the acts necessary for the renewal or reinstatement of the articles of incorporation of the corporation ~~or its authority to engage in business~~ which are performed by the stockholders in the case of a corporation having capital stock. In all other respects, the procedure for the renewal or reinstatement of the articles of incorporation ~~of a corporation not for profit and having no capital stock~~ or *authority to engage in business of a nonstock corporation* shall conform, as nearly as may be applicable, to the procedure prescribed in this section for the renewal or ~~reinstatement~~ *revival* of the articles of incorporation of a corporation having capital stock, ~~except that subsection (i) shall not apply to nonstock corporations.~~

Sec. 103. K.S.A. 17-7003 is hereby amended to read as follows: 17-7003. Any corporation desiring to renew, extend and continue its corporate existence, *shall*, upon complying with the provisions of K.S.A. 17-7002, and amendments thereto, ~~shall be and continue as a corporation~~ for the time stated in its certificate of renewal, *as a corporation* and *shall*, in addition to the rights, privileges and immunities conferred by its articles of incorporation, ~~shall~~ possess and enjoy all the benefits of this ~~act~~ *code*, which are applicable to the nature of its business, and shall be subject to the restrictions and liabilities ~~imposed by this act~~ *imposed* on such corporations.

Sec. 104. K.S.A. 17-7101 is hereby amended to read as follows: 17-7101. (a) When the officers, directors or stockholders of any corporation



shall be liable by the provisions of this ~~act~~ *code* to pay the debts of the corporation, or any part thereof, any person to whom they are liable may have an action against any one or more of them. The petition in any such action shall state the claim against the corporation and the ground on which the plaintiff expects to charge the defendants personally.

(b) No suit shall be brought against any officer, director or stockholder for any debt of a corporation of which ~~he~~ *such person* is an officer, director or stockholder, until judgment be obtained therefor against the corporation and execution thereon returned unsatisfied.

Sec. 105. K.S.A. 17-7102 is hereby amended to read as follows: 17-7102. When any officer, director or stockholder shall pay any debt of a corporation for which ~~he~~ *such person* is made liable by the provisions of this ~~act~~, ~~he~~ *code*, *such person* may recover the amount so paid in an action against the corporation for money paid for its use. In any such action, only the property of the corporation shall be liable to be taken, and not the property of any stockholder.

Sec. 106. K.S.A. 17-7201 is hereby amended to read as follows: 17-7201. (a) K.S.A. 17-7201 ~~to through 17-7216, inclusive and amendments thereto~~, apply to all close corporations, as defined in K.S.A. 17-7202, *and amendments thereto*. Unless a corporation elects to become a close corporation under the foregoing sections in the manner prescribed therein, it shall be subject in all respects to the provisions of this ~~act~~ *code*, except the provisions of K.S.A. 17-7201 ~~to through 17-7216, inclusive and amendments thereto~~.

(b) All provisions of this ~~act~~ *code* shall be applicable to all close corporations, as defined in K.S.A. 17-7202, *and amendments thereto*, except as otherwise provided in K.S.A. 17-7201 ~~to through 17-7216, inclusive and amendments thereto~~.

Sec. 107. K.S.A. 17-7203 is hereby amended to read as follows: 17-7203. A close corporation shall be formed in accordance with K.S.A. 17-6001; *and 17-6002 and* ~~17-6003~~ *K.S.A. 2015 Supp. 17-7908 through 17-7910, and amendments thereto*, except that:

(a) Its articles of incorporation shall contain a heading stating the name of the corporation and that it is a close corporation; and

(b) Its articles of incorporation shall contain the provisions required by K.S.A. 17-7202, *and amendments thereto*.

Sec. 108. K.S.A. 17-7204 is hereby amended to read as follows: 17-7204. Any corporation organized under the ~~laws of this state~~ *Kansas general corporation code* may become a close corporation *under K.S.A. 17-7201 through 17-7216, and amendments thereto*, by executing and filing, in accordance with K.S.A. ~~17-6003~~ *2015 Supp. 17-7908 through 17-7910, and amendments thereto*, a certificate of amendment of its articles of incorporation which shall contain: ~~(1)~~ (a) A statement that it elects to become a close corporation; ~~(2)~~ (b) the provisions required by K.S.A. 17-7202, and amendments thereto, to appear in the articles of incorporation of a close corporation; and ~~(3)~~ (c) a heading stating the name of the corporation and that it is a close corporation. Such amendment shall be adopted in accordance with the requirements of K.S.A. 17-6601 or 17-6602, and amendments thereto, except that it must be approved by a vote of the holders of record of at least  $\frac{2}{3}$  of the shares of each class of stock of the corporation which are outstanding.

Sec. 109. K.S.A. 17-7205 is hereby amended to read as follows: 17-7205. A close corporation continues to be such and to be subject to the provisions of K.S.A. 17-7201 ~~to through 17-7216, inclusive and amendments thereto~~, until:

(a) It files with the secretary of state a certificate of amendment deleting from its articles of incorporation the provisions required or permitted by K.S.A. 17-7202, *and amendments thereto*, to be stated in the articles of incorporation to qualify it as a close corporation; or

(b) any one of the provisions or conditions required or permitted by K.S.A. 17-7202, *and amendments thereto*, to be stated in the articles of incorporation to qualify a corporation as a close corporation has been breached, in fact, and neither the corporation nor any of its stockholders takes the steps required by K.S.A. 17-7208, *and amendments thereto*, to prevent such loss of status or to remedy such breach.

Sec. 110. K.S.A. 17-7206 is hereby amended to read as follows: 17-

7206. (a) A corporation may voluntarily terminate its status as a close corporation and cease to be subject to the provisions of this ~~act code~~ relating thereto by amending its articles of incorporation to delete therefrom the additional provisions required or permitted by K.S.A. 17-7202, *and amendments thereto*, to be stated in the articles of incorporation of a close corporation. Any such amendment shall be adopted and shall become effective in accordance with K.S.A. 17-6602, *and amendments thereto*, except that it must be approved by vote of the holders of record of at least ~~two-thirds (2/3)~~ of the shares of each class of stock of the corporation which are outstanding.

(b) The articles of incorporation of a close corporation may provide that on any amendment to terminate its status as a close corporation, a vote greater than ~~two-thirds (2/3)~~ or a vote of all shares of any class shall be required; and if the articles of incorporation contain such a provision, that provision shall not be amended, repealed or modified by any vote less than ~~that required to terminate the corporation's status as a close corporation~~ *such greater vote*.

Sec. 111. K.S.A. 2015 Supp. 17-7207 is hereby amended to read as follows: 17-7207. (a) If stock of a close corporation is issued or transferred to any person who is not entitled under any provision of the articles of incorporation permitted by ~~subsection (b) of~~ K.S.A. 17-7202(b), *and amendments thereto*, to be a holder of record of stock of such corporation, and if the certificate for such stock conspicuously notes *or the corporation has notified the registered owner of uncertificated stock pursuant to K.S.A. 17-6401(f), and amendments thereto*, of the qualifications of the persons entitled to be holders of record thereof, such person is conclusively presumed to have notice of the fact of ~~his~~ *such person's* ineligibility to be a stockholder.

(b) If the articles of incorporation of a close corporation state the number of persons, not in excess of 35, who are entitled to be holders of record of its stock, and if the certificate for such stock conspicuously states *or the corporation has notified the registered owner of uncertificated stock pursuant to K.S.A. 17-6401(f), and amendments thereto*, of such number, and if the issuance or transfer of stock to any person would cause the stock to be held by more than such number of persons, the person to whom such stock is issued or transferred is conclusively presumed to have notice of this fact.

(c) If a stock certificate of any close corporation conspicuously notes *or the corporation has notified the registered owner of uncertificated stock pursuant to K.S.A. 17-6401(f), and amendments thereto*, of the fact of a restriction on transfer of stock of the corporation, and the restriction is one which is permitted by K.S.A. 17-6426, *and amendments thereto*, the transferee of the stock is conclusively presumed to have notice of the fact that ~~he~~ *such person* has acquired stock in violation of the restriction, if such acquisition violates the restriction.

(d) Whenever any person to whom stock of a close corporation has been issued or transferred has, or is conclusively presumed under this section to have, notice either *that*: (1) ~~that he~~ *Such person* is a person not eligible to be a holder of stock of the corporation; ~~or~~; (2) ~~that~~ transfer of stock to ~~him~~ *such person* would cause the stock of the corporation to be held by more than the number of persons permitted by its articles of incorporation to hold stock of the corporation; ~~or~~ (3) ~~that~~ the transfer of stock is in violation of a restriction on transfer of stock, the corporation, at its option, may refuse to register transfer of the stock into the name of the transferee.

(e) The provisions of subsection (d) shall not be applicable if the transfer of stock, even though otherwise contrary to subsection (a), (b) or (c), has been consented to by all the stockholders of the close corporation, or if the close corporation has amended its articles of incorporation in accordance with K.S.A. 17-7206, *and amendments thereto*.

(f) The term "transfer," as used in this section, is not limited to a transfer for value.

(g) The provisions of this section do not impair in any way any rights of a transferee regarding any right to rescind the transaction or to recover under any applicable warranty, express or implied.

Sec. 112. K.S.A. 17-7208 is hereby amended to read as follows: 17-7208. (a) If any event occurs, as a result of which one or more of the

provisions or conditions included in a close corporation's articles of incorporation, pursuant to K.S.A. 17-7202, and amendments thereto, to qualify it as a close corporation has been breached, the corporation's status as a close corporation shall terminate unless:

(1) Within 30 days after the occurrence of the event, or within 30 days after the event has been discovered, whichever is later, the corporation files with the secretary of state a certificate, executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto, stating that a specified provision or condition included in its articles of incorporation pursuant to K.S.A. 17-7202, and amendments thereto, to qualify it as a close corporation has ceased to be applicable, and furnishes a copy of such certificate to each stockholder; and

(2) the corporation concurrently with the filing of such certificate takes such steps as are necessary to correct the situation which threatens its status as a close corporation, including, without limitation, the refusal to register the transfer of stock which has been wrongfully transferred as provided by K.S.A. 17-7207, and amendments thereto, or a proceeding under subsection (b).

(b) The district court, upon the suit of the corporation or any stockholder, shall have jurisdiction to issue all orders necessary to prevent the corporation from losing its status as a close corporation, or to restore its status as a close corporation, by enjoining or setting aside any act or threatened act on the part of the corporation or a stockholder which would be inconsistent with any of the provisions or conditions required or permitted by K.S.A. 17-7202, and amendments thereto, to be stated in the articles of incorporation for a close corporation, unless it is an act approved in accordance with K.S.A. 17-7206, and amendments thereto. The *district* court may enjoin or set aside any transfer or threatened transfer of stock of a close corporation which is contrary to the terms of its articles of incorporation or of any transfer restriction permitted by K.S.A. 17-6426, and amendments thereto, and may enjoin any public offering, as defined in K.S.A. 17-7202, and amendments thereto, or threatened public offering of stock of the close corporation.

Sec. 113. K.S.A. 17-7209 is hereby amended to read as follows: 17-7209. If a restriction on the transfer of a security of a close corporation is held not to be authorized by K.S.A. 17-6426, *and amendments thereto*, the corporation, nevertheless, shall have an option, for a period of ~~thirty~~ (30) days after the judgment setting aside the restriction becomes final, to acquire the restricted security at a price which is agreed upon by the parties, or if no agreement is reached as to price, then at the fair value as determined by the district court. In order to determine fair value, the court may appoint an appraiser to receive evidence and report to the court ~~his~~ *such appraiser's* findings and recommendation as to fair value. ~~The appraiser shall have such powers and shall proceed, so far as applicable, in the same manner as appraisers appointed under K.S.A. 17-6712.~~

Sec. 114. K.S.A. 17-7211 is hereby amended to read as follows: 17-7211. (a) The articles of incorporation of a close corporation may provide that the business of the corporation shall be managed by the stockholders of the corporation, rather than by a board of directors. So long as this provision continues in effect: (1) No meeting of stockholders need be called to elect directors; (2) unless the context clearly requires otherwise, the stockholders of the corporation shall be deemed to be directors for purposes of applying provisions of this ~~act~~ *code*; (3) unless provided otherwise in the articles of incorporation or by agreement made between the stockholders, action by stockholders shall be taken by the voting of shares of stock in the same manner as provided in K.S.A. 17-6502(a), *and amendments thereto*; and (4) the stockholders of the corporation shall be subject to all liabilities of directors. Such a provision may be inserted in the articles of incorporation by amendment, if all incorporators and subscribers or all holders of record of all of the outstanding stock, whether or not having voting power, authorize such a provision. An amendment to the articles of incorporation to delete such a provision shall be adopted by a vote of the holders of a majority of all outstanding stock of the corporation, whether or not otherwise entitled to vote.

(b) If the articles of incorporation contain a provision authorized by this section, the existence of such provision shall be noted conspicuously on the face or back of every stock certificate issued by such corporation

or, in the case of uncertificated shares, contained in the notice sent pursuant to K.S.A. 17-6401(f), and amendments thereto.

Sec. 115. K.S.A. 17-7212 is hereby amended to read as follows: 17-7212. (a) In addition to the provisions of K.S.A. 17-6516, *and amendments thereto*, respecting the appointment of a custodian for any corporation, the district court, upon application of any stockholder, may appoint one or more persons to be custodians, and, if the corporation is insolvent, to be receivers, of any close corporation when:

(1) Pursuant to K.S.A. 17-7211, *and amendments thereto*, the business and affairs of the corporation are managed by the stockholders and they are so divided that the business of the corporation is suffering or is threatened with irreparable injury, and any remedy with respect to such deadlock provided in the articles of incorporation or bylaws or in any written agreement of the stockholders has failed; or

(2) The petitioning stockholder has the right to dissolution of the corporation under a provision of the articles of incorporation permitted by K.S.A. 17-7215, *and amendments thereto*.

(b) In lieu of appointing a custodian for a close corporation under this section or K.S.A. 17-6516, *and amendments thereto*, the court may appoint a provisional director, whose powers and status shall be as provided in K.S.A. 17-7213, *and amendments thereto*, if the court determines that it would be in the best interest of the corporation. Such appointment shall not preclude any subsequent order of the court appointing a custodian for such corporation.

Sec. 116. K.S.A. 17-7213 is hereby amended to read as follows: 17-7213. (a) Notwithstanding any contrary provision of the articles of incorporation or the bylaws or agreement of the stockholders, the district court may appoint a provisional director for a close corporation, if the directors are so divided respecting the management of the corporation's business and affairs that the votes required for action by the board of directors cannot be obtained, with the consequence that the business and affairs of the corporation can no longer be conducted to the advantage of the stockholders generally.

(b) An application for relief under this section must be filed: (1) By at least ~~one-half (1/2)~~ of the number of directors then in office; (2) by the holders of at least ~~one-third (1/3)~~ of all stock then entitled to elect directors; or (3) if there be more than one class of stock then entitled to elect one or more directors, by the holders of ~~two-thirds (2/3)~~ of the stock of any such class, ~~but~~. The articles of incorporation of a close corporation may provide that a lesser proportion of the directors or of the stockholders or of a class of stockholders may apply for relief under this section.

(c) A provisional director shall be an impartial person who is neither a stockholder nor a creditor of the corporation or of any subsidiary or affiliate of the corporation, and whose further qualifications, if any, may be determined by the district court. A provisional director is not a receiver of the corporation and does not have the title and powers of a custodian or receiver appointed under K.S.A. 17-6516 or 17-6901, *and amendments thereto*. A provisional director shall have all the rights and powers of a duly elected director of the corporation, including the right to notice of and to vote at meetings of directors, until such time as ~~he~~ *such person* shall be removed by order of the court, or by the holders of a majority of all shares then entitled to vote to elect directors, or by the holders of ~~two-thirds (2/3)~~ of the shares of that class of voting shares which filed the application for appointment of a provisional director. ~~His~~ *A provisional director's* compensation shall be determined by agreement between ~~him~~ *such person* and the corporation, subject to approval of the court, which may fix ~~his~~ *such person's* compensation in the absence of agreement or in the event of disagreement between the provisional director and the corporation.

(d) Even though the requirements of subsection (b) ~~of this section~~, relating to the number of directors or stockholders who may petition for appointment of a provisional director are not satisfied, the district court, nevertheless, may appoint a provisional director if permitted by ~~subsection (b) of K.S.A. 17-7212(b), and amendments thereto~~.

Sec. 117. K.S.A. 17-7215 is hereby amended to read as follows: 17-7215. (a) The articles of incorporation of any close corporation may include a provision granting to any stockholder, or to the holders of any

specified number or percentage of shares of any class of stock, an option to have the corporation dissolved at will or upon the occurrence of any specified event or contingency. Whenever any such option to dissolve is exercised, the stockholders exercising such option shall give written notice thereof to all other stockholders. After the expiration of ~~thirty (30)~~ days following the sending of such notice, the dissolution of the corporation shall proceed as if the required number of stockholders having voting power had voted in favor thereof.

(b) If the articles of incorporation, as originally filed, do not contain a provision authorized by subsection (a), the articles may be amended to include such provision if adopted by the affirmative vote of the holders of all the outstanding stock, whether or not entitled to vote, unless the articles of incorporation specifically authorize such an amendment by a vote which shall be not less than ~~two-thirds (2/3)~~ of all the outstanding stock whether or not entitled to vote.

(c) Each stock certificate in any corporation whose articles of incorporation authorize dissolution, as permitted by this section, shall conspicuously note on the face thereof *or, in the case of uncertificated shares, contained in the notice sent pursuant to K.S.A. 17-6401(f), and amendments thereto*, the existence of the provision. Unless noted conspicuously on the face of the stock certificate *or in the notice sent pursuant to K.S.A. 17-6401(f), and amendments thereto, or unless the transferee had actual knowledge of or consented to the dissolution*, the provision is ineffective.

Sec. 118. K.S.A. 17-7302 is hereby amended to read as follows: 17-7302. (a) Whenever any foreign corporation admitted to do business in this state is a party to a merger or consolidation with any other foreign corporation, whether or not admitted to do business in this state, such foreign corporation shall file with the secretary of state of this state, within 30 days after the time the merger or consolidation becomes effective, a certificate of the proper officer of the jurisdiction under the laws of which the merger or consolidation was effected, attesting to such merger or consolidation and stating:

- (1) The corporate parties thereto;
- (2) the time when such merger or consolidation became effective; and
- (3) that the resulting or surviving corporation is a corporation in good standing in such jurisdiction.

(b) Whenever any foreign corporation admitted to do business in this state shall amend its articles of incorporation in a manner which affects any of the information contained on such corporation's application to do business in Kansas, the corporation shall file with the secretary of state, within 30 days after the amendment is adopted, a certificate of the proper officer of the jurisdiction in which such corporation has been incorporated attesting to such amendment. In the alternative, any foreign corporation may amend its original application for authority to do business in Kansas by filing a certificate of amendment certifying that such amendment has been duly adopted and executed in accordance with K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto.

Sec. 119. K.S.A. 17-7305 is hereby amended to read as follows: 17-7305. (a) Unless authority is expressly conferred by another law of this state, no foreign corporation shall possess the power of issuing bills, notes or other evidences of debt for circulation as money, or the power of carrying on the business of receiving deposits of money.

(b) Foreign corporations authorized to do business in this state which are organized to buy, sell and otherwise deal in notes, open accounts and other similar evidences of debt, or to loan money and to take notes, open accounts and other similar evidences of debt as collateral security therefor, shall not be deemed to be engaging in the business of banking.

(c) Any corporation organized under the laws of another state, territory or foreign country, and authorized to do business in this state, shall be subject to the same provisions, judicial control, restrictions and penalties, except as otherwise provided in K.S.A. ~~17-7301 to 17-7302~~ through 17-7308 and K.S.A. 2015 Supp. 17-7930 through 17-7937, ~~inclusive and amendments thereto~~, as corporations organized under the laws of this state.

Sec. 120. K.S.A. 17-7307 is hereby amended to read as follows: 17-7307. (a) A foreign corporation which is required to comply with the

provisions of K.S.A. ~~17-7301~~ and 17-7302 and K.S.A. 2015 Supp. 17-7930 through 17-7934, and amendments thereto, and which has done business in this state without authority shall not maintain any action or special proceeding in this state, unless and until such corporation has been authorized to do business in this state and has paid to the state all taxes, fees and penalties which would have been due for the years or parts thereof during which it did business in this state without authority. This prohibition shall not apply to any successor in interest of any such foreign corporation.

(b) The failure of a foreign corporation to obtain authority to do business in this state shall not impair the validity of any contract or act of the foreign corporation or the right of any other party to the contract to maintain any action or special proceeding thereon, and shall not prevent the foreign corporation from defending any action or special proceeding in this state.

(c) Any person having a cause of action against any foreign corporation, whether or not such corporation is qualified to do business in this state, which cause of action arose in Kansas out of such corporation doing business in Kansas, or arose while such corporation was doing business in Kansas, may file suit against the corporation in the proper court of a county in which there is proper venue. Service of process in any action shall be made in the manner prescribed by K.S.A. 60-304, and amendments thereto.

Sec. 121. K.S.A. 17-7404 is hereby amended to read as follows: 17-7404. ~~This act~~ *Articles 60 through 74 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto*, shall be known and may be cited as the “Kansas general corporation code.”

Sec. 122. K.S.A. 17-7503 is hereby amended to read as follows: 17-7503. (a) Every domestic corporation organized for profit shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation’s tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms prescribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation’s annual Kansas income tax return. The report shall contain the following information:

- (1) The name of the corporation;
- (2) the location of the principal office;
- (3) the names and addresses of the president, secretary, treasurer or equivalent of such officers and members of the board of directors;
- (4) the number of shares of capital stock issued;
- (5) the nature and kind of business in which the corporation is engaged; and
- (6) if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

- (1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;
- (2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;
- (3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;
- (4) the total number of stockholders of the corporation;
- (5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;
- (6) the number of acres of agricultural land, held and reported in

each category under ~~provision~~ *paragraph (5)*, stated separately, being irrigated; and

(7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be executed in accordance with the provisions of K.S.A. ~~17-6003~~ *2015 Supp. 17-7908 through 17-7910*, and amendments thereto. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury. At the time of filing such annual report it shall be the duty of each domestic corporation organized for profit to pay to the secretary of state an annual report fee in an amount equal to \$40.

Sec. 123. K.S.A. 17-7504 is hereby amended to read as follows: 17-7504. (a) Every corporation organized not for profit shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms prescribed by the secretary of state. The report shall be filed on the 15th day of the sixth month following the close of the taxable year. The report shall contain the following information:

- (1) The name of the corporation;
- (2) the location of the principal office;
- (3) the names and addresses of the president, secretary and treasurer or equivalent of such officers, and the members of the governing body;
- (4) the number of memberships or the number of shares of capital stock issued; and
- (5) if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

- (1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;
- (2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;
- (3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;
- (4) the total number of stockholders or members of the corporation;
- (5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;
- (6) the number of acres of agricultural land, held and reported in each category under *paragraph (5) of this subsection (b)*, stated separately, being irrigated; and

(7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be executed in accordance with the provisions of K.S.A. ~~17-6003~~ *2015 Supp. 17-7908 through 17-7910*, and amendments thereto. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report shall be ~~dated and~~ subscribed by the person as true, under penalty of perjury.

(d) At the time of filing such report, each nonprofit corporation shall pay an annual report fee in an amount equal to \$40 for all tax years commencing after December 31, 2003.

Sec. 124. K.S.A. 17-7505 is hereby amended to read as follows: 17-

7505. (a) Every foreign corporation organized for profit, or organized under the cooperative type statutes of the state, territory or foreign country of incorporation, now or hereafter doing business in this state, and owning or using a part or all of its capital in this state, and subject to compliance with the laws relating to the admission of foreign corporations to do business in Kansas, shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation operates on a fiscal year other than the calendar year it shall give written notice thereof to the secretary of state prior to December 31 of the year commencing such fiscal year. The report shall be made on a form prescribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return. The report shall contain the following facts:

- (1) The name of the corporation and under the laws of what state or country it is incorporated;
- (2) the location of its principal office;
- (3) the names and addresses of the president, secretary, treasurer, or equivalent of such officers, and members of the board of directors;
- (4) the number of shares of capital stock issued;
- (5) the nature and kind of business in which the company is engaged; and
- (6) if the corporation is a parent corporation holding more than 50% equity ownership in any other business entity registered with the secretary of state, the name and identification number of any such subsidiary business entity.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

- (1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;
- (2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;
- (3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;
- (4) the total number of stockholders of the corporation;
- (5) the number of acres owned or operated by the corporation, the number of acres leased by the corporation and the number of acres leased to the corporation;
- (6) the number of acres of agricultural land, held and reported in each category under paragraph (5) of this subsection (b), stated separately, being irrigated; and
- (7) whether any of the agricultural land held and reported under this subsection was acquired after July 1, 1981.

(c) The report shall be executed in accordance with the provisions of K.S.A. ~~17-6003~~ 2015 Supp. 17-7908 through 17-7910, and amendments thereto. The fact that an individual's name is signed on such report shall be prima facie evidence that such individual is authorized to sign the report on behalf of the corporation; however, the official title or position of the individual signing the report shall be designated. This report shall be dated and subscribed by the person as true, under penalty of perjury.

(d) At the time of filing its annual report, each such foreign corporation shall pay to the secretary of state an annual report fee in an amount equal to \$40.

Sec. 125. K.S.A. 2015 Supp. 17-7506 is hereby amended to read as follows: 17-7506. (a) The secretary of state shall charge each corporation a fee established pursuant to rules and regulations, but not exceeding \$250, for issuing or filing and indexing articles of incorporation of a for-profit or a foreign corporation application.

(b) The secretary of state shall charge each corporation a fee established by rules and regulations, but not exceeding \$50, for articles of incorporation of a nonprofit corporation.

(c) The secretary of state shall charge each corporation a fee estab-



lished by rules and regulations, but not exceeding \$150, for issuing or filing and indexing any of the corporate documents described below:

- (1) Certificate of extension, restoration, renewal or revival of articles of incorporation;
- (2) certificate of amendment of articles of incorporation, either prior to or after payment of capital;
- (3) certificate of designation of preferences;
- (4) certificate of retirement of preferred stock;
- (5) certificate of increase or reduction of capital;
- (6) certificate of dissolution, either prior to or after beginning business;
- (7) certificate of revocation of voluntary dissolution;
- (8) certificate of change of location of registered office and resident agent;
- (9) agreement of merger or consolidation;
- (10) certificate of ownership and merger;
- (11) certificate of extension, restoration, renewal or revival of a certificate of authority of foreign corporation to do business in Kansas;
- (12) change of resident agent or amendment by foreign corporation;
- (13) certificate of withdrawal of foreign corporation;
- (14) certificate of correction of any of the instruments designated in this section;
- (15) reservation of corporate name;
- (16) restated articles of incorporation; ~~and~~
- (17) annual report extension; *and*
- (18) *certificate of validation.*

(d) The secretary of state shall charge each corporation a fee established pursuant to rules and regulations but not exceeding \$50 for issuing certified copies, photocopies, certificates of good standing and certificates of fact; and any other certificate or filing for which a filing or indexing fee is not prescribed by law.

(e) The secretary of state shall not charge fees for providing the following information: Name of the corporation; address of its registered office and the name of its resident agent; the amount of its authorized capital stock; the state of its incorporation; date of filing of articles of incorporation, foreign corporation application or annual report; and date of expiration.

(f) The secretary of state shall prescribe by rules and regulations any fees required by this act.

Sec. 126. K.S.A. 17-7510 is hereby amended to read as follows: 17-7510. (a) In addition to any other penalties, the failure of any domestic corporation to file the annual report in accordance with the provisions of this act or to pay the annual report fee provided for within 90 days of the time for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same*, shall work the forfeiture of the articles of incorporation of such domestic corporation. Within 60 days after the date such annual report and fee are due, the secretary of state, by mail, shall notify any corporation that has failed to submit such report and fee when due that its articles of incorporation shall be forfeited unless the annual report is filed and the fee is paid within 90 days from the date such report and fee were due. Any corporation that fails to submit such report and fee within such time shall forfeit its articles of incorporation, and the secretary of state shall notify the attorney general that the articles of incorporation of such corporation have been forfeited.

(b) In addition to any other penalties, the failure of any foreign corporation to file the annual report or pay the annual report fee prescribed by this act within 90 days from the time provided for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same*, shall work a forfeiture of its right or authority to do business in this state. Within 60 days after the date such annual report and fee are due, the secretary of state, by mail, shall notify any corporation that has failed to submit such report and fee when due that its authority to do business in this state shall be forfeited unless the annual report and fee is paid within 90 days from the date such report and fee were due. Any corporation that fails to submit such report and fees within such time shall

forfeit its authority to do business in this state, and the secretary of state shall publish a notice of such forfeiture in the Kansas register.

(c) This section shall not be construed to restrict the state from invoking any other remedies provided by law.

~~(c)~~ (d) The secretary of state shall not issue certificates of good standing for any corporation that has failed to file its annual report or pay its annual report fee.

Sec. 127. K.S.A. 17-7512 is hereby amended to read as follows: 17-7512. The provisions of this act relating to the filing of annual reports and the payment of ~~franchise taxes and~~ annual report fees shall not apply to banking, insurance or savings and loan corporations, credit unions, any firemen's relief association under the jurisdiction and supervision of the insurance commissioner or to Kansas venture capital, inc. or venture capital companies certified by the secretary of commerce pursuant to article 83 of chapter 74 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 128. K.S.A. 2015 Supp. 17-76,139 is hereby amended to read as follows: 17-76,139. (a) Every limited liability company organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's annual Kansas income tax return. The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

(1) The name of the limited liability company; and

(2) a list of the members owning at least 5% of the capital of the limited liability company, with the post office address of each.

(b) Every foreign limited liability company shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability company at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability company's tax period is other than the calendar year, it shall give notice in writing of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability company's annual Kansas income tax return. The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the limited liability company.

(c) The annual report required by this section shall be ~~dated~~, executed by one or more authorized persons, and filed with the secretary of state. The execution of such annual report by a person who is authorized by this act to execute such annual report, upon filing such annual report with the secretary of state, constitutes an oath or affirmation, under penalties of perjury that, to the best of such person's knowledge and belief, the facts stated therein are true. At the time of filing the report, the limited liability company shall pay to the secretary of state an annual report fee in an amount equal to \$40.

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of~~ K.S.A. 17-7510(a), and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, shall be applicable to the articles of organization of any domestic limited liability company or to the authority of any foreign limited liability company which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time for filing and paying the same.* Whenever the articles of organization of a domestic limited liability company or the authority of any foreign limited liability company are forfeited for failure to file an annual report or to pay the required annual report fee, the domestic limited liability company or the

authority of a foreign limited liability company may be reinstated by filing a certificate of reinstatement, pursuant to K.S.A. 2015 Supp. 17-76,146, and amendments thereto, and paying to the secretary of state all fees, including any penalties thereon, due to the state.

(e) No limited liability company shall be required to file its first annual report under this act, or pay any annual report fee required to accompany such report, unless such limited liability company has filed its articles of organization or application for authority at least six months prior to the last day of its tax period.

(f) All copies of applications for extension of the time for filing income tax returns submitted to the secretary of state pursuant to law shall be maintained by the secretary of state in a confidential file and shall not be disclosed to any person except as authorized pursuant to the provisions of K.S.A. 79-3234, and amendments thereto, a proper judicial order, or subsection (g). All copies of such applications shall be preserved for one year and thereafter until the secretary of state orders that they be destroyed.

(g) A copy of such application shall be open to inspection by or disclosure to any person who was a member of such limited liability company during any part of the period covered by the extension.

Sec. 129. K.S.A. 2015 Supp. 17-7903 is hereby amended to read as follows: 17-7903. ~~(a)~~—The following documents related to corporations shall be filed with the secretary of state:

- ~~(A)~~ (a) For-profit filings:
  - ~~(1)~~ (1) For-profit articles of incorporation as set forth in K.S.A. 17-6002, and amendments thereto;
  - ~~(2)~~ (2) professional association articles of incorporation as set forth in K.S.A. 17-2709, 17-2711 and 17-6002, and amendments thereto;
  - ~~(3)~~ (3) close corporation articles of incorporation as set forth in K.S.A. 17-6426, 17-7201, 17-7202 and 17-7203, and amendments thereto;
  - ~~(4)~~ (4) *certificate of validation as set forth in section 8, and amendments thereto;*
  - ~~(5)~~ (5) foreign for-profit application for authority as set forth in K.S.A. 2015 Supp. 17-7931 and K.S.A. 17-7307 through 17-7510, and amendments thereto;
  - ~~(6)~~ (6) for-profit annual report as set forth in K.S.A. 17-7503 and 17-7505, and amendments thereto;
  - ~~(7)~~ (7) professional association annual report as set forth in K.S.A. 17-2718, and amendments thereto;
  - ~~(8)~~ (8) for-profit certificate of amendment as set forth in K.S.A. 17-6003, 17-6401, 17-6601, 17-6602 and 17-6603, and amendments thereto;
  - ~~(9)~~ (9) amendment to professional associations as set forth in K.S.A. 17-2709, and amendments thereto;
  - ~~(10)~~ (10) foreign for-profit corporation certificate of amendment as set forth in K.S.A. 17-7302, and amendments thereto;
  - ~~(11)~~ (11) restated articles of incorporation as set forth in K.S.A. 17-6605, and amendments thereto;
  - ~~(12)~~ (12) change of registered office or resident agent as set forth in sections K.S.A. 2015 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments thereto;
  - ~~(13)~~ (13) for-profit certificate of correction as set forth in K.S.A. 2015 Supp. 17-7912, and amendments thereto;
  - ~~(14)~~ (14) mergers as set forth in K.S.A. 17-6701 through 17-6708, and amendments thereto;
  - ~~(15)~~ (15) foreign mergers as set forth in K.S.A. 17-7302, and amendments thereto;
  - ~~(16)~~ (16) certificate of amendment or termination of merger as set forth in K.S.A. 17-6701, and amendments thereto;
  - ~~(17)~~ (17) foreign corporation merger as set forth in K.S.A. 17-7302, and amendments thereto;
  - ~~(18)~~ (18) certificate of reinstatement as set forth in K.S.A. 17-7002, and amendments thereto;
  - ~~(19)~~ (19) certificate of dissolution prior to commencing business as set forth in K.S.A. 17-6803, and amendments thereto;
  - ~~(20)~~ (20) certificate of dissolution by stockholder's meeting as set forth in K.S.A. 17-6804, and amendments thereto;

- ~~(F)~~ (21) certificate of dissolution by written consent as set forth in K.S.A. 17-6804, and amendments thereto;
- ~~(G)~~ (22) foreign certificate of cancellation as set forth in K.S.A. 2015 Supp. 17-7936, and amendments thereto; and
- ~~(V)~~ (23) certificate of revocation of dissolution as set forth in K.S.A. 17-7001, and amendments thereto.
- ~~(2)~~ (b) Not-for-profit filings:
  - ~~(A)~~ (1) Not-for-profit articles of incorporation as set forth in K.S.A. 17-6002, and amendments thereto;
  - ~~(B)~~ (2) foreign not-for-profit application for authority as set forth in K.S.A. 2015 Supp. 17-7931, and amendments thereto;
  - ~~(C)~~ (3) not-for-profit annual report as set forth in K.S.A. 17-7504, and amendments thereto;
  - ~~(D)~~ (4) not-for-profit certificate of amendment as set forth in K.S.A. 17-6602, and amendments thereto;
  - ~~(E)~~ (5) not-for-profit certificate of correction as set forth in K.S.A. 2015 Supp. 17-7912, and amendments thereto;
  - ~~(F)~~ (6) not-for-profit change of registered office or resident agent as set forth in K.S.A. 2015 Supp. 17-7926, 17-7927, 17-7928 and 17-7929, and amendments thereto;
  - ~~(G)~~ (7) not-for-profit certificate of reinstatement as set forth in K.S.A. 17-7002, and amendments thereto; and
  - ~~(H)~~ (8) certificate of dissolution as set forth in K.S.A. 17-6803, 17-6804 and 17-6805, and amendments thereto.
- ~~(b) This section shall take effect on and after January 1, 2015.~~

Sec. 130. K.S.A. 2015 Supp. 17-7908 is hereby amended to read as follows: 17-7908. All documents required by this act to be filed with the secretary of state shall be executed as follows:

(a) Documents related to corporations shall be executed in the following manner:

(1) The articles of incorporation for all corporations ~~shall be signed by the incorporator or incorporators~~, and any other document to be filed before the election of the initial board of directors, if the initial directors were not named in the articles of incorporation, shall be signed by the incorporator or incorporators *or, in the case of any such other document, such incorporator's or incorporators' successors and assigns*. If any incorporator is not available ~~by reason of death, incapacity or refusal or neglect to act~~, then ~~the~~ *any such other document may be signed, with the same effect as if such incorporator had signed it*, by any person for whom or on whose behalf such incorporator, *in executing the articles of incorporation*, was acting *directly or indirectly* as an employee or agent. ~~The, except that such other document shall state that the such incorporator is not available and the reason therefore, that such incorporator in executing the articles of incorporation was acting directly or indirectly as an employee or agent for or on behalf of such person and that such person's signature on such instrument is otherwise authorized and not wrongful.~~

(2) All documents related to a corporation that are not addressed by subsection (a)(1), shall be signed: (A) By any authorized officer of the corporation; (B) if it appears from the document that there are no such officers, by a majority of the directors or by such directors as may be designated by the board; (C) if it appears from the document that there are no such officers or directors, by the holders of record, or such of them as may be designated by the holders of record, of a majority of all outstanding shares of stock; or (D) by the holders of record of all outstanding shares of stock.

(b) Documents related to limited liability companies shall be executed in the following manner: All documents shall be signed by one or more authorized persons. Unless otherwise provided in an operating agreement, any person may sign the articles, any certificate, any amendment thereof, or enter into an operating agreement or amendment thereof by an agent.

(c) Documents related to limited partnerships shall be executed in the following manner:

(1) An initial certificate of limited partnership must be signed by all general partners;

(2) a certificate of amendment must be signed by at least one general

partner and by each other general partner who is designated in the certificate of amendment as a new general partner; and

(3) a certificate of cancellation must be signed by all general partners or, if there is no general partner, by a majority of the limited partners.

(d) Documents related to limited liability partnerships shall be executed by an authorized person.

~~(e) This section shall take effect on and after January 1, 2015.~~

Sec. 131. K.S.A. 2015 Supp. 17-7918 is hereby amended to read as follows: 17-7918. (a) Except as otherwise provided in subsection (b), the names of all covered entities, *except for banks, savings and loan associations and savings banks*, must be distinguishable on the records of the office of the secretary of state from:

(1) The name of any other covered entity or foreign covered entity;

(2) the name of any non-covered entity, other than a general partnership, that has filed with the office of the secretary of state;

(3) any entity name reserved pursuant to K.S.A. 2015 Supp. 17-7923, and amendments thereto; and

(4) the name of any other covered entity or foreign covered entity whose public organic documents or foreign registration has been canceled or forfeited for any reason within the previous one year.

(b) A covered entity may register under any name that is not distinguishable on the records of the office of the secretary of state from the name of any other covered entity or non-covered entity that has filed with the office of the secretary of state with the written consent of the other entity, which written consent shall be filed with the secretary of state.

(c) A covered entity may use a name that is not distinguishable from a name described in subsection (a)(1) through (3) if the entity delivers to the secretary of state a certified copy of a final judgment of a court of competent jurisdiction establishing the right of the entity to use the name in this state.

Sec. 132. K.S.A. 2015 Supp. 17-7919 is hereby amended to read as follows: 17-7919. The name of a corporation, except for banks, *savings and loan associations and savings banks*, shall contain:

(a) One of the following words: “Association”; “church”; “college”; “company”; “corporation”; “club”; “foundation”; “fund”; “incorporated”; “institute”; “society”; “union”; “university”; “syndicate” or “limited”;

(b) one of the following abbreviations: “Co.”; “corp.”; “inc.” or “Ltd.”; or

(c) words or abbreviations of like import in other languages if they are written in Roman characters or letters.

~~(d) This section shall take effect on and after January 1, 2015.~~

Sec. 133. K.S.A. 2015 Supp. 17-7924 is hereby amended to read as follows: 17-7924. (a) Every covered entity shall have and maintain in this state a registered office which may, but need not be, the same as its place of business.

(b) ~~Unless the context otherwise requires,~~ Whenever the term “principal office or place of business in this state” or “principal office or place of business of the (applicable covered entity) in this state,” or other term of like import, is or has been used in the covered entity’s public organic documents, or in any other document or in any statute other than the Kansas uniform commercial code, *unless the context indicates otherwise*, it shall be deemed to mean and refer to the covered entity’s registered office required by this section, and it shall not be necessary for any covered entity to amend its public organic documents or any other document to comply with this section.

~~(c) This section shall take effect on and after January 1, 2015~~ As contained in any covered entity’s organic documents or other document filed with the secretary of state under the business entity standard treatment act, the address of a registered office shall include the street, number, city and postal code.

Sec. 134. K.S.A. 2015 Supp. 17-7925 is hereby amended to read as follows: 17-7925.(a) Every covered entity shall have and maintain in this state a resident agent, which agent may be either:

(1) The covered entity itself;

(2) an individual resident in this state;

(3) a domestic corporation, a domestic limited partnership, a domes-

*tic limited liability partnership*, a domestic limited liability company or a domestic business trust; or

(4) a foreign corporation, a foreign limited partnership, *a foreign limited liability partnership*, a foreign limited liability company or a foreign business trust ~~authorized to transact business in this state.~~

(b) *Every resident agent for a covered entity shall:*

(1) ~~The resident agent shall have~~ *If a domestic entity, maintain a business office identical with the registered office which is generally open during normal business hours, or if an individual, be generally present at a designated location in this state at sufficiently frequent times to accept service of process and otherwise perform the functions of a resident agent;*

(2) *if a foreign entity, be authorized to transact business in this state;*

(3) *accept service of process and other communications directed to the covered entity for which it serves as resident agent and forward the same to the covered entity to which the service or communication is directed; and*

(4) *forward to the covered entity for which it serves as a resident agent documents sent by the secretary of state.*

(c) Unless the context otherwise requires, whenever the term “resident agent” or “registered agent” or “resident agent in charge of a (applicable covered entity’s) principal office or place of business in this state,” or other term of like import which refers to a covered entity’s agent required by statute to be located in this state, is or has been used in a covered entity’s public organic documents, or in any other document, or in any statute, it shall be deemed to mean and refer to the covered entity’s resident agent required by this section, and it shall not be necessary for any covered entity to amend its public organic documents, or any other document, to comply with this section.

~~(d) This section shall take effect on and after January 1, 2015.~~

Sec. 135. K.S.A. 2015 Supp. 17-7927 is hereby amended to read as follows: 17-7927.(a) A resident agent may change the address of the registered office of any covered entities for which such agent is resident agent to another address in this state by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing with the secretary of state a certificate, executed by such resident agent, setting forth the names of all the covered entities represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such covered entities, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the covered entities recited in the certificate. ~~Upon the filing of such certificate, the secretary of state shall furnish to the resident agent a certified copy of the certificate, and~~ Thereafter, or until further change of address, as authorized by law, the registered office in this state of each of the covered entities ~~recited in the certificate~~ *for which it is a resident agent* shall be located at the new address of the resident agent thereof as given in the certificate.

(b) Whenever the location of a resident agent’s office is moved to another room or suite within the same structure and such change is reported in writing to the secretary of state, no fee shall be charged for recording such change on the appropriate records on file with the secretary of state.

(c) In the event of a change of name of any person *or entity* acting as resident agent in this state, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the covered entities represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such covered entities. *A change of name of any person or entity acting as a resident agent as a result of a merger or consolidation of the resident agent, with or into another entity which succeeds to its assets by operation of law, shall be deemed a change of name for purposes of this section.*

(d) In the event of both a change of name of any person *or entity*

acting as resident agent for any covered entity and a change of address, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the covered entities represented by such resident agent and the address at which such resident agent has maintained the registered office for each such covered entity, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the covered entities recited in the certificate. Upon the filing of such certificate, and thereafter, or until further change of address or change of name, as authorized by law, the registered office in this state of each of the covered entities recited in the certificate shall be located at the new address of the resident agent as given in the certificate and the change of name shall be effective.

~~(c) This section shall take effect on and after January 1, 2015.~~

Sec. 136. K.S.A. 2015 Supp. 17-7928 is hereby amended to read as follows: 17-7928. (a) The resident agent of one or more covered entities may resign and appoint a successor resident agent by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate with the secretary of state, stating that the resident agent resigns and the name and address of the successor agent *in accordance with K.S.A. 2015 Supp. 17-7924, and amendments thereto*. There shall be attached to such certificate a statement executed by each affected covered entity ratifying and approving such change of resident agent. Upon such filing, the successor resident agent shall become the resident agent of such covered entities as have ratified and approved such substitution and the successor resident agent's address, as stated in such certificate, shall become the address of each such covered entity's registered office in this state.

(b) Any covered entity affected by the filing of a certificate under this section shall not be required to take any further action to amend its public organic documents to reflect a change of registered office or resident agent.

~~(c) This section shall take effect on and after January 1, 2015.~~

Sec. 137. K.S.A. 2015 Supp. 17-7929 is hereby amended to read as follows: 17-7929. (a) The resident agent of one or more covered entities may resign without appointing a successor by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate *of resignation*, with the secretary of state stating that the resident agent resigns as resident agent for the covered entities identified in the certificate, but such resignation shall not become effective until ~~60~~ 30 days after the certificate is filed. ~~There shall be attached to such certificate an affidavit of such resident agent, if an individual, or of an authorized governor, if an entity, that at least 30 days prior to the filing of such certificate, due notice was sent by certified or registered mail to the covered entities for which such resident agent is resigning as resident agent, at the principal office thereof within or outside the state of Kansas, if known to such resident agent, or if not so known, to the last known address of the individual at whose request such resident agent was appointed for such entity, of the resignation of such resident agent.~~ *The certificate shall be executed by the resident agent, shall contain a statement that written notice of resignation was given to each affected covered entity at least 30 days prior to the filing of the certificate by mailing or delivering such notice to the covered entity at its address last known to the resident agent and shall set forth the date of such notice.*

(b) After receipt of the notice of the resignation of its resident agent, provided for in subsection (a), any covered entity for which such resident agent was acting shall obtain and designate a new resident agent to ~~succeed~~ *take the place of* the resident agent so resigning. Such covered entity shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate setting forth the name and address of the successor resident agent. Upon such filing, the successor resident agent shall become the resident agent of such covered entity and the successor resident agent's

address, as stated in such certificate, shall become the address of the covered entity's registered office in this state. If *such covered entity fails to obtain and designate a new resident agent as aforesaid*, prior to the expiration of the period of 60 days after the filing by the resident agent of the certificate of resignation, ~~such covered entity fails to obtain and designate a new resident agent, as required by this subsection~~, the secretary of state ~~may~~ shall declare the entity's organizing documents forfeited ~~or, in the case of a foreign entity, the secretary may declare the foreign entity's authority to do business in this state forfeited.~~

(c) After the resignation of the resident agent shall have become effective, as provided in subsection (a), and if no new resident agent shall have been obtained and designated in the time and manner provided for in subsection (b), service of legal process against the covered entity for which the resigned resident agent had been acting shall thereafter be upon the secretary of state in the manner prescribed by K.S.A. 60-304, and amendments thereto.

(d) Any covered entity affected by the filing of a certificate under this section shall not be required to take any further action to amend its public organic documents to reflect a change of registered office or resident agent.

~~(e) This section shall take effect on and after January 1, 2015.~~

Sec. 138. K.S.A. 2015 Supp. 17-7931 is hereby amended to read as follows: 17-7931. Before doing business in the state of Kansas, a foreign covered entity shall register with the secretary of state. In order to register, a foreign covered entity shall submit to the secretary of state, together with payment of a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, an original copy executed by a governor, of an application for registration as a foreign covered entity, setting forth:

- (a) The name of the foreign covered entity;
- (b) ~~the state or other jurisdiction or country~~ where organized;
- (c) the date of its organization;
- (d) a statement issued within 90 days of the date of application by the proper officer of the jurisdiction where such foreign entity is organized, or by a third-party agent authorized by such proper officer, that the foreign covered entity exists in good standing under the laws of the jurisdiction of its organization;
- (e) the nature of the business or purposes to be conducted or promoted in the state of Kansas, including whether the covered entity operates for-profit or not-for-profit;
- (f) the address of the registered office and the name and address of the resident agent for service of process required to be maintained by this act;
- (g) an irrevocable written consent of the foreign covered entity that actions may be commenced against it in the proper court of any county where there is proper venue by the service of process on the secretary of state as provided for in K.S.A. 60-304, and amendments thereto, and stipulating and agreeing that such service shall be taken and held, in all courts, to be as valid and binding as if due service had been made upon the governors of the foreign covered entity; *and*
- ~~(h) the name and business, residence or mailing address of each of the governors; and~~
- ~~(i) the date on which the foreign covered entity first did, or intends to do, business in the state of Kansas.~~

Sec. 139. K.S.A. 2015 Supp. 17-7934 is hereby amended to read as follows: 17-7934. ~~(a) Each foreign covered entity shall have and maintain in the state of Kansas:~~

- ~~(1) A registered office which may, but need not, be its place of business in the state of Kansas; and~~
- ~~(2) a resident agent for service of process on the covered entity, which agent may be the foreign covered entity itself, an individual resident of the state of Kansas, a domestic corporation, a domestic limited partnership, a domestic limited liability company, a domestic business trust, or a foreign corporation, foreign limited partnership, foreign limited liability company or foreign business trust authorized to do business in the state of Kansas whose business office is identical with the covered entity's registered office. Every foreign covered entity shall have and maintain in this~~



*state a registered office and a resident agent in the same manner as prescribed by K.S.A. 2015 Supp. 17-7924 and 17-7925, and amendments thereto.*

~~(b) A resident agent may change the address of the registered office of the foreign covered entity for which the resident agent is resident agent to another address in the state of Kansas by:~~

~~(1) Paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto;~~

~~(2) filing with the secretary of state a certificate executed by the resident agent, setting forth the names of all the foreign covered entities represented by the resident agent and the address at which the resident agent has maintained the registered office for each of such foreign covered entity; and~~

~~(3) certifying to the new address to which each such registered office will be changed on a given day and at which the resident agent will thereafter maintain the registered office for each of the foreign covered entities recited in the certificate. Upon the filing of the certificate, the secretary of state shall furnish to the resident agent a certified copy of such certificate. Thereafter, or until further change of address, as authorized by law, the registered office in the state of Kansas of each of the foreign covered entities recited in the certificate shall be located at the new address of the resident agent of the entity given in the certificate. Filing of the certificate shall be considered an amendment of the application of each foreign covered entity affected by the certificate, and the foreign covered entity shall not be required to take any further action with respect thereto; to amend its application. Any resident agent filing a certificate under this section, upon such filing, shall deliver promptly a copy of such certificate to each foreign covered entity affected thereby. Any foreign covered entity that has qualified to do business in this state may change its registered office or resident agent in the manner prescribed in K.S.A. 2015 Supp. 17-7926, and amendments thereto.~~

~~(c) In the event of a change of name of any person acting as resident agent for a foreign covered entity in this state, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the foreign covered entities represented by such resident agent, and the address at which such resident agent has maintained the registered office for each of such foreign covered entities. Any resident agent may change the address of the foreign covered entity's registered office in the manner prescribed by K.S.A. 2015 Supp. 17-7927, and amendments thereto.~~

~~(d) In the event of both a change of name of any person acting as resident agent for any foreign covered entity and a change of address, such resident agent shall pay a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and file with the secretary of state a certificate, executed by such resident agent, setting forth the new name of such resident agent, the name of such resident agent before it was changed, the names of all the foreign covered entities represented by such resident agent and the address at which such resident agent has maintained the registered office for each such foreign covered entity, and further certifying to the new address to which each such registered office will be changed on a given day, and at which new address such resident agent will thereafter maintain the registered office for each of the foreign covered entities recited in the certificate. Upon the filing of such certificate, and thereafter, or until further change of address or change of name, as authorized by law, the registered office in this state of each of the foreign covered entities recited in the certificate shall be located at the new address of the resident agent as given in the certificate and the change of name shall be effective. Any resident agent designated by a foreign covered entity as its resident agent for service of process may resign pursuant to the provisions of K.S.A. 2015 Supp. 17-7928 or 17-7929, and amendments thereto.~~

~~(e) The resident agent of one or more foreign covered entities may resign and appoint a successor resident agent by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate with the secretary of state, stating that the~~

~~resident agent resigns as resident agent for the foreign covered entity identified in the certificate and giving the name and address of the successor resident agent. There shall be attached to the certificate a statement executed by each affected foreign covered entity ratifying and approving the change of resident agent. Upon the filing, the successor resident agent shall become the resident agent of those foreign covered entities that have ratified and approved the substitution and the successor resident agent's address, as stated in the certificate, shall become the address of each such foreign covered entities' registered office in the state of Kansas. Filing of the certificate of resignation shall be deemed to be an amendment of the application of each foreign covered entity affected by the certificate, and the foreign covered entity shall not be required to take any further action with respect thereto, to amend its application.~~

~~(f) The resident agent of one or more foreign covered entities may resign without appointing a successor resident agent by paying a fee if authorized by law, as provided by K.S.A. 2015 Supp. 17-7910, and amendments thereto, and filing a certificate with the secretary of state stating that the resident agent resigns as resident agent for the foreign covered entities identified in the certificate, but the resignation shall not become effective until 60 days after the certificate is filed. There shall be attached to the certificate an affidavit that, at least 30 days prior to the date of the filing of the certificate, notice of the resignation of the resident agent was sent by certified or registered mail to each foreign covered entity for which the resident agent is resigning as resident agent. The affidavit shall state that the notice was sent to the principal office of each of the foreign covered entities within or outside the state of Kansas, if known to the resident agent or, if not, to the last known address of the individual at whose request the resident agent was appointed for the foreign covered entity. After receipt of the notice of the resignation of its resident agent, the foreign covered entity for which the resident agent was acting shall obtain and designate a new resident agent, to take the place of the resident agent resigning. If a foreign covered entity fails to obtain and designate a new resident agent within 60 days after the filing by the resident agent of the certificate of resignation, that foreign covered entity shall not be permitted to do business in the state of Kansas and its registration shall be considered forfeited.~~

Sec. 140. K.S.A. 2015 Supp. 56-1a606 is hereby amended to read as follows: 56-1a606. (a) Every limited partnership organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited partnership's tax period is other than the calendar year, it shall give notice of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

- (1) The name of the limited partnership; and
- (2) a list of the partners owning at least 5% of the capital of the partnership, with the address of each.

(c) Every limited partnership subject to the provisions of this section which is a limited agricultural partnership, as defined in K.S.A. 17-5903, and amendments thereto, and which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

- (1) The number of acres and location, listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by the limited partnership; and
- (2) whether any of the agricultural land held and reported under subsection (c)(1) was acquired after July 1, 1981.

(d) The annual report shall be ~~dated~~, signed by the general partner or partners of the limited partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the limited partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

(e) The provisions of K.S.A. 17-7509, and amendments thereto, re-

lating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of K.S.A. 17-7510(a)~~, and amendments thereto, relating to forfeiture of a domestic corporation's articles of incorporation for failure to file an annual report or pay the required annual report fee, shall be applicable to the certificate of partnership of any limited partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same*. Whenever the certificate of partnership of a limited partnership is forfeited for failure to file an annual report or to pay the required annual report fee, the limited partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 141. K.S.A. 2015 Supp. 56-1a607 is hereby amended to read as follows: 56-1a607. (a) Every foreign limited partnership shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited partnership's tax period is other than the calendar year, it shall give notice of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the limited partnership.

(c) Every foreign limited partnership subject to the provisions of this section which is a limited agricultural partnership, as defined in K.S.A. 17-5903, and amendments thereto, and which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The number of acres and location, listed by section, range, township and county of agricultural land in this state owned or leased by the limited partnership; and

(2) whether any of the agricultural land held and reported under subsection (c)(1) was acquired after July 1, 1981.

(d) The annual report shall be ~~dated~~, signed by the general partner or partners of the limited partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the foreign limited partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

(e) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (b) of K.S.A. 17-7510(b)~~, and amendments thereto, relating to forfeiture of a foreign corporation's authority to do business in this state for failure to file an annual report or pay the required annual report fee, shall be applicable to the authority of any foreign limited partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same*. Whenever the authority of a foreign limited partnership to do business in this state is forfeited for failure to file an annual report or to pay the required annual report fee, the foreign limited partnership's authority to do business in this state may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments

thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 142. K.S.A. 2015 Supp. 56a-1201 is hereby amended to read as follows: 56a-1201. (a) Every limited liability partnership organized under the laws of this state shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the limited liability partnership at the close of business on the last day of its tax period next preceding the date of filing. If the limited liability partnership's tax period is other than the calendar year, it shall give notice of its different tax period in writing to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the limited liability partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the following information:

- (1) The name of the limited liability partnership; and
- (2) a list of the partners owning at least 5% of the capital of the partnership, with the address of each.

(c) The annual report shall be ~~dated~~, signed by a partner of the limited liability partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the limited liability partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of K.S.A. 17-7510(a)~~, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, shall be applicable to the statement of qualification of any limited liability partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same*. Whenever the statement of qualification of a limited liability partnership is forfeited for failure to file an annual report or to pay the required annual report fee, the limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 143. K.S.A. 2015 Supp. 56a-1202 is hereby amended to read as follows: 56a-1202. (a) Every foreign limited liability partnership shall make an annual report in writing to the secretary of state, stating the prescribed information concerning the foreign limited liability partnership at the close of business on the last day of its tax period next preceding the date of filing. If the foreign limited liability partnership's tax period is other than the calendar year, it shall give notice in writing of its different tax period to the secretary of state prior to December 31 of the year it commences the different tax period. The annual report shall be filed at the time prescribed by law for filing the foreign limited liability partnership's annual Kansas income tax return.

(b) The annual report shall be made on a form prescribed by the secretary of state. The report shall contain the name of the foreign limited liability partnership.

(c) The annual report shall be ~~dated~~, signed by a partner of the foreign limited liability partnership under penalty of perjury and forwarded to the secretary of state. At the time of filing the report, the foreign limited liability partnership shall pay to the secretary of state an annual report fee in an amount equal to \$40.

(d) The provisions of K.S.A. 17-7509, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual report fee, and the provisions of ~~subsection (a) of K.S.A. 17-7510(a)~~, and amendments thereto, relating to penalties for failure of a corporation to file an annual report or pay the required annual

report fee, shall be applicable to the statement of foreign qualification of any foreign limited liability partnership which fails to file its annual report or pay the annual report fee within 90 days of the time prescribed in this section for filing and paying the same *or, in the case of an annual report filing and fee received by mail, postmarked within 90 days of the time prescribed in this section for filing and paying the same.* Whenever the statement of foreign qualification of a foreign limited liability partnership is forfeited for failure to file an annual report or to pay the required annual report fee, the statement of foreign qualification of the foreign limited liability partnership may be reinstated by filing a certificate of reinstatement, in the manner and form to be prescribed by the secretary of state and paying to the secretary of state all fees, including any penalties thereon, due to the state. The fee for filing a certificate of reinstatement shall be the same as that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a certificate of reinstatement of a corporation's articles of incorporation.

Sec. 144. K.S.A. 17-1289, 17-12,100, 17-12,101, 17-12,102, 17-12,103, 17-12,104, 17-2036, 17-2718, 17-4634, 17-6001, 17-6004, 17-6006, 17-6007, 17-6008, 17-6009, 17-6010, 17-6101, 17-6102, 17-6104, 17-6106, 17-6301, 17-6302, 17-6304, 17-6401, 17-6402, 17-6404, 17-6405, 17-6407, 17-6408, 17-6409, 17-6410, 17-6412, 17-6413, 17-6414, 17-6415, 17-6416, 17-6420, 17-6422, 17-6425, 17-6426, 17-6501, 17-6502, 17-6503, 17-6505, 17-6506, 17-6508, 17-6509, 17-6510, 17-6512, 17-6513, 17-6514, 17-6515, 17-6516, 17-6517, 17-6518, 17-6521, 17-6522, 17-6523, 17-6603, 17-6605, 17-6701, 17-6702, 17-6703, 17-6704, 17-6705, 17-6706, 17-6707, 17-6708, 17-6710, 17-6712, 17-6801, 17-6803, 17-6804, 17-6805, 17-6805a, 17-6807, 17-6808, 17-6809, 17-6810, 17-6811, 17-6812, 17-6813, 17-6902, 17-6903, 17-6904, 17-6905, 17-6906, 17-6907, 17-6908, 17-6909, 17-6910, 17-6911, 17-6913, 17-7001, 17-7003, 17-7101, 17-7102, 17-7201, 17-7203, 17-7204, 17-7205, 17-7206, 17-7208, 17-7209, 17-7211, 17-7212, 17-7213, 17-7215, 17-7302, 17-7305, 17-7307, 17-7404, 17-7503, 17-7504, 17-7505, 17-7510 and 17-7512 and K.S.A. 2015 Supp. 17-6002, 17-6305, 17-6601, 17-6602, 17-7002, 17-7207, 17-7506, 17-76,139, 17-7903, 17-7908, 17-7918, 17-7919, 17-7924, 17-7925, 17-7927, 17-7928, 17-7929, 17-7931, 17-7934, 56-1a606, 56-1a607, 56a-1201 and 56a-1202 are hereby repealed.

Sec. 145. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

\_\_\_\_\_

HOUSE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

SENATE adopted  
Conference Committee Report \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*