

CHAPTER.....

AN ACT relating to business entities; revising provisions governing the manner in which business entities send and receive notices and communications; providing that certain nonprofit entities are exempt from the requirement to obtain a state business license; revising provisions governing the information included in a certificate of change in the number of an authorized class or series of shares; revising provisions governing restrictions on transfers of stock; authorizing a stockholder of a corporation to designate a proxy to consent or dissent in writing to a corporate action; revising provisions governing notice of a meeting of stockholders of a corporation, certain transactions between certain domestic corporations and interested stockholders and the dissolution of a corporation; revising provisions governing indemnification and advancement of expenses by a corporation under certain circumstances; reducing the maximum amount of the fee for filing with the Secretary of State certain instruments authorizing an increase in the stock of a corporation; revising provisions governing corporate records; revising provisions governing corporations organized under the law of a different jurisdiction; revising provisions governing the rights of a judgment creditor to satisfy a judgment out of the debtor's ownership interest in certain business entities; revising provisions governing mergers and conversions of certain business entities; revising provisions related to the right of dissent to certain corporate actions; revising provisions governing the time at which certain documents filed with the Secretary of State become effective; revising provisions governing business trusts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1-11, 16-19, 24-26, 58, 64, 72, 78, 92-94 and 102 of this bill revise provisions governing corporate records and the manner in which business entities sign, deliver and receive notices and communications based on proposed changes to the Model Business Corporation Act, the Uniform Electronic Transactions Act and the federal Electronic Signatures in Global and National Commerce Act which relate to electronic records and notices.

Section 12 of this bill clarifies that a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization under section 501(c) of the Internal Revenue Code is not required to obtain a state business license.

Existing law restricts mergers and certain other transactions between certain domestic corporations with 200 or more stockholders and any stockholder which has acquired a specified amount of stock. (NRS 78.411-78.444) Under existing law,



the corporation is prohibited from engaging in such a transaction with the stockholder for 3 years after the stockholder acquired the specified amount of stock, unless certain actions are taken by the board of directors of the corporation before the stockholder acquires the stock. (NRS 78.438) After the 3-year period, any such merger or transaction between the corporation and the stockholder is prohibited unless: (1) certain actions are taken by the board of directors or other stockholders; or (2) certain requirements concerning the consideration received by the other stockholders are satisfied. (NRS 78.439-78.443) **Sections 14, 16 and 30-48** of this bill: (1) decrease the applicable period from 3 years to 2 years; (2) amend provisions governing the type of corporation to which the restrictions apply; (3) amend the requirements for the merger or other transaction between the corporation and the stockholder; (4) allow the articles of incorporation of the corporation to impose stricter requirements on such transactions; and (5) specify that the board of directors of a corporation to which the existing law is applicable may take certain actions to protect the interests of the corporation and its stockholders.

Existing law provides for an effective date of certain documents filed with the Secretary of State. (NRS 78.1955, 78.209, 78.380, 78.390, 78.403, 78.580, 78A.180, 82.346, 82.356, 82.371, 82.451, 86.201, 86.216, 86.221, 86.226, 86.541, 86.547, 87.460, 87A.240, 87A.605, 87A.630, 88.355, 88.360, 88.380, 88.595, 88A.250, 88A.420, 88A.740, 92A.240) **Sections 20, 21, 27-29, 49, 55, 59-62, 65-68, 70, 71, 73, 74, 76, 77, 79-81, 83, 87, 90, 91 and 98** of this bill provide for a time at which these documents become effective.

Existing law provides that a change in the authorized number of shares of a class or series of stock is not effective until the filing of a certificate of change in the Office of the Secretary of State. (NRS 78.209) **Section 21** of this bill provides that the information concerning the shares which is included in the certificate must be only the information regarding the affected series or class of shares.

Section 22 of this bill revises provisions governing permissible restrictions on the transfer of stock of a corporation or on the amount of stock that may be owned by a person or group of persons by clarifying and specifically delineating certain additional restrictions on these transfers of stock.

Section 23 of this bill specifically authorizes a stockholder to designate a proxy to act for the stockholder in granting written consent or expressing written dissent to a corporate action.

Section 25 of this bill: (1) removes the requirement that the notice of a meeting of stockholders be signed by a corporate officer or certain other persons designated by the directors of the corporation; and (2) removes the requirement that notice of the annual meeting of stockholders state the purpose for which the meeting is called.

Existing law provides procedures for the dissolution of a corporation and provides that, upon dissolution, the board of directors become trustees with the power to take certain actions to wind up the business and affairs of the corporation. (NRS 78.575-78.595) **Section 49** of this bill: (1) authorizes the board of directors to condition the submission of the proposal for dissolution on any lawful basis; and (2) revises the requirements for providing notice to stockholders of the proposed dissolution by requiring such notice to be provided to all stockholders rather than only stockholders entitled to vote on the dissolution. **Section 51** of this bill provides that, in acting as trustees to wind up the affairs of the dissolved corporation, the directors have the same duties, and are entitled to the benefit of the same presumptions regarding the performance of those duties, as directors of a corporation. **Sections 63 and 102** repeal a provision of existing law which provides that lawsuits for debts owed by dissolved corporations must be filed in the name of the trustees and that those trustees are jointly and severally responsible for



satisfying such debts from the property of the corporation in their possession. **Section 15** of this bill enacts a provision based on Delaware law which governs the liability of the stockholders of a dissolved corporation.

Existing law authorizes a corporation to indemnify and advance expenses to directors, officers, employees or agents of the corporation under certain circumstances. (NRS 78.7502, 78.751) This authority to indemnify and advance expenses does not affect other rights to which a person seeking indemnification or advancement of expenses is entitled under the articles or incorporation or the bylaws. (NRS 78.751) **Section 53** of this bill enacts a provision based on Delaware law which provides that a right to indemnification or the advancement of expenses under the articles of incorporation or the bylaws may not be eliminated or impaired by an amendment to the provision after the act or omission for which indemnification or advancement of expenses is sought, unless such elimination or impairment is authorized by the provision in effect at the time of the act or omission.

Existing law provides that the amount of the fee for filing articles of incorporation with the Secretary of State is based on the dollar amount of the total number of shares provided for in the articles of incorporation. (NRS 78.760) When a corporation increases the number of authorized shares, the fee for filing that information with the Secretary of State is determined by subtracting the amount of the fee based on the increased number of shares from the amount of the fee based on the number of authorized shares excluding the increase. (NRS 78.765) The maximum amount of the fee for filing with the Secretary of State articles of incorporation or an instrument authorizing an increase in stock is: (1) \$35,000 for filing the original articles of incorporation; and (2) \$35,000 for filing an instrument authorizing an increase in stock. (NRS 78.760) **Section 54** of this bill reduces to \$34,925 the maximum amount of the fee for filing an instrument authorizing an increase in stock.

Sections 52, 69, 75 and 82 of this bill revise provisions governing the satisfaction of a judgment against a stockholder, member of a limited-liability company or partner of a limited partnership from the interest of the stockholder, member or partner in the entity.

Existing law authorizes one or more persons to create a business trust by adopting a governing instrument and signing and filing a certificate of trust with the Secretary of State. (NRS 88A.210) **Sections 84-86, 88 and 89** of this bill revise provisions relating to the status of a business trust as an entity separate from its trustees and beneficial owners, the powers of a business trust with respect to property ownership and the duties and liabilities of trustees of a business trust.

Section 96 of this bill revises provisions governing mergers for which action is not required by the stockholders of the surviving domestic corporation.

Section 97 of this bill clarifies the provisions of existing law which are applicable to conversions of domestic entities or domestic general partnerships into foreign entities and to conversions of foreign entities or foreign general partnerships into domestic entities.

Under existing law, certain stockholders may dissent to certain corporate actions that will result in the receipt of money or scrip instead of a fraction of a share and obtain payment of the fair value of the stockholder's shares. (NRS 78.205-78.207, 92A.380) **Section 100** of this bill clarifies that the right to obtain payment of the fair value of the shares relates only to the fraction of a share rather than all of the stockholder's shares. **Section 101** of this bill clarifies the proper district court in which an action to determine the fair value of the shares must be commenced.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Title 7 is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 11, inclusive, of this act.

Sec. 2. *As used in this title, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Deliver” or “delivery” means any method of delivery used in conventional commercial practice, including, without limitation, delivery by hand, mail, commercial delivery and, if authorized in accordance with section 11 of this act, by electronic transmission.*

Sec. 4. *“Electronic” means relating to any technology, process or system having electrical, digital, magnetic, wireless, optical, electromagnetic or similar characteristics or qualities.*

Sec. 5. *“Electronic record” means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional commercial practice or, if authorized in accordance with subsection 8 of section 11 of this act, is otherwise retrievable in perceivable form.*

Sec. 6. *“Electronic transmission” or “electronically transmitted” means any form or process of communication not directly involving the physical transfer of paper or another tangible medium which:*

1. Is suitable for the retention, retrieval and reproduction of information by the recipient; and

2. Is retrievable and reproducible in paper form by the recipient through an automated process used in conventional commercial practice, unless otherwise authorized in accordance with subsection 8 of section 11 of this act.

Sec. 7. *“Record” means information that is inscribed on any tangible medium, including, without limitation, any writing or written instrument, or an electronic record.*

Sec. 8. *“Sign” or “signature” means with the present intent to authenticate or adopt a record or identify oneself:*

1. To execute or otherwise adopt a tangible symbol, name, word or mark, including, without limitation, any manual, facsimile or confirmed signature; or



2. To attach to or logically associate with an electronic transmission an electronic sound, symbol or process, including, without limitation, an electronic signature, in an electronic transmission.

Sec. 9. “Street address” of a registered agent means the actual physical location in this State at which a registered agent is available for service of process. As used in this section, “registered agent” has the meaning ascribed to it in NRS 77.230.

Sec. 10. “Writing” or “written” means any information in the form of a record.

Sec. 11. 1. Except as otherwise provided by specific statute:

(a) Any notice or other communication described in this title may be given or sent by any method of delivery; and

(b) An electronic transmission must be in accordance with this section.

2. A notice or other communication given or sent pursuant to the organic law or organic rules of an entity may be delivered by electronic transmission if:

(a) Consented to by the recipient or authorized by subsection 9; and

(b) The electronic transmission contains or is accompanied by information from which the recipient can determine the date of the transmission.

3. Any consent under subsection 2 may be revoked by the person who consented by written or electronic notice to the person to whom the consent was delivered. Any such consent is deemed revoked if:

(a) The person is unable to receive two consecutive electronic transmissions given by the entity or organization in accordance with such consent; and

(b) Such inability becomes known to the secretary of the entity sending the electronic transmissions or to the transfer agent or other person responsible for the giving of notice or other communications.

↪ The inadvertent failure to treat any such inability as a revocation does not invalidate any meeting or other action.

4. Unless otherwise agreed between sender and recipient, an electronic transmission is received when:

(a) It enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic transmissions or information of the type sent; and

(b) It is in a form ordinarily capable of being processed by that system.



5. Receipt of an electronic acknowledgment from an information processing system described in paragraph (a) of subsection 4 establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

6. An electronic transmission is received under this section even if no natural person is aware of its receipt.

7. Except as otherwise provided by specific statute, any notice or other communication, if in a comprehensible form or manner, is effective at the earliest of the following:

(a) If in a physical form, when it is left at:

(1) The address of a stockholder, member, partner or other owner of an entity, whichever is applicable, as it appears upon the records of the entity;

(2) The residence or usual place of business of a director, manager or general partner, whichever is applicable;

(3) The entity's principal place of business; or

(4) If to a recipient other than a stockholder, director, member, partner or other owner of an entity or an entity, such person's residence or usual place of business;

(b) If mailed by United States mail postage prepaid and correctly addressed to a stockholder, member, partner or other owner of an entity, upon deposit in the United States mail;

(c) If mailed by United States mail postage prepaid and correctly addressed to a recipient other than a stockholder, member, partner or other owner of an entity, the earliest of:

(1) If sent by registered or certified mail, return receipt requested, the date shown on the return receipt signed by or on behalf of the addressee; or

(2) Five days after it is deposited in the United States mail;

(d) If an electronic transmission, when it is received as provided in subsection 4; and

(e) If oral, when communicated.

➔ In the absence of fraud, an affidavit of the secretary of the entity or the transfer agent or any other agent of the entity that the notice has been given by a form of electronic transmission is prima facie evidence of the facts stated in the affidavit.

8. A notice or other communication may be in the form of an electronic transmission that cannot be directly reproduced in paper form by the recipient through an automated process used in conventional commercial practice only if:

(a) The electronic transmission is otherwise retrievable in perceivable form; and



(b) The sender and the recipient have consented in writing to the use of such form of electronic transmission.

9. If any provision of this title prescribes requirements for notices or other communication in particular circumstances, those requirements govern. If the organic rules of an entity prescribe requirements for notices or other communications, not inconsistent with this section or other provisions of this title, those requirements govern. The organic rules of an entity may authorize, require or prohibit delivery of notices of meetings of directors, managers, members, partners or other owners of the entity by electronic transmission.

10. In the event that any provisions of this section are deemed to modify, limit or supersede the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., the provisions of this section shall be deemed to control to the maximum extent permitted by section 102(a)(2) of that Act, 15 U.S.C. § 7002(a)(2).

11. As used in this section:

(a) "Entity" has the meaning ascribed to it in NRS 77.060.

(b) "Organic law" has the meaning ascribed to it in NRS 77.170.

(c) "Organic rules" has the meaning ascribed to it in NRS 77.180.

Sec. 12. NRS 76.100 is hereby amended to read as follows:

76.100 1. A person shall not conduct a business in this State unless and until the person obtains a state business license issued by the Secretary of State. If the person is:

(a) An entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license at the time of filing the initial or annual list.

(b) Not an entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license before conducting a business in this State.

2. An application for a state business license must:

(a) Be made upon a form prescribed by the Secretary of State;

(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the entity number as assigned by the Secretary of State, if known, and the location in this State of the place or places of business;

(c) Be accompanied by a fee in the amount of \$100; and



(d) Include any other information that the Secretary of State deems necessary.

➡ If the applicant is an entity organized pursuant to this title and on file with the Secretary of State and the applicant has no location in this State of its place of business, the address of its registered agent shall be deemed to be the location in this State of its place of business.

3. The application must be signed pursuant to NRS 239.330 by:

(a) The owner of a business that is owned by a natural person.

(b) A member or partner of an association or partnership.

(c) A general partner of a limited partnership.

(d) A managing partner of a limited-liability partnership.

(e) A manager or managing member of a limited-liability company.

(f) An officer of a corporation or some other person specifically authorized by the corporation to sign the application.

4. If the application for a state business license is defective in any respect or the fee required by this section is not paid, the Secretary of State may return the application for correction or payment.

5. The state business license required to be obtained pursuant to this section is in addition to any license to conduct business that must be obtained from the local jurisdiction in which the business is being conducted.

6. For the purposes of this chapter, a person shall be deemed to conduct a business in this State if a business for which the person is responsible:

(a) Is organized pursuant to this title, other than a business organized pursuant to ~~chapter~~ :

(1) *Chapter 82 or 84 of NRS; or*

(2) *Chapter 81 if the business is a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).*

(b) Has an office or other base of operations in this State;

(c) Has a registered agent in this State; or

(d) Pays wages or other remuneration to a natural person who performs in this State any of the duties for which he or she is paid.

7. As used in this section, "registered agent" has the meaning ascribed to it in NRS 77.230.

Sec. 13. Chapter 78 of NRS is hereby amended by adding thereto the provisions set forth as sections 14 and 15 of this act.

Sec. 14. *"Publicly traded corporation" means a domestic corporation that has a class or series of voting shares which is:*



1. *A covered security under section 18(b)(1)(A) or (B) of the Securities Act of 1933, 15 U.S.C. § 77r(b)(1)(A) or (B), as amended; or*

2. *Traded in an organized market and that has at least 2,000 stockholders and a market value of at least \$20,000,000, exclusive of the value of such shares held by the corporation's subsidiaries, senior executives, directors and beneficial stockholders owning more than 10 percent of such shares.*

Sec. 15. 1. *A stockholder of a corporation dissolved pursuant to NRS 78.580 or whose period of corporate existence has expired, the assets of which were distributed pursuant to NRS 78.590, is not 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.*

2. *A stockholder of a corporation dissolved pursuant to NRS 78.580 or whose period of corporate existence has expired, the assets of which were distributed pursuant to NRS 78.590, is not liable for any claim against the corporation on which an action, suit or proceeding is not begun before the expiration of the period described in NRS 78.585.*

3. *The aggregate liability of any stockholder of a corporation dissolved pursuant to NRS 78.580 or whose period of corporate existence has expired for claims against such corporation must not exceed the amount distributed to such stockholder pursuant to NRS 78.590.*

Sec. 16. NRS 78.010 is hereby amended to read as follows:

78.010 1. As used in this chapter:

(a) "Approval" and "vote" as describing action by the directors or stockholders mean the vote of directors in person or by written consent or of stockholders in person, by proxy or by written consent.

(b) "Articles," "articles of incorporation" and "certificate of incorporation" are synonymous terms and, unless the context otherwise requires, include all certificates filed pursuant to NRS 78.030, 78.180, 78.185, 78.1955, 78.209, 78.380, 78.385, 78.390, 78.725 and 78.730 and any articles of merger, conversion, exchange or domestication filed pursuant to NRS 92A.200 to 92A.240, inclusive, or 92A.270. Unless the context otherwise requires, these terms include restated articles and certificates of incorporation.

(c) "Directors" and "trustees" are synonymous terms.

(d) *"Entity" means a foreign or domestic:*

(1) *Corporation, whether or not for profit;*

(2) *Limited-liability company;*

(3) *Limited partnership; or*



(4) Business trust.

~~[(d)]~~ (e) “Principal office” means the office, in or out of this State, where the principal executive offices of a domestic or foreign corporation are located.

~~[(e)]~~ (f) “Receiver” includes receivers and trustees appointed by a court as provided in this chapter or in chapter 32 of NRS.

~~[(f) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.]~~

(g) “Registered agent” has the meaning ascribed to it in NRS 77.230.

(h) “Registered office” means the office maintained at the street address of the registered agent.

(i) ~~[(“Sign” means to affix a signature to a record.]~~

~~—(j) “Signature” means a name, word, symbol or mark executed or otherwise adopted, or a record encrypted or similarly processed in whole or in part, by a person with the present intent to identify himself or herself and adopt or accept a record. The term includes, without limitation, an electronic signature as defined in NRS 719.100.~~

~~—(k) “Stockholder of record” means a person whose name appears on the stock ledger of the corporation.~~

~~[(l) “Street address” of a registered agent means the actual physical location in this State at which a registered agent is available for service of process.]~~

2. General terms and powers given in this chapter are not restricted by the use of special terms, or by any grant of special powers contained in this chapter.

Sec. 17. NRS 78.0297 is hereby amended to read as follows:

78.0297 1. Except as otherwise ~~[(provided)]~~ **required** by federal or state law, any records maintained by a corporation in its regular course of business, including, without limitation, its stock ledger, **minute books**, books of account and ~~[(minute books,] financial records,~~ may be kept on, **or** by means of, ~~[(or be in the form of,] any information processing system or other information storage device or medium [;] , or in the form of an electronic record.~~

2. A corporation shall convert within a reasonable time any **electronic** records ~~[(kept in the manner described in subsection 1)]~~ into clear and legible paper form upon the request of any person entitled to inspect the records maintained by the corporation pursuant to any provision of this chapter.



3. A clear and legible paper form produced from *electronic* records ~~[kept in the manner described in subsection 1]~~ is admissible in evidence and accepted for all other purposes to the same extent as an original paper record with the same information provided that the paper form portrays the record accurately.

Sec. 18. NRS 78.0298 is hereby amended to read as follows:

78.0298 ~~[1.]~~ No record or signature maintained by a corporation is required to be created, generated, sent, communicated, received, stored or otherwise processed or used by electronic means or in electronic form.

~~[2. The corporation may refuse to accept or conduct any transaction or create, generate, send, communicate, receive, store or otherwise process, use or accept any record or signature by electronic means or in electronic form.]~~

Sec. 19. NRS 78.090 is hereby amended to read as follows:

78.090 1. Every corporation must have a registered agent who resides or is located in this State. Notwithstanding the provisions of NRS 77.300, each registered agent must have a street address for receiving service of process, which is the registered office of the corporation in this State. If the registered agent is in the business of acting as a registered agent for more than one business entity, the physical street address of the registered office must be in a location for which such use is not prohibited by any local ordinance. The registered agent may have a separate mailing address such as a post office box, which may be different from the street address.

2. If the registered agent is a bank or corporation, it may:

(a) Act as the fiscal or transfer agent of any state, municipality, body politic or corporation and in that capacity may receive and disburse money.

(b) Transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness and act as agent of any corporation, foreign or domestic, for any purpose required by statute, or otherwise.

(c) Act as trustee under any mortgage or bond issued by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

(d) Receive and manage any sinking fund of any corporation, upon such terms as may be agreed upon between the corporation and those dealing with it.

3. Every corporation organized pursuant to this chapter which fails or refuses to comply with the requirements of this section is



subject to a fine of not less than \$100 nor more than \$500, to be recovered with costs by the State, before any court of competent jurisdiction, by action at law prosecuted by the Attorney General or by the district attorney of the county in which the action or proceeding to recover the fine is prosecuted.

4. All legal process and any demand , ~~for~~ notice *or communication* authorized by law to be served upon , *or delivered to*, a corporation may be served upon , *or delivered to*, the registered agent of the corporation in the manner provided in subsection 2 of NRS 14.020. If any demand, notice , *communication* or legal process, other than a summons and complaint, cannot be served upon , *or delivered to*, the registered agent, it may be served *or delivered* in the manner provided in NRS 14.030. These manners and modes of service *or delivery* are in addition to any other *manner and mode of* service *or delivery* authorized by law.

Sec. 20. NRS 78.1955 is hereby amended to read as follows:

78.1955 1. If the voting powers, designations, preferences, limitations, restrictions and relative rights of any class or series of stock have been established by a resolution of the board of directors pursuant to a provision in the articles of incorporation, a certificate of designation setting forth the resolution and stating the number of shares for each designation must be signed by an officer of the corporation and filed with the Secretary of State. A certificate of designation signed and filed pursuant to this section must become effective before the issuance of any shares of the class or series.

2. Unless otherwise provided in the articles of incorporation or the certificate of designation being amended, if no shares of a class or series of stock established by a resolution of the board of directors have been issued, the designation of the class or series, the number of the class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of the class or series may be amended by a resolution of the board of directors pursuant to a certificate of amendment filed in the manner provided in subsection 4.

3. Unless otherwise provided in the articles of incorporation or the certificate of designation, if shares of a class or series of stock established by a resolution of the board of directors have been issued, the designation of the class or series, the number of the class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of the class or series may be amended by a resolution of the board of directors only if the amendment is approved as provided in this subsection. Unless otherwise provided in the articles of incorporation or the certificate



of designation, the proposed amendment adopted by the board of directors must be approved by the vote of stockholders holding shares in the corporation entitling them to exercise a majority of the voting power, or such greater proportion of the voting power as may be required by the articles of incorporation or the certificate of designation, of:

(a) The class or series of stock being amended; and

(b) Each class and each series of stock which, before amendment, is senior to the class or series being amended as to the payment of distributions upon dissolution of the corporation, regardless of any limitations or restrictions on the voting power of that class or series.

4. A certificate of amendment to a certificate of designation must be signed by an officer of the corporation and filed with the Secretary of State and must:

(a) Set forth the original designation and the new designation, if the designation of the class or series is being amended;

(b) State that no shares of the class or series have been issued or state that the approval of the stockholders required pursuant to subsection 3 has been obtained; and

(c) Set forth the amendment to the class or series or set forth the designation of the class or series, the number of the class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of the class or series, as amended.

5. A certificate filed pursuant to subsection 1 or 4 is effective ~~{upon}~~ *at the time of the* filing of the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to subsection 1 or 4 specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

6. If shares of a class or series of stock established by a certificate of designation are not outstanding, the corporation may file a certificate which states that no shares of the class or series are outstanding and which contains the resolution of the board of directors authorizing the withdrawal of the certificate of designation establishing the class or series of stock. The certificate must identify the date and certificate of designation being withdrawn and must be signed by an officer of the corporation and filed with the Secretary of State. Upon filing the certificate and payment of the fee required pursuant to NRS 78.765, all matters contained in the certificate of



designation regarding the class or series of stock are eliminated from the articles of incorporation.

7. NRS 78.380, 78.385 and 78.390 do not apply to certificates of amendment filed pursuant to this section.

Sec. 21. NRS 78.209 is hereby amended to read as follows:

78.209 1. A change pursuant to NRS 78.207 is not effective until after the filing in the Office of the Secretary of State of a certificate, signed by an officer of the corporation, setting forth:

(a) The ~~current~~ number of authorized shares and the par value, if any, of each *affected* class or *, if applicable, each affected* series ~~[, if any,]~~ of shares before the change;

(b) The number of authorized shares and the par value, if any, of each *affected* class or *, if applicable, each affected* series ~~[, if any,]~~ of shares after the change;

(c) The number of shares of each affected class or *, if applicable, each affected* series ~~[, if any,]~~ to be issued after the change in exchange for each issued share of the same class or series;

(d) The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby; and

(e) That any required approval of the stockholders has been obtained.

➡ The provisions in the articles of incorporation of the corporation regarding the authorized number and par value, if any, of the changed class or *, if applicable, the changed* series ~~[, if any,]~~ of shares shall be deemed amended as provided in the certificate at the effective date and time of the change.

2. Unless an increase or decrease of the number of authorized shares pursuant to NRS 78.207 is accomplished by an action that otherwise requires an amendment to the articles of incorporation of the corporation, such an amendment is not required by that section.

3. A certificate filed pursuant to subsection 1 is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

4. If a certificate filed pursuant to subsection 1 specifies ~~an~~ *a* *later* effective date, the board of directors may terminate the



effectiveness of the certificate by resolution. A certificate of termination must:

- (a) Be filed with the Secretary of State before the effective date specified in the certificate filed pursuant to subsection 1;
- (b) Identify the certificate being terminated;
- (c) State that the effectiveness of the certificate has been terminated;
- (d) Be signed by an officer of the corporation; and
- (e) Be accompanied by the fee required pursuant to NRS 78.765.

Sec. 22. NRS 78.242 is hereby amended to read as follows:

78.242 1. Subject to the limitation imposed by NRS 104.8204, a written restriction on the transfer or registration of transfer of the stock of a corporation, if permitted by this section, may be enforced against the holder of the restricted stock 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.

2. A restriction on the transfer or registration of transfer of the stock of a corporation, *or on the amount of a corporation's stock that may be owned by a person or group of persons*, may be imposed by the articles of incorporation or by the bylaws or by an agreement among any number of stockholders or between *or among* one or more stockholders and the corporation. No restriction so imposed is binding *upon any stockholder* with respect to ~~the stocks issued before the adoption of the restriction unless the stockholders are parties to an~~ *the shares of stock owned by such stockholder at the time the restriction is adopted, regardless of any later effective time of such restriction, unless such stockholder is a party to the* agreement or voted in favor of the restriction.

3. A restriction on the transfer or the registration of transfer of shares is valid and enforceable against the transferee of the stockholder if the restriction is not prohibited by other law and its existence is noted conspicuously on the front or back of the stock certificate or is contained in the statement of information required by NRS 78.235. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.

4. A restriction on the transfer or registration of transfer of *the* stock of a corporation *or on the amount of such stock that may be owned by any person or group of persons* is permitted, without limitation by this enumeration, if it:

- (a) Obligates the stockholder first to offer to the corporation or to any other stockholder or stockholders of the corporation or to any other person or persons or to any combination of the foregoing a



prior opportunity, to be exercised within a reasonable time, to acquire the stock;

(b) Obligates the corporation or any ~~holder of stock~~ *stockholder* of the corporation or any other person or any combination of the foregoing to purchase stock which is the subject of an agreement respecting the purchase and sale of the stock;

(c) Requires the corporation or any stockholder or stockholders to ~~consent~~:

(1) *Consent* to any proposed transfer of the stock ~~for to approve~~;

(2) *Approve* the proposed transferee of stock ~~to~~; or

(3) *Approve the amount of stock of the corporation proposed to be acquired by any person or group of persons*;

(d) Prohibits *or restricts* the transfer of the stock to , *or the ownership of stock by*, designated persons or classes of persons, and such designation is not manifestly unreasonable; or

(e) Prohibits *or restricts* the transfer *or registration of transfer of the* stock ~~to~~ *or the amount of stock of a corporation that may be owned by a person or group of persons, for any of the following purposes*;

(1) To maintain the corporation's status when it is dependent on the number or identity of its stockholders ~~to~~ , *including, without limitation, the corporation's status as an electing small business corporation under subchapter S of chapter 1 of subtitle A of the United States Internal Revenue Code, 26 U.S.C. § 1371 et seq., as amended, or any successor provision*;

(2) To *maintain or* preserve *the corporation's status or* exemptions under federal or state laws governing taxes or securities, including, without limitation, the qualification of the corporation as a real estate investment trust pursuant to 26 U.S.C. §§ 856 et seq., as amended, or any successor provision, and any regulations adopted pursuant thereto; ~~or~~

(3) *To maintain or preserve any other local, state, federal or foreign tax advantage to, or attribute of, the corporation or its stockholders, including, without limitation, net operating losses*;

(4) *To maintain any statutory or regulatory advantage or to comply with any statutory or regulatory requirements under applicable local, state, federal or foreign law*; or

(5) For any other reasonable purpose.

5. For the purposes of this section, "stock" includes a security convertible into or carrying ~~to~~ *an option or other* right to subscribe for or to acquire stock.



Sec. 23. NRS 78.355 is hereby amended to read as follows:

78.355 1. ~~[At any meeting of the stockholders of any corporation any]~~ *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 ~~[designate]~~ *authorize* another person or persons to act ~~[as a]~~ *for such stockholder by* proxy . ~~[or proxies.]~~ If any stockholder designates two or more persons to act as proxies, a majority of those persons present at the meeting ~~[]~~ *or a majority of those persons granting consent or exercising a right of dissent in writing,* or, if only one is present ~~[]~~ *or consenting or dissenting in writing,* then that one has and may exercise all of the powers conferred by the stockholder upon all of the persons so designated unless the stockholder provides otherwise. *The proxy may be limited to action on designated matters.*

2. Without limiting the manner in which a stockholder may authorize another person or persons to act for him or her as proxy pursuant to subsection 1, ~~[the following constitute valid means by which a stockholder may grant such authority:~~

—(a) ~~A]~~ *a* stockholder may sign a writing authorizing another person or persons to act for him or her as proxy. ~~[The proxy may be limited to action on designated matters.~~

—(b) ~~A stockholder may authorize another person or persons to act for him or her as proxy by transmitting or authorizing the transmission of an electronic record to the person who will be the holder of the proxy or to a firm which solicits proxies or like agent who is authorized by the person who will be the holder of the proxy to receive the transmission. Any such electronic record must either set forth or be submitted with information from which it can be determined that the electronic record was authorized by the stockholder. If it is determined that the electronic record is valid, the persons appointed by the corporation to count the votes of stockholders and determine the validity of proxies and ballots or other persons making those determinations must specify the information upon which they relied.]~~

3. Any copy, communication by electronic transmission or other reliable reproduction of the ~~[record]~~ *writing* created pursuant to subsection 2 may be substituted for the original ~~[record]~~ *writing* for any purpose for which the original ~~[record]~~ *writing* could be used, if the copy, communication by electronic transmission or other reproduction is a complete reproduction of the entire original ~~[record.]~~ *writing.*

4. Except as otherwise provided in subsection 5, no such proxy is valid after the expiration of 6 months from the date of its creation



unless the stockholder specifies in it the length of time for which it is to continue in force, which may not exceed 7 years from the date of its creation. Subject to these restrictions, any proxy properly created is not revoked and continues in full force and effect until:

(a) Another instrument or transmission revoking it or a properly created proxy bearing a later date is filed with or transmitted to the secretary of the corporation or another person or persons appointed by the corporation to count the votes of stockholders and determine the validity of proxies and ballots; or

(b) ~~[The]~~ *In the case of a meeting of stockholders, the* stockholder revokes the proxy by attending the meeting and voting the stockholder's shares in person, in which case, any vote cast by the person or persons designated by the stockholder to act as a proxy or proxies must be disregarded by the corporation when the votes are counted.

5. A proxy shall be deemed irrevocable if the written authorization states that the proxy is irrevocable, but is irrevocable only for as long as it is coupled with an interest sufficient in law to support an irrevocable power, including, without limitation, the appointment as proxy of a pledgee, a person who purchased or agreed to purchase the shares, a creditor of the corporation who extended it credit under terms requiring the appointment, an employee of the corporation whose employment contract requires the appointment or a party to a voting agreement created pursuant to subsection 3 of NRS 78.365. Unless otherwise provided in the proxy, a proxy made irrevocable pursuant to this subsection is revoked when the interest with which it is coupled is extinguished, but the corporation may honor the proxy until notice of the extinguishment of the proxy is received by the corporation. A transferee for value of shares subject to an irrevocable proxy may revoke the proxy if the transferee did not know of its existence when the transferee acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates.

6. If any stockholder subject to a properly created irrevocable proxy attends any meeting of the stockholders *or attempts to grant a consent or exercise a right of dissent* for which the authorization grants authority to act on the stockholder's behalf at the meeting, *or in granting a consent or exercising a right of dissent, as applicable,* to a proxy or proxies, unless expressly otherwise provided in the written authorization or electronic record:



(a) Only the proxy or proxies may have and exercise all the powers of the stockholder at the meeting ~~[+] or in granting a consent or exercising a right of dissent, as applicable;~~ and

(b) Only a vote , *consent or dissent, as applicable*, of the proxy or proxies may be regarded *as valid* by the corporation . ~~[when the votes are counted.]~~

Sec. 24. NRS 78.360 is hereby amended to read as follows:

78.360 1. The articles of incorporation of any corporation may provide that at all elections of directors of the corporation each holder of stock possessing voting power is entitled to as many votes as equal the number of his or her shares of stock multiplied by the number of directors to be elected, and that the holder of stock may cast all of his or her votes for a single director or may distribute them among the number to be voted for or any two or more of them, as the holder of stock may see fit. To exercise the right of cumulative voting, one or more of the stockholders requesting cumulative voting must give written notice to the president or secretary of the corporation that the stockholder desires that the voting for the election of directors be cumulative.

2. The notice must be ~~[given]~~ *delivered* not less than 48 hours before the time fixed for holding the meeting, if notice of the meeting has been ~~[given]~~ *delivered* at least 10 days before the date of the meeting, and otherwise not less than 24 hours before the meeting. At the meeting, before the commencement of voting for the election of directors, an announcement of the ~~[giving]~~ *delivery* of the notice must be made by the chairman or the secretary of the meeting or by or on behalf of the stockholder ~~[giving]~~ *delivering* the notice. Notice to stockholders of the requirement of this subsection must be contained in the notice calling the meeting or in the proxy material accompanying the notice.

Sec. 25. NRS 78.370 is hereby amended to read as follows:

78.370 1. If under the provisions of this chapter stockholders are required or authorized to take any action at a meeting, the notice of the meeting must be in writing . ~~[and signed by the president or a vice president, or the secretary or an assistant secretary, or by such other natural person or persons as the bylaws may prescribe or permit or the directors may designate.]~~

2. ~~[The]~~ *Except in the case of the annual meeting, the* notice must state the purpose or purposes for which the meeting is called . ~~[+] In all instances, the notice must state~~ the time when, and the place, which may be within or without this State, where ~~[it]~~ *the meeting* is to be held, and the means of electronic communications,



if any, by which stockholders and proxies shall be deemed to be present in person and vote.

3. A copy of the notice must be delivered personally, mailed postage prepaid or ~~[given]~~ **delivered** as provided in ~~[subsection 8]~~ **section 11 of this act** to each stockholder of record entitled to vote at the meeting not less than 10 nor more than 60 days before the meeting. If mailed, it must be directed to the stockholder at his or her address as it appears upon the records of the corporation. ~~[and upon the mailing of any such notice the service thereof is complete, and the time of the notice begins to run from the date upon which the notice is deposited in the mail for transmission to the stockholder.]~~ Personal delivery of any such notice to any officer of a corporation or association, to any member of a limited-liability company managed by its members, to any manager of a limited-liability company managed by managers, to any general partner of a partnership or to any trustee of a trust constitutes delivery of the notice to the corporation, association, limited-liability company, partnership or trust.

4. The articles of incorporation or the bylaws may require that the notice be also published in one or more newspapers.

5. Notice delivered or mailed to a stockholder in accordance with the provisions of this section **and section 11 of this act** and the provisions, if any, of the articles of incorporation or the bylaws is sufficient, and in the event of the transfer of the stockholder's stock after such delivery or mailing and before the holding of the meeting it is not necessary to deliver or mail notice of the meeting to the transferee.

6. Unless otherwise provided in the articles of incorporation or the bylaws, if notice is required to be ~~[given,]~~ **delivered**, under any provision of this chapter or the articles of incorporation or bylaws of any corporation, to any stockholder to whom:

(a) Notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to the stockholder during the period between those two consecutive annual meetings; or

(b) All, and at least two, payments sent by first-class mail of dividends or interest on securities during a 12-month period,

↳ have been mailed addressed to the stockholder at his or her address as shown on the records of the corporation and have been returned undeliverable, the ~~[giving]~~ **delivery** of further notices to the stockholder is not required. Any action or meeting taken or held without notice to such a stockholder has the same effect as if the notice had been ~~[given,]~~ **delivered**. If any such stockholder delivers



to the corporation a written notice setting forth his or her current address, the requirement that notice be ~~[given]~~ **delivered** to the stockholder is reinstated. If the action taken by the corporation is such as to require the filing of a certificate under any of the other sections of this chapter, the certificate need not state that notice was not ~~[given]~~ **delivered** to persons to whom notice was not required to be ~~[given]~~ **delivered** pursuant to this subsection. The ~~[giving]~~ **delivery** of further notices to a stockholder is still required for any notice returned as undeliverable if the notice was ~~[given]~~ **delivered** by electronic transmission.

7. Unless the articles of incorporation or bylaws otherwise require, and except as otherwise provided in this subsection, if a stockholders' meeting is adjourned to another date, time or place, notice need not be ~~[given]~~ **delivered** of the date, time or place of the adjourned meeting if they are announced at the meeting at which the adjournment is taken. If a new record date is fixed for the adjourned meeting, notice of the adjourned meeting must be ~~[given]~~ **delivered** to each stockholder of record as of the new record date.

~~[8. Any notice to stockholders given by the corporation pursuant to any provision of this chapter, chapter 92A of NRS, the articles of incorporation or the bylaws is effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. The consent is revocable by the stockholder by written notice to the corporation. The consent is revoked if:~~

~~—(a) The corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with the consent; and~~

~~—(b) The inability to deliver by electronic transmission becomes known to the secretary, assistant secretary, transfer agent or other agent of the corporation responsible for the giving of notice. However, the inadvertent failure to treat the inability to deliver a notice by electronic transmission as a revocation does not invalidate any meeting or other action.~~

~~—9. Notice given pursuant to subsection 8 shall be deemed given if:~~

~~—(a) By facsimile machine, when directed to a number at which the stockholder has consented to receive notice;~~

~~—(b) By electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;~~

~~—(c) By a posting on an electronic network together with separate notice to the stockholder of the specific posting, upon the later of:~~

~~—(1) Such posting; and~~

~~—(2) The giving of the separate notice; and~~



~~—(d) By any other form of electronic transmission, when directed to the stockholder.~~

~~→ In the absence of fraud, an affidavit of the secretary, assistant secretary, transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission is prima facie evidence of the facts stated in the affidavit.~~

~~—10. As used in this section, “electronic transmission” means any form of communication not directly involving the physical transmission of paper that:~~

~~—(a) Creates a record that may be retained, retrieved and reviewed by a recipient of the communication; and~~

~~—(b) May be directly reproduced in paper form by the recipient through an automated process.]~~

Sec. 26. NRS 78.375 is hereby amended to read as follows:

78.375 Whenever any notice ~~{whatever}~~ *or other communication* is required to be ~~{given}~~ *delivered* under the provisions of this chapter, a waiver thereof in a signed writing ~~{or by transmission of an electronic record}~~ by the person or persons entitled to the notice ~~{,}~~ *or communication*, whether before or after the time stated therein, shall be deemed equivalent thereto.

Sec. 27. NRS 78.380 is hereby amended to read as follows:

78.380 1. At least two-thirds of the incorporators or of the board of directors of any corporation, if no voting stock of the corporation has been issued, may amend the articles of incorporation of the corporation by signing and filing with the Secretary of State a certificate amending, modifying, changing or altering the articles, in whole or in part. The certificate must state that:

(a) The signers thereof are at least two-thirds of the incorporators or of the board of directors of the corporation, and state the name of the corporation; and

(b) As of the date of the certificate, no voting stock of the corporation has been issued.

2. A certificate filed pursuant to this section is effective ~~{upon}~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

3. If a certificate specifies ~~{an}~~ *a later* effective date and if no voting stock of the corporation has been issued, the board of



directors may terminate the effectiveness of a certificate by filing a certificate of termination with the Secretary of State that:

(a) *Is filed before the effective date specified in the certificate filed with the Secretary of State pursuant to subsection 1;*

(b) Identifies the certificate being terminated;

~~(b)~~ (c) States that no voting stock of the corporation has been issued;

~~(c)~~ (d) States that the effectiveness of the certificate has been terminated;

~~(d)~~ (e) Is signed by at least two-thirds of the board of directors of the corporation; and

~~(e)~~ (f) Is accompanied by the fee required pursuant to NRS 78.765.

4. This section does not permit the insertion of any matter not in conformity with this chapter.

Sec. 28. NRS 78.390 is hereby amended to read as follows:

78.390 1. Except as otherwise provided in NRS 77.340, every amendment to the articles of incorporation must be made in the following manner:

(a) The board of directors must adopt a resolution setting forth the amendment proposed and either call a special meeting of the stockholders entitled to vote on the amendment or direct that the proposed amendment be considered at the next annual meeting of the stockholders entitled to vote on the amendment.

(b) At the meeting, of which notice must be given to each stockholder entitled to vote pursuant to the provisions of this section, a vote of the stockholders entitled to vote in person or by proxy must be taken for and against the proposed amendment. If it appears upon the canvassing of the votes that stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, as provided in subsections 2 and 4, or as may be required by the provisions of the articles of incorporation, have voted in favor of the amendment, an officer of the corporation shall sign a certificate setting forth the amendment, or setting forth the articles of incorporation as amended, and the vote by which the amendment was adopted.

(c) The certificate so signed must be filed with the Secretary of State.

2. Except as otherwise provided in this subsection, if any proposed amendment would adversely alter or change any preference or any relative or other right given to any class or series



of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series adversely affected by the amendment regardless of limitations or restrictions on the voting power thereof. The amendment does not have to be approved by the vote of the holders of shares representing a majority of the voting power of each class or series whose preference or rights are adversely affected by the amendment if the articles of incorporation specifically deny the right to vote on such an amendment.

3. Provision may be made in the articles of incorporation requiring, in the case of any specified amendments, a larger proportion of the voting power of stockholders than that required by this section.

4. Different series of the same class of shares do not constitute different classes of shares for the purpose of voting by classes except when the series is adversely affected by an amendment in a different manner than other series of the same class.

5. The resolution of the stockholders approving the proposed amendment may provide that at any time before the effective date of the amendment, notwithstanding approval of the proposed amendment by the stockholders, the board of directors may, by resolution, abandon the proposed amendment without further action by the stockholders.

6. A certificate filed pursuant to subsection 1 is effective ~~{upon}~~ *at the time of the* filing of the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

7. If a certificate filed pursuant to subsection 1 specifies ~~{an}~~ *a later* effective date and if the resolution of the stockholders approving the proposed amendment provides that the board of directors may abandon the proposed amendment pursuant to subsection 5, the board of directors may terminate the effectiveness of the certificate by resolution and by filing a certificate of termination with the Secretary of State that:

(a) Is filed before the effective date specified in the certificate filed *with the Secretary of State* pursuant to subsection 1;

(b) Identifies the certificate being terminated;



(c) States that, pursuant to the resolution of the stockholders, the board of directors is authorized to terminate the effectiveness of the certificate;

(d) States that the effectiveness of the certificate has been terminated;

(e) Is signed by an officer of the corporation; and

(f) Is accompanied by a filing fee of \$175.

Sec. 29. NRS 78.403 is hereby amended to read as follows:

78.403 1. A corporation may restate, or amend and restate, in a single certificate the entire text of its articles of incorporation as amended by filing with the Secretary of State a certificate in the manner provided in this section. If the certificate alters or amends the articles in any manner, it must comply with the provisions of NRS 78.380, 78.385 and 78.390, as applicable.

2. If the certificate does not alter or amend the articles, it must be signed by an officer of the corporation and state that the officer has been authorized to sign the certificate by resolution of the board of directors adopted on the date stated, and that the certificate correctly sets forth the text of the articles of incorporation as amended to the date of the certificate.

3. The following may be omitted from the restated articles:

(a) The names, addresses, signatures and acknowledgments of the incorporators;

(b) The names and addresses of the members of the past and present boards of directors; and

(c) The information required pursuant to NRS 77.310.

4. Whenever a corporation is required to file a certified copy of its articles, in lieu thereof it may file a certified copy of the most recent certificate restating its articles as amended, subject to the provisions of subsection 2, together with certified copies of all certificates of amendment filed subsequent to the restated articles and certified copies of all certificates supplementary to the original articles.

5. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*



Sec. 30. NRS 78.411 is hereby amended to read as follows:

78.411 As used in NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, unless the context otherwise requires, the words and terms defined in NRS 78.412 to 78.432, inclusive, *and section 14 of this act* have the meanings ascribed to them in those sections.

Sec. 31. NRS 78.413 is hereby amended to read as follows:

78.413 “Associate,” when used to indicate a relationship with any person, means:

1. Any corporation or organization of which that person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of voting shares;

2. Any trust or other estate in which that person has a substantial beneficial interest or as to which that person serves as trustee or in a similar fiduciary capacity; and

3. Any relative or spouse of that person, or any relative of the spouse, who has ~~[the same home as]~~ *a common principal residence with* that person.

Sec. 32. NRS 78.414 is hereby amended to read as follows:

78.414 “Beneficial owner,” when used with respect to any shares, means a person that:

1. Individually or with or through any of its affiliates or associates, ~~[beneficially owns the shares, directly or indirectly;]~~ *possesses:*

(a) Voting power over the shares, including, without limitation, the power to vote, or to direct the voting of, the shares; or

(b) Investment power over the shares, including, without limitation, the power to dispose, or to direct the disposition, of the shares,

↪ under any agreement, arrangement or understanding, whether or not in writing, but a person is not considered the beneficial owner of any shares under this subsection if the power to vote, or to direct the voting of, the shares arises solely from a revocable proxy or consent given in response to a solicitation made in accordance with the applicable regulations under the Securities Exchange Act and is not then reportable on a Schedule 13D under the Securities Exchange Act or any comparable or successor report;

2. Individually or with or through any of its affiliates or associates, has ~~f~~

~~—(a) The~~ *the* right to acquire the shares, whether the right is exercisable immediately or only after the passage of time, under any



agreement, arrangement or understanding, whether or not in writing, or upon the exercise of rights to convert or exchange, warrants or options, or otherwise, but a person is not considered the beneficial owner of shares tendered under an offer for a tender or exchange made by the person or any of ~~[his or her]~~ *the person's* affiliates or associates until the tendered shares are accepted for purchase or exchange; or

~~[(b) The right to vote the shares under any agreement, arrangement or understanding, whether or not in writing, but a person is not considered the beneficial owner of any shares under this paragraph if the agreement, arrangement or understanding to vote the shares arises solely from a revocable proxy or consent given in response to a solicitation made in accordance with the applicable regulations under the Securities Exchange Act and is not then reportable on a Schedule 13D under the Securities Exchange Act, or any comparable or successor report; or]~~

3. Has any agreement, arrangement or understanding, whether or not in writing, for the purpose of acquiring, holding, voting, except voting under a revocable proxy or consent as described in ~~[paragraph (b) of]~~ subsection ~~[2.]~~ *1*, or disposing of the shares with any other person who beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, the shares.

Sec. 33. NRS 78.416 is hereby amended to read as follows:

78.416 "Combination," when used in reference to any resident domestic corporation and any interested stockholder of the resident domestic corporation, means any of the following:

1. Any merger or consolidation of the resident domestic corporation or any subsidiary of the resident domestic corporation with:

(a) The interested stockholder; or

(b) Any other ~~[corporation,]~~ *entity*, whether or not itself an interested stockholder of the resident domestic corporation, which is, or after *and as a result of* the merger or consolidation would be, an affiliate or associate of the interested stockholder.

2. Any sale, lease, exchange, mortgage, pledge, transfer or other disposition, in one transaction or a series of transactions, to or with the interested stockholder or any affiliate or associate of the interested stockholder of assets of the resident domestic corporation or any subsidiary of the resident domestic corporation:

(a) Having an aggregate market value equal to *more than 5* percent ~~[or more]~~ of the aggregate market value of all the assets, determined on a consolidated basis, of the resident domestic corporation;



(b) Having an aggregate market value equal to *more than* 5 percent ~~{or more}~~ of the aggregate market value of all the outstanding *voting* shares of the resident domestic corporation; or

(c) Representing *more than* 10 percent ~~{or more}~~ of the earning power or net income, determined on a consolidated basis, of the resident domestic corporation.

3. The issuance or transfer by the resident domestic corporation or any subsidiary of the resident domestic corporation, in one transaction or a series of transactions, of any shares of the resident domestic corporation or any subsidiary of the resident domestic corporation that have an aggregate market value equal to 5 percent or more of the aggregate market value of all the outstanding *voting* shares of the resident domestic corporation to the interested stockholder or any affiliate or associate of the interested stockholder except under the exercise of warrants or rights to purchase shares offered, or a dividend or distribution paid or made, pro rata to all stockholders of the resident domestic corporation.

4. The adoption of any plan or proposal for the liquidation or dissolution of the resident domestic corporation ~~{proposed by, or}~~ under any agreement, arrangement or understanding, whether or not in writing, with the interested stockholder or any affiliate or associate of the interested stockholder.

5. ~~{Any:}~~ *Except for any transaction or series of transactions that would not constitute a combination pursuant to subsection 3, any:*

(a) Reclassification of securities, including, without limitation, any splitting of shares, *share* dividend, ~~{distributed in shares,}~~ or other distribution of shares with respect to other shares, or any issuance of new shares in exchange for a proportionately greater number of old shares;

(b) Recapitalization of the resident domestic corporation;

(c) Merger or consolidation of the resident domestic corporation with any subsidiary of the resident domestic corporation; or

(d) Other transaction, whether or not with or into or otherwise involving the interested stockholder,

↳ ~~{proposed by, or}~~ under any agreement, arrangement or understanding, whether or not in writing, with the interested stockholder or any affiliate or associate of the interested stockholder, which has the *immediate and proximate* effect ~~{, directly or indirectly,}~~ of increasing the proportionate share of the outstanding shares of any class or series of voting shares or securities convertible into voting shares of the resident domestic corporation or any subsidiary of the resident domestic corporation



which is ~~[directly or indirectly]~~ **beneficially** owned by the interested stockholder or any affiliate or associate of the interested stockholder, except as a result of immaterial changes because of adjustments of fractional shares.

6. Any receipt by the interested stockholder or any affiliate or associate of the interested stockholder of the benefit, directly or indirectly, except proportionately as a stockholder of the resident domestic corporation, of any loan, advance, guarantee, pledge or other financial assistance or any tax credit or other tax advantage provided by or through the resident domestic corporation.

Sec. 34. NRS 78.418 is hereby amended to read as follows:

78.418 1. Except as otherwise provided in subsection 2:

(a) “Control,” used alone or in 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 securities, by contract or otherwise.

(b) A person’s beneficial ownership of 10 percent or more of the voting power of a corporation’s outstanding voting shares creates a presumption that the person has control of the corporation ~~[1]~~:

(1) In the absence of proof by a preponderance of the evidence to the contrary; or

(2) Unless any other stockholder of the corporation, other than an affiliate or associate of the person, is the beneficial owner of an equal or greater percentage of the voting power of the corporation’s outstanding voting shares.

2. A person is not considered to have control of a corporation if the person holds voting power, in good faith and not for the purpose of circumventing the provisions of this chapter, as an agent, bank, broker, nominee, custodian or trustee for one or more beneficial owners who do not individually or as a group have control of the corporation.

Sec. 35. NRS 78.423 is hereby amended to read as follows:

78.423 1. “Interested stockholder,” when used in reference to any resident domestic corporation, means any person, other than the resident domestic corporation or any subsidiary of the resident domestic corporation, who is:

(a) The beneficial owner, directly or indirectly, of 10 percent or more of the voting power of the outstanding voting shares of the resident domestic corporation; or

(b) An affiliate or associate of the resident domestic corporation and at any time within ~~[3]~~ **2** years immediately before the date in question was the beneficial owner, directly or indirectly, of



10 percent or more of the voting power of the then outstanding shares of the resident domestic corporation.

2. To determine whether a person is an interested stockholder, the number of voting shares of the resident domestic corporation considered to be outstanding includes shares considered to be beneficially owned by that person through the application of NRS 78.414, but does not include any other unissued shares of a class of voting shares of the resident domestic corporation which may be issuable *to any person, other than the interested stockholder and its affiliates and associates*, under any agreement, arrangement or understanding, or upon exercise of rights to convert, warrants or options, or otherwise.

Sec. 36. NRS 78.424 is hereby amended to read as follows:

78.424 “Market value,” when used in reference to the shares or property of any resident domestic corporation, means:

1. In the case of shares, the highest closing sale price of a share during the 30 *calendar* days immediately preceding the date in question ~~[on the composite tape for shares listed on the New York Stock Exchange, or, if the shares are not quoted on the composite tape or not listed on the New York Stock Exchange,]~~ on the principal United States securities exchange registered under the Securities Exchange Act on which the shares are listed, or, if the shares are not listed on any such exchange, the fair market value on the date in question of a share as determined by the board of directors of the resident domestic corporation in good faith.

2. In the case of property other than cash or shares, the fair market value of the property on the date in question as determined by the board of directors of the resident domestic corporation in good faith.

Sec. 37. NRS 78.426 is hereby amended to read as follows:

78.426 “Preferred shares” means any class or series of shares of a resident domestic corporation that under the ~~[bylaws or]~~ articles of incorporation of the resident domestic corporation:

1. Is entitled to receive payment of dividends before any payment of dividends on some other class or series of shares; or

2. Is entitled in the event of any voluntary liquidation, dissolution or winding up of the corporation to receive payment or distribution of a preferential amount before any payments or distributions are received by some other class or series of shares.

Sec. 38. NRS 78.429 is hereby amended to read as follows:

78.429 “Share” means:

1. Any share *of stock* or similar security, any certificate of interest, any participation in any profit-sharing agreement, any



voting-trust certificate, or any certificate of deposit for a share ~~[1]~~, *in each case representing, directly or indirectly, equity ownership;* and

2. Any security convertible, with or without consideration, into shares, or any warrant, call or other option or privilege of buying shares without being bound to do so, or any other security carrying any right to acquire, subscribe to, or purchase shares.

Sec. 39. NRS 78.431 is hereby amended to read as follows:

78.431 “Subsidiary” of any resident domestic corporation means any other ~~[corporation]~~ *entity* of which a majority of the ~~[outstanding voting shares whose votes are entitled to be cast are owned.]~~ *voting power is held,* directly or indirectly, by the resident domestic corporation.

Sec. 40. NRS 78.433 is hereby amended to read as follows:

78.433 **1.** NRS 78.411 to 78.444, inclusive, *and section 14 of this act* do not apply to any combination of a resident domestic corporation:

~~[1.]~~ *(a)* Which ~~[does]~~ *was* not, as of the date that the person first becomes an interested stockholder, ~~[have a class of voting shares registered with the Securities and Exchange Commission under section 12 of the Securities Exchange Act,]~~ *a publicly traded corporation,* unless the corporation’s articles of incorporation provide otherwise.

~~[2.]~~ *(b)* Whose articles of incorporation have been amended to provide that the resident domestic corporation is subject to NRS 78.411 to 78.444, inclusive, *and section 14 of this act* and which ~~[did]~~ *was* not ~~[have a class of voting shares registered with the Securities and Exchange Commission under section 12 of the Securities Exchange Act]~~ *a publicly traded corporation* on the effective date of the amendment, if the combination is with a person who first became an interested stockholder before the effective date of the amendment.

2. The articles of incorporation of a resident domestic corporation may impose on combinations of the resident domestic corporation stricter requirements than the requirements of NRS 78.411 to 78.444, inclusive, and section 14 of this act.

3. The provisions of NRS 78.411 to 78.444, inclusive, and section 14 of this act do not restrict the directors of a resident domestic corporation from taking action to protect the interests of the corporation and its stockholders, including, without limitation, adopting or signing plans, arrangements or instruments that grant or deny rights, privileges, power or authority to a holder or holders



of a specified number of shares or percentage of share ownership or voting power.

Sec. 41. NRS 78.434 is hereby amended to read as follows:

78.434 NRS 78.411 to 78.444, inclusive, *and section 14 of this act* do not apply to any combination of a resident domestic corporation:

1. Whose original articles of incorporation contain a provision expressly electing not to be governed by NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, unless the articles of incorporation are subsequently amended to provide that the corporation is subject to NRS 78.411 to 78.444, inclusive ~~{,}~~ , *and section 14 of this act*;

2. Whose articles of incorporation have been amended pursuant to subsection 1 and the combination is with a person who first became an interested stockholder before the effective date of the amendment;

3. Which, within 30 days after October 1, 1991, adopts an amendment to its bylaws expressly electing not to be governed by NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, which may be rescinded by subsequent amendment of the bylaws;

4. Which adopts an amendment to its articles of incorporation, approved by the affirmative vote of the holders ~~[, other than interested stockholders and their affiliates and associates,]~~ of *stock representing* a majority of the outstanding voting power of the resident domestic corporation ~~[, excluding the voting shares of]~~ *not beneficially owned by* interested stockholders ~~{and}~~ *or* their affiliates and associates, expressly electing not to be governed by NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, but the amendment to the articles of incorporation is not effective until 18 months after the vote of the resident domestic corporation's stockholders and does not apply to any combination of the resident domestic corporation with a person who first became an interested stockholder on or before the effective date of the amendment; or

5. Whose articles of incorporation were amended to contain a provision expressly electing not to be governed by NRS 78.411 to 78.444, inclusive, *and section 14 of this act*, before the date the corporation first became a resident domestic corporation.

Sec. 42. NRS 78.436 is hereby amended to read as follows:

78.436 NRS 78.411 to 78.444, inclusive, *and section 14 of this act* do not apply to any combination of a resident domestic corporation with an interested stockholder of the resident domestic corporation who became an interested stockholder inadvertently, if the interested stockholder:



1. As soon as practicable ~~[]~~ *and before the date of consummation with respect to the combination*, divests ~~[himself or herself of]~~ a sufficient amount of the voting power of the corporation so that ~~[he or she]~~ *the interested stockholder* no longer is the beneficial owner, directly or indirectly, of 10 percent or more of the outstanding voting power of the resident domestic corporation; and

2. Would not at any time within ~~[3 years]~~ *12 months* preceding the date of announcement with respect to the combination have been an interested stockholder but for the inadvertent acquisition.

Sec. 43. NRS 78.438 is hereby amended to read as follows:

78.438 1. Except as otherwise provided in NRS 78.433 to 78.437, inclusive, a resident domestic corporation may not engage in any combination with any interested stockholder of the resident domestic corporation for ~~[3]~~ *2* years after the date that the person first became an interested stockholder unless ~~[the]~~ :

(a) *The combination or the transaction by which the person first became an interested stockholder is approved by the board of directors of the resident domestic corporation before the person first became an interested stockholder* ~~[]~~ ; or

(b) *The combination is approved by the board of directors of the resident domestic corporation and, at or after that time, the combination is approved at an annual or special meeting of the stockholders of the resident domestic corporation, and not by written consent, by the affirmative vote of the holders of stock representing at least 60 percent of the outstanding voting power of the resident domestic corporation not beneficially owned by the interested stockholder or the affiliates or associates of the interested stockholder.*

2. If a proposal in good faith regarding a combination is made in writing to the board of directors of the resident domestic corporation, the board of directors shall respond, in writing, within 30 days or such shorter period, if any, as may be required by the Securities Exchange Act, setting forth its reasons for its decision regarding the proposal.

3. If a proposal in good faith to enter into a transaction by which the person will become an interested stockholder is made in writing to the board of directors of the resident domestic corporation, the board of directors, unless it responds affirmatively in writing within 30 days or such shorter period, if any, as may be required by the Securities Exchange Act, is considered to have disapproved the transaction.



Sec. 44. NRS 78.439 is hereby amended to read as follows:

78.439 A resident domestic corporation may not engage in any combination with an interested stockholder of the resident domestic corporation after the expiration of ~~[3]~~ 2 years after the person first became an interested stockholder other than a combination meeting all of the requirements of the articles of incorporation of the resident domestic corporation and either the requirements specified in subsection 1, 2 or 3 or all of the requirements specified in NRS 78.441 to 78.444, inclusive ~~[;]~~, *and section 14 of this act:*

1. ~~[A]~~ The combination *was* approved by the board of directors of the resident domestic corporation before ~~[the date that the]~~ *such* person first became an interested stockholder.

2. ~~[A combination with an interested stockholder if the]~~ The transaction by which the person *first* became an interested stockholder was approved by the board of directors of the resident domestic corporation before the person *first* became an interested stockholder.

3. ~~[A]~~ The combination approved *is at an annual or special meeting of the stockholders of the resident domestic corporation held no earlier than 2 years after the date that the person first became an interested stockholder, and not by written consent*, by the affirmative vote of the holders of stock representing a majority of the outstanding voting power *of the resident domestic corporation* not beneficially owned by the interested stockholder ~~[proposing the combination,]~~ or any affiliate or associate of the interested stockholder . ~~[proposing the combination, at a meeting called for that purpose no earlier than 3 years after the date that the person first became an interested stockholder.]~~

Sec. 45. NRS 78.441 is hereby amended to read as follows:

78.441 ~~[A]~~ *As an alternative to a* combination ~~[engaged in]~~ *satisfying the requirements of subsection 1, 2 or 3 of NRS 78.439, a combination* with an interested stockholder of the resident domestic corporation *engaged in* more than ~~[3]~~ 2 years after the date that the person first became an interested stockholder ~~[may be]~~ *is* permissible if *the requirements of NRS 78.442, 78.443 and 78.444 are satisfied and* the aggregate amount of the cash and the market value, as of the date of consummation, of consideration other than cash to be received per share by all of the holders of outstanding common shares of the resident domestic corporation not beneficially owned by ~~[the]~~ *such* interested stockholder immediately before that date is at least equal to the higher of the following:

1. The highest price per share paid by the interested stockholder, at a time when ~~[he or she]~~ *the interested stockholder*



was the beneficial owner, directly or indirectly, of 5 percent or more of the outstanding voting shares of the corporation, for any common shares of the same class or series acquired by the interested stockholder within ~~[3]~~ 2 years immediately before the date of announcement with respect to the combination or within ~~[3]~~ 2 years immediately before, or in, the transaction in which ~~he or she~~ *the person* became an interested stockholder, whichever is higher, plus, in either case, interest compounded annually from the earliest date on which the highest price per share was paid through the date of consummation at the rate for one-year obligations of the United States Treasury ~~[from time to time]~~ in effect ~~[.]~~ *on that earliest date*, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per common share since ~~[the]~~ *that* earliest date . ~~[, but no more may be subtracted than the amount of the interest.]~~

2. The market value per common share on the date of announcement with respect to the combination or on the date that the person first became an interested stockholder, whichever is higher, plus interest compounded annually from that date through the date of consummation at the rate for one-year obligations of the United States Treasury ~~[from time to time]~~ in effect ~~[.]~~ *on that date*, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per common share since that date . ~~[, but no more may be subtracted than the amount of the interest.]~~

Sec. 46. NRS 78.442 is hereby amended to read as follows:

78.442 ~~[A]~~ *As an alternative to a combination ~~[engaged in]~~ satisfying the requirements of subsection 1, 2 or 3 of NRS 78.439, a combination* with an interested stockholder of the resident domestic corporation *engaged in* more than ~~[3]~~ 2 years after the date that the person first became an interested stockholder ~~[may be]~~ *is* permissible if *the requirements of NRS 78.441, 78.443 and 78.444 are satisfied and* the aggregate amount of the cash and the market value, as of the date of consummation, of consideration other than cash to be received per share by all of the holders of outstanding shares of any class or series of shares, other than common shares, of the resident domestic corporation not beneficially owned by the interested stockholder immediately before that date is at least equal to the highest of the following, whether or not the interested stockholder has previously acquired any shares of the class or series of shares:

1. The highest price per share paid by the interested stockholder, at a time when ~~he or she~~ *the interested stockholder*



was the beneficial owner, directly or indirectly, of 5 percent or more of the outstanding voting shares of the corporation, for any shares of that class or series of shares acquired by the interested stockholder within ~~[3]~~ 2 years immediately before the date of announcement with respect to the combination or within ~~[3]~~ 2 years immediately before, or in, the transaction in which ~~[he or she]~~ *the person* became an interested stockholder, whichever is higher, plus, in either case, interest compounded annually from the earliest date on which the highest price per share was paid through the date of consummation at the rate for one-year obligations of the United States Treasury ~~[from time to time]~~ in effect ~~[,]~~ *on that earliest date*, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per share of the class or series of shares since ~~[the]~~ *that* earliest date . ~~[, but no more may be subtracted than the amount of the interest.]~~

2. The *amount specified in the articles of incorporation of the resident domestic corporation, including in any certificate of designation for the class or series, to which the holders of shares of the class or series of shares are entitled upon the consummation of a transaction of a type encompassing the combination, determined as if the transaction had been consummated on the date of consummation with respect to the combination or on the date that the interested stockholder first became an interested stockholder, whichever is higher or, if the articles of incorporation, including any certificate of designation, do not so provide, the* highest preferential amount per share to which the holders of shares of the class or series of shares are entitled in the event of any voluntary liquidation, dissolution or winding up of the resident domestic corporation, plus the aggregate amount of any dividends declared or due to which the holders are entitled before payment of the dividends on some other class or series of shares, unless the aggregate amount of the dividends is included in the preferential amount.

3. The market value per share of the class or series of shares on the date of announcement with respect to the combination or on the date that the person first became an interested stockholder, whichever is higher, plus interest compounded annually from that date through the date of consummation at the rate for one-year obligations of the United States Treasury ~~[from time to time]~~ in effect ~~[,]~~ *on that date*, less the aggregate amount of any dividends paid in cash and the market value of any dividends paid other than in cash, per share of the class or series of shares since that date . ~~[, but no more may be subtracted than the amount of the interest.]~~



Sec. 47. NRS 78.443 is hereby amended to read as follows:

78.443 The consideration to be received by holders of a particular class or series of outstanding shares, including common shares, of the resident domestic corporation in ~~the~~ *a* combination pursuant to NRS 78.441 and 78.442 ~~is~~ must be in cash or in the same form as the interested stockholder has used to acquire the largest number of shares of the class or series of shares previously acquired by ~~it~~ *the interested stockholder*, and the consideration must be distributed promptly.

Sec. 48. NRS 78.444 is hereby amended to read as follows:

78.444 ~~[A combination may be]~~ *As an alternative to a combination satisfying the requirements of subsection 1, 2 or 3 of NRS 78.439, a combination with an interested stockholder of the resident domestic corporation engaged in more than 2 years after the date that the person first became an interested stockholder is* permissible if *the requirements of NRS 78.441, 78.442 and 78.443 are satisfied and*, after the date that ~~the~~ *such* person first became an interested stockholder and before the date of consummation with respect to the combination, the interested stockholder has not become the beneficial owner of any additional voting shares of the resident domestic corporation except:

1. As part of the transaction that resulted in the person becoming an interested stockholder;

2. By virtue of ~~[proportionate splitting of shares, dividends distributed in shares, or other distributions of shares in respect of shares]~~ *any transaction or series of transactions* not constituting a combination;

3. Through a combination meeting ~~all of~~ the ~~conditions~~ *requirements* of NRS 78.439; or

4. Through a purchase at any price that, if the price had been paid in an otherwise permissible combination whose date of announcement and date of consummation were the date of the purchase, would have satisfied the requirements of NRS 78.441, 78.442 and 78.443.

Sec. 49. NRS 78.580 is hereby amended to read as follows:

78.580 1. If the board of directors of any corporation organized under this chapter ~~[, after the issuance of stock or the beginning of business,]~~ decides that the corporation should be dissolved, the board may adopt a resolution to that effect.

2. If the corporation has issued no stock, only the directors need to approve the dissolution.

3. If the corporation has issued stock, the directors must recommend the dissolution to the stockholders. *The board of*



directors may condition its submission of the proposal for dissolution on any lawful basis. The corporation shall notify each stockholder, *whether or not* entitled to vote on dissolution, *of the proposed dissolution* and the stockholders entitled to vote must approve the dissolution.

~~[2-]~~ 4. If the dissolution is approved by the directors or both the directors and stockholders, as respectively provided in ~~[subsection 1-]~~ *subsections 2 and 3*, the corporation shall file with the ~~[Office of the]~~ Secretary of State a certificate signed by an officer of the corporation setting forth that the dissolution has been approved by the directors, or by the directors and the stockholders, and a list of the names and addresses, either residence or business, of the corporation's president, secretary and treasurer, or the equivalent thereof, and all of its directors.

~~[3-]~~ 5. The dissolution takes effect ~~[upon]~~ *at the time of the* filing of the certificate of dissolution *with the Secretary of State* or upon a later date *and time as* specified in the certificate, which *date* must be not more than 90 days after the date on which the certificate is filed. *If a certificate of dissolution specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

Sec. 50. NRS 78.585 is hereby amended to read as follows:

78.585 The dissolution of a corporation does not impair any remedy or cause of action available to or against it or its directors, officers or shareholders arising before its dissolution and commenced within 2 years after the date of the dissolution. ~~It~~ *The corporation* continues as a body corporate for the purpose of prosecuting and defending suits, actions, proceedings and claims of any kind or character by or against it and of enabling it gradually to settle and close its business, *to collect its assets*, to collect and discharge its obligations, to dispose of and convey its property, ~~[and]~~ to distribute its ~~[assets,]~~ *money and other property among the stockholders, after paying or adequately providing for the payment of its liabilities and obligations, and to do every other act to wind up and liquidate its business and affairs*, but not for the purpose of continuing the business for which it was established.

Sec. 51. NRS 78.590 is hereby amended to read as follows:

78.590 1. Upon the dissolution of any corporation under the provisions of NRS 78.580, or upon the expiration of the period of its corporate existence, limited by its articles of incorporation, the directors become trustees thereof, with full power to ~~[settle the affairs, collect the outstanding debts, sell and convey the property, real and personal, and divide the]~~ *prosecute and defend suits*,



actions, proceedings and claims of any kind or character by or against the corporation and of enabling the corporation gradually to settle and close its business, to collect its assets, to collect and discharge its obligations, to dispose of and convey its property, and to distribute its money and other property among the stockholders, after paying or adequately providing for the payment of its liabilities and obligations ~~H~~, and to do every other act to wind up and liquidate its business and affairs, but not for the purpose of continuing the business for which the corporation was established.

2. After paying or adequately providing for the liabilities and obligations of the corporation, the trustees, with the written consent of stockholders holding stock in the corporation entitling them to exercise at least a majority of the voting power, may sell the remaining assets or any part thereof to a corporation organized under the laws of this or any other state, and take in payment therefor the stock or bonds, or both, of that corporation and distribute them among the stockholders of the liquidated corporation, in proportion to their interest therein. No such sale is valid as against any stockholder who, within 30 days after the mailing of notice to the stockholder of the sale, applies to the district court for an appraisal of the value of his or her interest in the assets so sold, and unless within 30 days after the appraisal is confirmed by the court the stockholders consenting to the sale, or some of them, pay to the objecting stockholder or deposit for the objecting stockholder's account, in the manner directed by the court, the amount of the appraisal. Upon the payment or deposit the interest of the objecting stockholder vests in the person or persons making the payment or deposit.

3. In winding up and liquidating the business and affairs of the corporation, the trustees have the duties imposed upon them, and the benefit of the presumptions established, by NRS 78.138.

Sec. 52. NRS 78.746 is hereby amended to read as follows:

78.746 1. On application to a court of competent jurisdiction by ~~the~~ *any* judgment creditor of a stockholder, the court may charge the stockholder's stock with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the stockholder's stock.

2. ~~[This]~~ *Subject to the provisions of NRS 78.747, this section:*

(a) *Provides the exclusive remedy by which a judgment creditor of a stockholder or an assignee of a stockholder may satisfy a judgment out of the stock of the judgment debtor. No other remedy, including, without limitation, foreclosure on the stockholder's stock or a court order for directions, accounts and*



inquiries that the debtor or stockholder might have made, is available to the judgment creditor attempting to satisfy the judgment out of the judgment debtor's interest in the corporation, and no other remedy may be ordered by a court.

(b) Does not deprive any stockholder of the benefit of any exemption applicable to the stockholder's stock.

(c) Applies only to a corporation that:

(1) Has ~~more than 1 but~~ fewer than 100 stockholders of record at any time.

(2) Is not a *publicly traded corporation or a* subsidiary of a publicly traded corporation, either in whole or in part.

(3) Is not a professional corporation as defined in NRS 89.020.

~~[(b)]~~ (d) Does not apply to any liability of a stockholder that exists as the result of an action filed before July 1, 2007.

~~[(c) Provides the exclusive remedy by which a judgment creditor of a stockholder or an assignee of a stockholder may satisfy a judgment out of the stockholder's stock of the corporation.~~

~~—(d) Does not deprive any stockholder of the benefit of any exemption applicable to the stockholder's stock.]~~

(e) Does not supersede any ~~private~~ *written* agreement between a stockholder and a creditor if the ~~private~~ *written* agreement does not conflict with the corporation's articles of incorporation, bylaws or any shareholder agreement to which the stockholder is a party.

3. As used in this section, "rights of an assignee" means the rights to receive the share of the distributions or dividends paid by the corporation to which the judgment debtor would otherwise be entitled. The term does not include the rights to participate in the management of the business or affairs of the corporation or to become a director of the corporation.

Sec. 53. NRS 78.751 is hereby amended to read as follows:

78.751 1. Any discretionary indemnification pursuant to NRS 78.7502, unless ordered by a court or advanced pursuant to subsection 2, may be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

(a) By the stockholders;

(b) By the board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;



(c) If a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion; or

(d) If a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

2. The articles of incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that the director or officer is not entitled to be indemnified by the corporation. The provisions of this subsection do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

3. The indemnification pursuant to NRS 78.7502 and advancement of expenses authorized in or ordered by a court pursuant to this section:

(a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in the person's official capacity or an action in another capacity while holding office, except that indemnification, unless ordered by a court pursuant to NRS 78.7502 or for the advancement of expenses made pursuant to subsection 2, may not be made to or on behalf of any director or officer if a final adjudication establishes that the director's or officer's acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action. *A right to indemnification or to advancement of expenses arising under a provision of the articles of incorporation or any bylaw is not eliminated or impaired by an amendment to such provision 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.*



(b) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

Sec. 54. NRS 78.760 is hereby amended to read as follows:

78.760 1. The fee for filing articles of incorporation is prescribed in the following schedule:

If the amount represented by the total number of shares provided for in the articles is:	
\$75,000 or less	\$75
Over \$75,000 and not over \$200,000.....	175
Over \$200,000 and not over \$500,000.....	275
Over \$500,000 and not over \$1,000,000.....	375
Over \$1,000,000:	
For the first \$1,000,000.....	375
For each additional \$500,000 or fraction thereof.....	275

2. The maximum fee which may be charged pursuant to this section : ~~is \$35,000 for:~~

(a) ~~The~~ *Is \$35,000 for the* original filing of *the* articles of incorporation.

(b) ~~It~~ *Is \$34,925 for a* subsequent filing of any instrument which authorizes an increase in stock.

3. For the purposes of computing the filing fees according to the schedule in subsection 1, the amount represented by the total number of shares provided for in the articles of incorporation is:

(a) The aggregate par value of the shares, if only shares with a par value are therein provided for;

(b) The product of the number of shares multiplied by \$1, regardless of any lesser amount prescribed as the value or consideration for which shares may be issued and disposed of, if only shares without par value are therein provided for; or

(c) The aggregate par value of the shares with a par value plus the product of the number of shares without par value multiplied by \$1, regardless of any lesser amount prescribed as the value or consideration for which the shares without par value may be issued and disposed of, if shares with and without par value are therein provided for.

↳ For the purposes of this subsection, shares with no prescribed par value shall be deemed shares without par value.

4. The Secretary of State shall calculate filing fees pursuant to this section with respect to shares with a par value of less than one-tenth of a cent as if the par value were one-tenth of a cent.



Sec. 55. NRS 78A.180 is hereby amended to read as follows:

78A.180 1. A corporation may voluntarily terminate its status as a close corporation, and cease to be subject to the provisions of this chapter, by amending the certificate of incorporation to delete therefrom the additional provisions required or permitted by NRS 78A.020 to be stated in the certificate of incorporation of a close corporation. An amendment must be adopted and become effective in accordance with NRS 78.390, except that it must be approved by a vote of the holders of record of at least two-thirds of the voting shares of each class of stock of the corporation that are outstanding.

2. The certificate of incorporation of a close corporation may provide that on any amendment to terminate the status as a close corporation, a vote greater than two-thirds or a vote of all shares of any class may be required. If the certificate of incorporation contains such a provision, that provision may not be amended, repealed or modified by any vote less than that required to terminate the status of the corporation as a close corporation.

3. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If the certificate specifies a later effective date but does not specify an effective time, the certificate becomes effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

Sec. 56. (Deleted by amendment.)

Sec. 57. NRS 80.190 is hereby amended to read as follows:

80.190 1. Except as otherwise provided in subsection 2, each foreign corporation doing business in this State shall, not later than the month of March in each year, publish a statement ~~[of its last calendar year's business]~~ in two numbers or issues of a newspaper published in this State that has a total weekly circulation of at least 1,000. The statement must include:

- (a) The name of the corporation.
- (b) The name and title of the corporate officer submitting the statement.
- (c) The mailing or street address of the corporation's principal office.
- (d) The mailing or street address of the corporation's office in this State, if one exists.

2. If the corporation keeps its records on the basis of a fiscal year other than the calendar, the statement required by subsection 1



must be published not later than the end of the third month following the close of each fiscal year.

3. A corporation which neglects or refuses to publish a statement as required by this section is liable to a penalty of \$100 for each month that the statement remains unpublished.

4. Any district attorney in the State or the Attorney General may sue to recover the penalty. The first county suing through its district attorney shall recover the penalty, and if no suit is brought for the penalty by any district attorney, the State may recover through the Attorney General.

Sec. 58. NRS 82.006 is hereby amended to read as follows:

82.006 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 82.011 to ~~[82.044,]~~ **82.041**, inclusive, have the meanings ascribed to them in those sections.

Sec. 59. NRS 82.346 is hereby amended to read as follows:

82.346 1. If the first meeting of the directors has not taken place and if there are no members, a majority of the incorporators of a corporation may amend the original articles by signing and proving in the manner required for original articles, and filing with the Secretary of State a certificate amending, modifying, changing or altering the original articles, in whole or in part. The certificate must state that:

(a) The signers thereof are a majority of the original incorporators of the corporation; and

(b) As of the date of the certification, no meeting of the directors has taken place and the corporation has no members other than the incorporators.

2. A certificate filed pursuant to this section is effective ~~upon~~ **at the time of the** filing of the certificate with the Secretary of State or upon a later date **and time as** specified in the certificate, which **date** must not be more than 90 days after the **date on which the** certificate is filed. ***If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.***

3. This section does not permit the insertion of any matter not in conformity with this chapter.

4. The Secretary of State shall charge the fee allowed by law for filing the amended certificate of incorporation.



Sec. 60. NRS 82.356 is hereby amended to read as follows:

82.356 1. Except as otherwise provided in NRS 77.340, each amendment adopted pursuant to the provisions of NRS 82.351 must be made in the following manner:

(a) The board of directors must adopt a resolution setting forth the amendment proposed, approve it and, if the corporation has members entitled to vote on an amendment to the articles, call a meeting, either annual or special, of the members. The amendment must also be approved by each public official or other person whose approval of an amendment of articles is required by the articles.

(b) At the meeting of members, of which notice must be given to each member entitled to vote pursuant to the provisions of this section, a vote of the members entitled to vote in person or by proxy must be taken for and against the proposed amendment. A majority of a quorum of the voting power of the members or such greater proportion of the voting power of members as may be required in the case of a vote by classes, as provided in subsection 3, or as may be required by the articles, must vote in favor of the amendment.

(c) Upon approval of the amendment by the directors, or if the corporation has members entitled to vote on an amendment to the articles, by both the directors and those members, and such other persons or public officers, if any, as are required to do so by the articles, an officer of the corporation must sign a certificate setting forth the amendment, or setting forth the articles as amended, that the public officers or other persons, if any, required by the articles have approved the amendment, and the vote of the members and directors by which the amendment was adopted.

(d) The certificate so signed must be filed in the Office of the Secretary of State.

2. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing of the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

3. If any proposed amendment would alter or change any preference or any relative or other right given to any class of members, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of a majority of a quorum of the voting power of each class of



members affected by the amendment regardless of limitations or restrictions on their voting power.

4. In the case of any specified amendments, the articles may require a larger vote of members than that required by this section.

Sec. 61. NRS 82.371 is hereby amended to read as follows:

82.371 1. A corporation may restate, or amend and restate, in a single certificate the entire text of its articles as amended by filing with the Secretary of State a certificate which must set forth the articles as amended to the date of the certificate. If the certificate alters or amends the articles in any manner, it must comply with the provisions of NRS 82.346, 82.351 and 82.356, as applicable, and must be accompanied by a form prescribed by the Secretary of State setting forth which provisions of the articles of incorporation on file with the Secretary of State are being altered or amended.

2. If the certificate does not alter or amend the articles, it must be signed by an officer of the corporation and must state that the officer has been authorized to sign the certificate by resolution of the board of directors adopted on the date stated, and that the certificate correctly sets forth the text of the articles as amended to the date of the certificate.

3. The following may be omitted from the restated articles:

(a) The names, addresses, signatures and acknowledgments of the incorporators;

(b) The names and addresses of the members of the past and present board of directors; and

(c) The information required pursuant to NRS 77.310.

4. Whenever a corporation is required to file a certified copy of its articles, in lieu thereof it may file a certified copy of the most recent certificate restating its articles as amended, subject to the provisions of subsection 2, together with certified copies of all certificates of amendment filed after the restated articles and certified copies of all certificates supplementary to the original articles.

5. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which* the certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*



Sec. 62. NRS 82.451 is hereby amended to read as follows:

82.451 1. A corporation may be dissolved and its affairs wound up voluntarily if the board of directors adopts a resolution to that effect and calls a meeting of the members entitled to vote to take action upon the resolution. The resolution must also be approved by any person or superior organization whose approval is required by a provision of the articles authorized by NRS 82.091. The meeting of the members must be held with due notice. If at the meeting the members entitled to exercise a majority of all the voting power consent by resolution to the dissolution, a certificate signed by an officer of the corporation setting forth that the dissolution has been approved in compliance with this section, together with a list of the names and addresses, either residence or business, of the president, the secretary and the treasurer, or the equivalent thereof, and all the directors of the corporation, must be filed in the Office of the Secretary of State.

2. If a corporation has no members entitled to vote upon a resolution calling for the dissolution of the corporation, the corporation may be dissolved and its affairs wound up voluntarily by the board of directors if it adopts a resolution to that effect. The resolution must also be approved by any person or superior organization whose approval is required by a provision of the articles authorized by NRS 82.091. A certificate setting forth that the dissolution has been approved in compliance with this section and a list of the officers and directors, signed as provided in subsection 1, must be filed in the Office of the Secretary of State.

3. Upon the dissolution of any corporation under the provisions of this section or upon the expiration of its period of corporate existence, the directors are the trustees of the corporation in liquidation and in winding up the affairs of the corporation. The act of a majority of the directors as trustees remaining in office is the act of the directors as trustees.

4. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*



Sec. 63. NRS 82.456 is hereby amended to read as follows:

82.456 1. Actions available to or against a corporation or its directors, officers or members are limited as provided in NRS 78.585.

2. A corporation dissolved under this chapter and its directors, trustees, receivers, members, creditors and the district court have all the rights, duties and liabilities they have with respect to dissolved corporations governed by chapter 78 of NRS as provided by NRS 78.585 ~~[, 78.595]~~ and 78.615.

3. The district court and the clerk of the court have the same powers and duties with respect to dissolved corporations governed by this chapter as they have with respect to dissolved corporations governed by chapter 78 of NRS as provided in NRS 78.600, 78.605, 78.615 and 78.620.

Sec. 64. NRS 86.011 is hereby amended to read as follows:

86.011 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 86.022 to ~~[86.128,]~~ **86.1255**, inclusive, have the meanings ascribed to them in those sections.

Sec. 65. NRS 86.201 is hereby amended to read as follows:

86.201 1. A limited-liability company is considered legally organized pursuant to this chapter : ~~[upon:]~~

(a) ~~[Filing]~~ *At the time of the filing of* the articles of organization with the Secretary of State , ~~[or]~~ upon a later date *and time as* specified in the articles ~~[of organization:]~~ , *which date must not be more than 90 days after the date on which the articles are filed or, if the articles specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable;* and

(b) ~~[Paying]~~ *Upon paying* the required filing fees to the Secretary of State.

2. A limited-liability company must not transact business or incur indebtedness, except that which is incidental to its organization or to obtaining subscriptions for or payment of contributions, until the company is considered legally organized pursuant to subsection 1.

3. A limited-liability company is an entity distinct from its managers and members.

Sec. 66. NRS 86.216 is hereby amended to read as follows:

86.216 1. For any limited-liability company where management is vested in one or more managers and where no member's interest in the limited-liability company has been issued, at least two-thirds of the organizers or the managers of the limited-



liability company may amend the articles of organization of the limited-liability company by signing and filing with the Secretary of State a certificate amending, modifying, changing or altering the articles, in whole or in part. The certificate must state that:

(a) The signers thereof are at least two-thirds of the organizers or the managers of the limited-liability company, and state the name of the limited-liability company; and

(b) As of the date of the certificate, no member's interest in the limited-liability company has been issued.

2. A certificate filed pursuant to this section is effective ~~upon~~ *at the time of the* filing ~~of~~ the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

3. If a certificate filed pursuant to this section specifies ~~an~~ *a* later effective date and if no member's interest in the limited-liability company has been issued, the managers of the limited-liability company may terminate the effectiveness of the certificate by filing a certificate of termination with the Secretary of State that:

(a) *Is filed before the effective date specified in the certificate filed with the Secretary of State pursuant to subsection 1;*

(b) Identifies the certificate being terminated;

~~(b)~~ (c) States that no member's interest in the limited-liability company has been issued;

~~(c)~~ (d) States that the effectiveness of the certificate has been terminated;

~~(d)~~ (e) Is signed by at least two-thirds of the managers; and

~~(e)~~ (f) Is accompanied by a filing fee of \$175.

4. This section does not permit the insertion of any matter not in conformity with this chapter.

Sec. 67. NRS 86.221 is hereby amended to read as follows:

86.221 1. The articles of organization of a limited-liability company may be amended for any purpose, not inconsistent with law, as determined by all of the members or permitted by the articles or an operating agreement.

2. Except as otherwise provided in NRS 77.340, an amendment must be made in the form of a certificate setting forth:

(a) The name of the limited-liability company;

(b) Whether the limited-liability company is managed by managers or members; and



(c) The amendment to the articles of organization.

3. The certificate of amendment must be signed by a manager of the company or, if management is not vested in a manager, by a member.

4. Restated articles of organization may be signed and filed in the same manner as a certificate of amendment. If the certificate alters or amends the articles in any manner, it must be accompanied by a form prescribed by the Secretary of State setting forth which provisions of the articles of organization on file with the Secretary of State are being altered or amended.

5. The following may be omitted from the restated articles of organization:

(a) The names, addresses, signatures and acknowledgments of the organizers;

(b) The names and addresses of the past and present members or managers; and

(c) The information required pursuant to NRS 77.310.

6. A certificate of amendment or restated articles of organization filed pursuant to this section are effective at the time of the filing of the certificate or restated articles with the Secretary of State or upon a later date and time as specified in the certificate or restated articles, which date must not be more than 90 days after the date on which the certificate or restated articles are filed. If a certificate or restated articles filed pursuant to this section specify a later effective date but do not specify an effective time, the certificate or restated articles are effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 68. NRS 86.226 is hereby amended to read as follows:

86.226 1. A signed certificate of amendment, or a certified copy of a judicial decree of amendment, must be filed with the Secretary of State. A person who signs a certificate as an agent, officer or fiduciary of the limited-liability company need not exhibit evidence of his or her authority as a prerequisite to filing. Unless the Secretary of State finds that a certificate does not conform to law, upon receipt of all required filing fees the Secretary of State shall file the certificate.

2. A certificate of amendment or judicial decree of amendment is effective ~~upon~~ *at the time of the filing of the certificate or judicial decree* with the Secretary of State or upon a later date *and time as* specified in the certificate or judicial decree, which *date* must not be more than 90 days after the certificate or judicial decree is filed. *If a certificate or judicial decree filed pursuant to subsection 1 specifies a later effective date but does not specify an*



effective time, the certificate or judicial decree is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

3. If a certificate *filed pursuant to subsection 1* specifies ~~[an]~~ *a later* effective date *or a later effective date and time* and if the resolution of the members approving the proposed amendment provides that one or more managers or, if management is not vested in a manager, one or more members may abandon the proposed amendment, then those managers or members may terminate the effectiveness of the certificate by filing a certificate of termination with the Secretary of State that:

(a) Is filed before the effective date *and time* specified in the certificate ~~[or judicial decree]~~ filed pursuant to subsection 1 ~~[.]~~ *or, if the certificate specifies a later effective date but does not specify an effective time, on or before the day preceding the specified later date;*

(b) Identifies the certificate being terminated;

(c) States that, pursuant to the resolution of the members, the manager of the company or, if management is not vested in a manager, a designated member is authorized to terminate the effectiveness of the certificate;

(d) States that the effectiveness of the certificate has been terminated;

(e) Is signed by a manager of the company or, if management is not vested in a manager, a designated member; and

(f) Is accompanied by a filing fee of \$175.

Sec. 69. NRS 86.401 is hereby amended to read as follows:

86.401 1. On application to a court of competent jurisdiction by ~~[a]~~ *any* judgment creditor of a member, the court may charge the member's interest with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the member's interest.

2. This section:

(a) Provides the exclusive remedy by which a judgment creditor of a member or an assignee of a member may satisfy a judgment out of the member's interest of the judgment debtor ~~[.]~~ *, whether the limited-liability company has one member or more than one member. No other remedy, including, without limitation, foreclosure on the member's interest or a court order for directions, accounts and inquiries that the debtor or member might have made, is available to the judgment creditor attempting to satisfy the judgment out of the judgment debtor's interest in the limited-liability company, and no other remedy may be ordered by a court.*



(b) Does not deprive any member of the benefit of any exemption applicable to his or her interest.

(c) Does not supersede any written agreement between a member and a creditor if the written agreement does not conflict with the limited-liability company's articles of organization or operating agreement.

Sec. 70. NRS 86.541 is hereby amended to read as follows:

86.541 1. The signed articles of dissolution must be filed with the Secretary of State. Articles of dissolution are effective ~~{upon}~~ *at the time of the* filing *of* the articles with the Secretary of State or upon a later date *and time as* specified in the articles, which *date* must not be more than 90 days after the *date on which the* articles are filed. *If the articles filed pursuant to this section specify a later effective date but do not specify an effective time, the articles are effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

2. ~~{Upon}~~ *At the time of* the filing of the articles of dissolution ~~{or}~~ *with the Secretary of State*, upon a later date *and time as* specified in the articles ~~{}~~ *, which date must not be more than 90 days after the date on which the articles are filed or, if the articles filed pursuant to this section specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable,* the existence of the company ceases, except for the purpose of suits, other proceedings and appropriate action as provided in this chapter. The manager or managers in office at the time of dissolution, or the survivors of them, are thereafter trustees for the members and creditors of the dissolved company and as such have authority to distribute any property of the company discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the dissolved company.

Sec. 71. NRS 86.547 is hereby amended to read as follows:

86.547 1. A foreign limited-liability company may cancel its registration by filing with the Secretary of State a certificate of cancellation signed by a manager of the company or, if management is not vested in a manager, a member of the company. The certificate, which must be accompanied by the required fees, must set forth:

- (a) The name of the foreign limited-liability company;
- (b) The effective date *and time* of the cancellation if other than the ~~{date}~~ *time* of the filing of the certificate of cancellation ~~{}~~ *with the Secretary of State*, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and



(c) Any other information deemed necessary by the manager of the company or, if management is not vested in a manager, a member of the company.

2. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

3. A cancellation pursuant to this section does not terminate the authority of the Secretary of State to accept service of process on the foreign limited-liability company with respect to causes of action arising from the transaction of business in this State by the foreign limited-liability company.

Sec. 72. NRS 87.001 is hereby amended to read as follows:

87.001 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 87.002 ~~[to 87.008, inclusive,]~~ and 87.007 have the meanings ascribed to them in those sections.

Sec. 73. NRS 87.460 is hereby amended to read as follows:

87.460 1. A certificate of registration of a registered limited-liability partnership may be amended by filing with the Secretary of State a certificate of amendment. The certificate of amendment must set forth:

(a) The name of the registered limited-liability partnership; and
(b) The change to the information contained in the original certificate of registration or any other certificates of amendment.

2. The certificate of amendment must be:

(a) Signed by a managing partner of the registered limited-liability partnership; and
(b) Accompanied by a fee of \$175.

3. A certificate filed pursuant to this section is effective ~~[upon]~~ *at the time of the* filing of the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

Sec. 74. NRS 87A.240 is hereby amended to read as follows:

87A.240 1. In order to amend its certificate of limited partnership, a limited partnership must deliver to the Secretary of State for filing an amendment or articles of merger stating:

(a) The name of the limited partnership; and



(b) The changes the amendment makes to the certificate as most recently amended or restated.

2. A limited partnership shall promptly deliver to the Secretary of State for filing an amendment to a certificate of limited partnership to reflect:

(a) The admission of a new general partner;

(b) The withdrawal of a person as a general partner; or

(c) The appointment of a person to wind up the limited partnership's activities under subsection 3 or 4 of NRS 87A.500.

3. A general partner that knows that any information in a filed certificate of limited partnership was false when the certificate was filed or has become false due to changed circumstances shall promptly:

(a) Cause the certificate to be amended; or

(b) If appropriate, deliver to the Secretary of State for filing a certificate of correction pursuant to NRS 87A.275.

4. A certificate of limited partnership may be amended at any time for any other proper purpose as determined by the limited partnership.

5. A restated certificate of limited partnership may be delivered to the Secretary of State for filing in the same manner as an amendment.

6. An amendment or restated certificate is effective ~~[when filed by]~~ *at the time of the filing of the amendment or restated certificate with* the Secretary of State or upon a later date *and time as* specified in the *amendment or restated* certificate, which *date* must not be more than 90 days after the *date on which the amendment or restated* certificate is filed. *If an amendment or restated certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the amendment or restated certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

Sec. 75. NRS 87A.480 is hereby amended to read as follows:

87A.480 1. On application to a court of competent jurisdiction by any judgment creditor of a partner, ~~[or transferee,]~~ the court may charge the ~~[transferable]~~ *partnership* interest of the ~~[judgment debtor]~~ *partner* with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of ~~[a transferee. The court may appoint a receiver of the share of the distributions due or to become due to the judgment debtor in respect]~~ *an assignee* of the partnership ~~[and make all other orders, directions, accounts and inquiries the judgment debtor might have made or which the~~



~~circumstances of the case may require to give effect to the charging order.] interest.~~

~~2. [A charging order constitutes a lien on the judgment debtor's transferable interest. The court may order a foreclosure upon the interest subject to the charging order at any time. The purchaser at the foreclosure sale has the rights of a transferee.~~

~~—3. At any time before foreclosure, an interest charged may be redeemed:~~

~~—(a) By the judgment debtor;~~

~~—(b) With property other than limited partnership property, by one or more of the other partners; or~~

~~—(c) With limited partnership property, by the limited partnership with the consent of all partners whose interests are not so charged.~~

~~—4. This chapter does not deprive any partner or transferee of the benefit of any exemption laws applicable to the partner's or transferee's transferable interest.~~

~~—5.] This section [provides] :~~

(a) Provides the exclusive remedy by which a judgment creditor of a partner or [transferee] an assignee of a partner may satisfy a judgment out of the partnership interest of the judgment [debtor's transferable interest.] debtor. No other remedy, including, without limitation, foreclosure on the partner's partnership interest or a court order for directions, accounts and inquiries that the debtor or partner might have made, is available to the judgment creditor attempting to satisfy the judgment out of the judgment debtor's interest in the limited partnership, and no other remedy may be ordered by a court.

(b) Does not deprive any partner of the benefit of any exemption laws applicable to the partnership interest of the partner.

(c) Does not supersede any written agreement between a partner and creditor if the written agreement does not conflict with the partnership's certificate of limited partnership or partnership agreement.

Sec. 76. NRS 87A.605 is hereby amended to read as follows:

87A.605 *1.* A foreign limited partnership may cancel its registration by filing with the Secretary of State a certificate of cancellation signed by a general partner. The certificate must set forth:

~~[1.]~~ *(a)* The name of the foreign limited partnership;

~~[2.]~~ *(b)* The reason for filing the certificate of cancellation;

~~[3.]~~ *(c)* The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate ~~[.]~~ *with the*



Secretary of State, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[4.]~~ (d) Any other information deemed necessary by the general partners of the partnership.

→ A cancellation does not terminate the authority of the Secretary of State to accept service of process on the foreign limited partnership with respect to causes of action arising out of the transactions of business in this State.

2. If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 77. NRS 87A.630 is hereby amended to read as follows:

87A.630 1. To become a registered limited-liability limited partnership, a limited partnership shall file with the Secretary of State a certificate of registration stating each of the following:

- (a) The name of the limited partnership.
- (b) The street address of its principal office.
- (c) The information required pursuant to NRS 77.310.
- (d) The name and business address of each organizer signing the certificate.
- (e) The name and business address of each initial general partner.
- (f) That the limited partnership thereafter will be a registered limited-liability limited partnership.
- (g) Any other information that the limited partnership wishes to include.

2. The certificate of registration must be signed by the vote necessary to amend the partnership agreement or, in the case of a partnership agreement that expressly considers contribution obligations, the vote necessary to amend those provisions.

3. The Secretary of State shall register as a registered limited-liability limited partnership any limited partnership that submits a completed certificate of registration with the required fee.

4. A partnership may register as a registered limited-liability limited partnership at the time it files a certificate of limited partnership by filing a combined certificate of limited partnership and limited-liability limited partnership with the Secretary of State and paying the fees prescribed in subsections 1 and 2 of NRS 87A.315.

5. The registration of a registered limited-liability limited partnership is effective ~~on~~ *at the [later of the] time of the* filing of the certificate of registration *with the Secretary of State* or *upon* a



later date and time as specified in the certificate of registration [4], which date must not be more than 90 days after the date on which the certificate of registration is filed. If the certificate of registration specifies a later effective date but does not specify an effective time, the certificate of registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 78. NRS 88.315 is hereby amended to read as follows:

88.315 As used in this chapter, unless the context otherwise requires:

1. “Certificate of limited partnership” means the certificate referred to in NRS 88.350, and the certificate as amended or restated.

2. “Contribution” means any cash, property, services rendered, or a promissory note or other binding obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in his or her capacity as a partner.

3. “Event of withdrawal of a general partner” means an event that causes a person to cease to be a general partner as provided in NRS 88.450.

4. “Foreign limited partnership” means a partnership formed under the laws of a jurisdiction other than this State and having as partners one or more general partners and one or more limited partners.

5. “Foreign registered limited-liability limited partnership” means a foreign limited-liability limited partnership:

(a) Formed pursuant to an agreement governed by the laws of another state; and

(b) Registered pursuant to and complying with NRS 88.570 to 88.605, inclusive, and 88.609.

6. “General partner” means a person who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement and named in the certificate of limited partnership as a general partner.

7. “Limited partner” means a person who has been admitted to a limited partnership as a limited partner in accordance with the partnership agreement.

8. “Limited partnership” and “domestic limited partnership” mean a partnership formed by two or more persons under the laws of this State and having one or more general partners and one or more limited partners, including a restricted limited partnership.

9. “Partner” means a limited or general partner.



10. “Partnership agreement” means any valid agreement, written or oral, of the partners as to the affairs of a limited partnership and the conduct of its business.

11. “Partnership interest” means a partner’s share of the profits and losses of a limited partnership and the right to receive distributions of partnership assets.

~~12. [“Record” means information that is inscribed on tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.]~~

~~13.]~~ “Registered limited-liability limited partnership” means a limited partnership:

(a) Formed pursuant to an agreement governed by this chapter; and

(b) Registered pursuant to and complying with NRS 88.350 to 88.415, inclusive, 88.606, 88.6065 and 88.607.

~~[14.]~~ 13. “Registered agent” has the meaning ascribed to it in NRS 77.230.

~~[15.]~~ 14. “Registered office” means the office maintained at the street address of the registered agent.

~~[16.]~~ 15. “Restricted limited partnership” means a limited partnership organized and existing under this chapter that elects to include the optional provisions permitted by NRS 88.350.

~~[17. “Sign” means to affix a signature to a record.]~~

~~18. “Signature” means a name, word, symbol or mark executed or otherwise adopted, or a record encrypted or similarly processed in whole or in part, by a person with the present intent to identify himself or herself and adopt or accept a record. The term includes, without limitation, an electronic signature as defined in NRS 719.100.]~~

~~19.]~~ 16. “State” means a state, territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

~~[20. “Street address” of a registered agent means the actual physical location in this State at which a registered agent is available for service of process.]~~

Sec. 79. NRS 88.355 is hereby amended to read as follows:

88.355 1. A certificate of limited partnership is amended by filing a certificate of amendment thereto in the Office of the Secretary of State. The certificate must set forth:

- (a) The name of the limited partnership; and
- (b) The amendment.



2. Within 30 days after the happening of any of the following events, an amendment to a certificate of limited partnership reflecting the occurrence of the event or events must be filed:

- (a) The admission of a new general partner;
- (b) The withdrawal of a general partner; or
- (c) The continuation of the business under NRS 88.550 after an event of withdrawal of a general partner.

3. A general partner who becomes aware that any statement in a certificate of limited partnership was false when made or that any arrangements or other facts described, except the address of its office or the name or address of its registered agent, have changed, making the certificate inaccurate in any respect, shall promptly amend the certificate.

4. A certificate of limited partnership may be amended at any time for any other proper purpose the general partners determine.

5. No person has any liability because an amendment to a certificate of limited partnership has not been filed to reflect the occurrence of any event referred to in subsection 2 if the amendment is filed within the 30-day period specified in subsection 2.

6. A certificate of amendment filed pursuant to this section is effective ~~upon~~ *at the time of the* filing *of* the certificate with the Secretary of State or upon a later date *and time as* specified in the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed. *If a certificate filed pursuant to this section specifies a later effective date but does not specify an effective time, the certificate is effective at 12:01 a.m. in the Pacific time zone on the specified later date.*

7. A restated certificate of limited partnership may be signed and filed in the same manner as a certificate of amendment. If the certificate alters or amends the certificate of limited partnership in any manner, it must be accompanied by a form prescribed by the Secretary of State setting forth which provisions of the certificate of limited partnership on file with the Secretary of State are being altered or amended.

Sec. 80. NRS 88.360 is hereby amended to read as follows:

88.360 **1.** A certificate of limited partnership must be cancelled upon the dissolution and the commencement of winding up of the partnership or at any other time there are no limited partners. A certificate of cancellation must be filed in the Office of the Secretary of State and set forth:

- ~~1-~~ **(a)** The name of the limited partnership;
- ~~2-~~ **(b)** The reason for filing the certificate of cancellation;



~~[3.]~~ (c) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate ~~[.]~~ *with the Secretary of State*, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[4.]~~ (d) Any other information the general partners filing the certificate determine.

2. If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the certificate of limited partnership is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 81. NRS 88.380 is hereby amended to read as follows:

88.380 1. A signed copy of the certificate of limited partnership and of any certificates of amendment or cancellation or of any judicial decree of amendment or cancellation must be delivered to the Secretary of State. A person who signs a certificate as an agent or fiduciary need not exhibit evidence of his or her authority as a prerequisite to filing. Unless the Secretary of State finds that any certificate does not conform to law, upon receipt of all filing fees required by law the Secretary of State shall file the certificate.

2. ~~[Upon]~~ *At the time of* the filing of a certificate of amendment or judicial decree of amendment with the Secretary of State, ~~[or]~~ upon a later date *and time as* specified in the certificate ~~[.]~~ *or judicial decree*, which *date* must not be more than 90 days after the *date on which the* certificate *or judicial decree* is filed ~~[.]~~ *or, if a certificate or judicial decree filed pursuant to this section specifies a later effective date but does not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable*, the certificate of limited partnership is amended as set forth therein. ~~[, and upon the effective date]~~

3. *At the time of the filing* of a certificate of cancellation or a judicial decree thereof ~~[.]~~ *with the Secretary of State, upon a later date and time as specified in the certificate or judicial decree, which date must not be more than 90 days after the date on which the certificate or judicial decree is filed or, if a certificate or judicial decree filed pursuant to this section specifies a later effective date but does not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date, whichever is applicable*, the certificate of limited partnership is cancelled.

Sec. 82. NRS 88.535 is hereby amended to read as follows:

88.535 1. On application to a court of competent jurisdiction by any judgment creditor of a partner, the court may charge the partnership interest of the partner with payment of the unsatisfied



amount of the judgment with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the partnership interest.

2. This section:

(a) Provides the exclusive remedy by which a judgment creditor of a partner or an assignee of a partner may satisfy a judgment out of the partnership interest of the judgment debtor. *No other remedy, including, without limitation, foreclosure on the partner's partnership interest or a court order for directions, accounts and inquiries that the debtor or partner might have made, is available to the judgment creditor attempting to satisfy the judgment out of the judgment debtor's interest in the limited partnership, and no other remedy may be ordered by a court.*

(b) Does not deprive any partner of the benefit of any exemption laws applicable to the partnership interest of the partner.

(c) Does not supersede any written agreement between a partner and creditor if the written agreement does not conflict with the partnership's certificate of limited partnership or partnership agreement.

Sec. 83. NRS 88.595 is hereby amended to read as follows:

88.595 **1.** A foreign limited partnership may cancel its registration by filing with the Secretary of State a certificate of cancellation signed by a general partner. The certificate must set forth:

~~[1-]~~ (a) The name of the foreign limited partnership;

~~[2-]~~ (b) The reason for filing the certificate of cancellation;

~~[3-]~~ (c) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate ~~[]~~ *with the Secretary of State*, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[4-]~~ (d) Any other information deemed necessary by the general partners of the partnership.

➤ A cancellation does not terminate the authority of the Secretary of State to accept service of process on the foreign limited partnership with respect to causes of action arising out of the transactions of business in this State.

2. If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 84. NRS 88A.030 is hereby amended to read as follows:

88A.030 "Business trust" means an unincorporated association which:



1. Is created by a ~~{trust}~~ *governing* instrument under which property is held, *administered*, managed, controlled, invested, reinvested or operated, or any combination of these, or business or professional activities for profit are carried on, by a trustee *or trustees* for the benefit of the persons entitled to a beneficial interest in the trust property ~~{;}~~ *or as otherwise provided in the governing instrument;* and

2. Files a certificate of trust pursuant to NRS 88A.210.

➔ The term includes, without limitation, a trust of the type known at common law as a business trust or Massachusetts trust, a trust qualifying as a real estate investment trust pursuant to 26 U.S.C. §§ 856 et seq., as amended, or any successor provision, or a trust qualifying as a real estate mortgage investment conduit pursuant to 26 U.S.C. § 860D, as amended, or any successor provision.

Sec. 85. NRS 88A.050 is hereby amended to read as follows:

88A.050 “Governing instrument” means ~~{the}~~ *any one or more instruments, whether referred to as a* trust instrument, *declaration of trust or otherwise,* that ~~{creates}~~ *create* a trust and ~~{provides}~~ *provide* for the governance of its affairs and the conduct of its business.

Sec. 86. NRS 88A.210 is hereby amended to read as follows:

88A.210 1. One or more persons may create a business trust by adopting a governing instrument and signing and filing with the Secretary of State a certificate of trust. The certificate of trust must set forth:

- (a) The name of the business trust;
- (b) The name and address, either residence or business, of at least one trustee;
- (c) The information required pursuant to NRS 77.310;
- (d) The name and address, either residence or business, of each person signing the certificate of trust; and
- (e) Any other information the trustees determine to include.

2. Upon the filing of the certificate of trust with the Secretary of State and the payment to the Secretary of State of the required filing fee, the Secretary of State shall issue to the business trust a certificate that the required records with the required content have been filed. From the date of that filing, the business trust is legally formed pursuant to this chapter.

3. Except as otherwise provided in the governing instrument, a business trust organized on or after October 1, 2011, is deemed to be an entity separate from its trustee or trustees and beneficial owner. Except as otherwise provided in the governing instrument, a business trust may hold or take title to property in its own name,



or in the name of a trustee in the trustee's capacity as trustee, whether in an active, passive or custodial capacity. The provisions of this subsection do not change the status of any business trust existing as an entity or aggregation before October 1, 2011.

4. Neither the use of the designation "business trust" nor a statement in a governing instrument or certificate of trust to the effect that the trust formed thereby is or will qualify as a business trust under this chapter creates a presumption or inference that the trust so formed is a business trust for the purposes of Title 11 of the United States Code.

Sec. 87. NRS 88A.250 is hereby amended to read as follows:

88A.250 ~~[Upon the filing of a]~~

1. A certificate of amendment or restatement filed with the Secretary of State ~~[, or upon the future effective]~~ pursuant to this chapter is effective:

(a) At the time of the filing of the certificate or restatement with the Secretary of State;

(b) Upon a later date ~~[of such a]~~ and time as specified in the certificate ~~[as provided for therein,]~~, which date must not be more than 90 days after the date on which the certificate or restatement is filed with the Secretary of State; or

(c) If the certificate or restatement specifies a later effective date but does not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date.

↪ At the effective time of the certificate or restatement, the certificate of trust is amended or restated as set forth ~~[. Upon the filing of a]~~ in the certificate or restatement.

2. A certificate of cancellation ~~[,]~~ or the articles of merger in which the business trust is not a surviving entity ~~[,]~~ are effective:

(a) At the time of the filing of the certificate or articles with the Secretary of State ~~[, or upon the future effective]~~ ;

(b) Upon a later date ~~[of the]~~ and time as specified in the certificate or articles, which date must not be more than 90 days after the date on which the certificate or articles are filed with the Secretary of State; or

(c) If the certificate or articles specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date.

↪ At the effective time of the certificate or articles, the certificate of trust is cancelled.

Sec. 88. NRS 88A.260 is hereby amended to read as follows:

88A.260 1. Except as otherwise provided in the certificate of trust, the governing instrument or this chapter, a business trust has



perpetual existence and may not be terminated or revoked by a beneficial owner or other person except in accordance with the certificate of trust or governing instrument.

2. Except as otherwise provided in the certificate of trust or the governing instrument, the death, incapacity, dissolution, termination or bankruptcy of a beneficial owner does not result in the termination or dissolution of a business trust.

3. An artificial person formed or organized pursuant to the laws of a foreign nation or other foreign jurisdiction or the laws of another state shall not be deemed to be doing business in this State solely because it is a beneficial owner or trustee of a business trust.

4. The provisions of NRS 662.245 do not apply to the appointment of a trustee of a business trust formed pursuant to this chapter.

5. A business trust or any series thereof does not terminate because the same person is the sole trustee and sole beneficial owner.

Sec. 89. NRS 88A.360 is hereby amended to read as follows:
88A.360 ~~[To the extent that, at law or in equity,]~~

1. Except as otherwise provided in the governing instrument but subject to the provisions of subsection 3, a trustee ~~[has duties, fiduciary or otherwise, and liabilities relating thereto to a]~~ shall act in good faith and in a manner the trustee reasonably believes to be in the best interest of the business trust ~~. [or beneficial owner;~~

~~—1.]~~ *2. If there is at least one trustee of a series trust that, in discharging its duties, is obligated to consider the interests of the trust and all series thereof, the governing instrument may provide that one or more other trustees, in discharging their duties, may consider only the interest of the trust or one or more series thereof.*

3. The governing instrument may expand, restrict or eliminate the duties of the trustee of a business trust, except that a governing instrument may not eliminate the implied contractual covenant of good faith and fair dealing.

4. If the trustee acts pursuant to a governing instrument, the trustee is not liable to the business trust or to a beneficial owner for the trustee's reliance in good faith on the provisions of the governing instrument ~~. [; and~~

~~—2. The duties and liabilities of the trustee may be expanded or restricted by provisions in the governing instrument.]~~

Sec. 90. NRS 88A.420 is hereby amended to read as follows:

88A.420 *1.* A certificate of trust must be cancelled upon the completion or winding up of the business trust and its termination.



A certificate of cancellation must be signed by a trustee, filed with the Secretary of State, and set forth:

~~[1-]~~ (a) The name of the business trust;

~~[2-]~~ (b) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[3-]~~ (c) Any other information the trustee determines to include.

2. If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the certificate of trust is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 91. NRS 88A.740 is hereby amended to read as follows:

88A.740 *1.* A foreign business trust may cancel its registration by filing with the Secretary of State a certificate of cancellation signed by a trustee. The certificate must set forth:

~~[1-]~~ (a) The name of the foreign business trust;

~~[2-]~~ (b) The effective date *and time* of the cancellation if other than the ~~[date]~~ *time* of the filing of the certificate, which *date* must not be more than 90 days after the *date on which the* certificate is filed; and

~~[3-]~~ (c) Any other information deemed necessary by the trustee.

↪ A cancellation does not terminate the authority of the Secretary of State to accept service of process on the foreign business trust with respect to causes of action arising out of the transaction of business in this State.

2. If a certificate filed pursuant to subsection 1 specifies a later effective date but does not specify an effective time, the cancellation of the registration is effective at 12:01 a.m. in the Pacific time zone on the specified later date.

Sec. 92. NRS 89.020 is hereby amended to read as follows:

89.020 As used in this chapter, unless the context requires otherwise:

1. “Articles” means either the articles of incorporation of a professional corporation or the articles of organization of a professional limited-liability company.

2. “Employee” means a person licensed or otherwise legally authorized to render professional service within this State who renders such service through a professional entity or a professional association, but does not include clerks, bookkeepers, technicians or other persons who are not usually considered by custom and practice of the profession to be rendering professional services to the public.



3. “Licensed” means legally authorized by the appropriate regulating board of this State to engage in a regulated profession in this State.

4. “Owner” means the owner of stock in a professional corporation or the owner of a member’s interest, as defined in NRS 86.091, in a professional limited-liability company.

5. “Owner’s interest” means the stock of a professional corporation or a member’s interest, as defined in NRS 86.091, of a professional limited-liability company.

6. “Professional association” means a common-law association of two or more persons licensed or otherwise legally authorized to render professional service within this State when created by written articles of association which contain in substance the following provisions characteristic of corporate entities:

(a) The death, insanity, bankruptcy, retirement, resignation, expulsion or withdrawal of any member of the association does not cause its dissolution.

(b) The authority to manage the affairs of the association is vested in a board of directors or an executive board or committee, elected by the members of the association.

(c) The members of the association are employees of the association.

(d) Members’ ownership is evidenced by certificates.

7. “Professional corporation” means a corporation organized under this chapter to render a professional service.

8. “Professional entity” means either a professional corporation or a professional limited-liability company.

9. “Professional limited-liability company” means a limited-liability company organized pursuant to this chapter to render professional service.

10. “Professional service” means any type of personal service which may legally be performed only pursuant to a license, certificate of registration or other legal authorization.

11. ~~“Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.~~

~~—12.—~~ “Regulating board” means the body which regulates and authorizes the admission to the profession which a professional entity or a professional association is authorized to perform.

~~13. “Sign” means to affix a signature to a record.~~

~~—14.— “Signature” means a name, word, symbol or mark executed or otherwise adopted, or a record encrypted or similarly processed in whole or in part, by a person with the present intent to identify~~



~~himself or herself and adopt or accept a record. The term includes, without limitation, an electronic signature as defined in NRS 719.100.]~~

Sec. 93. Chapter 92A of NRS is hereby amended by adding thereto a new section to read as follows:

Any notice or other communication sent pursuant to any provision of this chapter may be delivered by electronic transmission pursuant to section 11 of this act.

Sec. 94. NRS 92A.005 is hereby amended to read as follows:

92A.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 92A.007 to ~~[92A.097.]~~ **92A.092**, inclusive, have the meanings ascribed to them in those sections.

Sec. 95. NRS 92A.105 is hereby amended to read as follows:

92A.105 1. Except as limited by NRS 78.411 to 78.444, inclusive, *and section 14 of this act* one domestic general partnership or one domestic entity, except a domestic nonprofit corporation, may convert into a domestic entity of a different type or *into* a foreign entity if ~~[the]~~ *a* plan of conversion is approved pursuant to the provisions of this chapter.

2. The plan of conversion must be in writing and set forth the:

- (a) Name of the constituent entity and the proposed name for the resulting entity;
- (b) Jurisdiction of the law that governs the constituent entity;
- (c) Jurisdiction of the law that will govern the resulting entity;
- (d) Terms and conditions of the conversion;
- (e) Manner and basis, if any, of converting the owner's interest *of the constituent entity* or the interest of a partner in a general partnership ~~[of]~~ *that is* the constituent entity into owner's interests, rights of purchase and other securities in the resulting entity or cancelling such owner's interests in whole or in part; and
- (f) Full text of the charter documents of the resulting entity.

3. The plan of conversion may set forth other provisions relating to the conversion.

Sec. 96. NRS 92A.130 is hereby amended to read as follows:

92A.130 1. Action by the stockholders of a surviving domestic corporation on a plan of merger is not required if:

- (a) The articles of incorporation of the surviving domestic corporation will not differ from its articles before the merger;
- (b) Each stockholder of the surviving domestic corporation whose shares were outstanding immediately before the effective date of the merger will hold the same number of shares, with



identical designations, preferences, limitations and relative rights immediately after the merger;

(c) The number of voting shares ~~outstanding immediately after the merger, plus the number of voting shares~~ issued *and issuable* as a result of the merger ~~[, either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger,]~~ will not exceed ~~[by more than]~~ 20 percent *of* the total number of voting shares of the surviving domestic corporation outstanding immediately before the merger; and

(d) The number of participating shares ~~outstanding immediately after the merger, plus the number of participating shares~~ *issued and issuable* as a result of the merger ~~[, either by the conversion of securities issued pursuant to the merger or the exercise of rights and warrants issued pursuant to the merger,]~~ will not exceed ~~[by more than]~~ 20 percent *of* the total number of participating shares outstanding immediately before the merger.

2. As used in this section:

(a) "Participating shares" means shares that entitle their holders to participate without limitation in distributions.

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

Sec. 97. NRS 92A.195 is hereby amended to read as follows:

92A.195 1. One foreign entity or foreign general partnership may convert into one domestic entity if:

(a) The conversion is permitted by the law of the jurisdiction governing the foreign entity or foreign general partnership and the foreign entity or foreign general partnership complies with that law in effecting the conversion;

(b) The foreign entity or foreign general partnership complies with the applicable provisions of NRS 92A.205 ~~[and, if it is the resulting entity in the conversion, with NRS 92A.210 to 92A.240, inclusive,]~~, *92A.207, 92A.210, 92A.230 and 92A.240*; and

(c) The *resulting* domestic entity complies with the applicable provisions of NRS ~~[92A.105,]~~ *92A.205 and 92A.220*.

2. One domestic entity or domestic general partnership may convert into one foreign entity if:

(a) The conversion is permitted by the law of the jurisdiction governing the resulting foreign entity and the resulting foreign entity complies with that law in effecting the conversion; and

(b) The domestic entity complies with the applicable provisions of NRS 92A.105, 92A.120, 92A.135, 92A.140 , [and] 92A.165 , [and, if it is the resulting entity in the conversion, with NRS]



92A.205 ~~{to}~~ , 92A.207, 92A.210, 92A.230 and 92A.240 . ~~{inclusive.}~~

~~—2.~~ 3. When ~~{the}~~ a conversion *pursuant to subsection 2* takes effect, the resulting foreign entity ~~{in a conversion}~~ shall be deemed to have appointed the Secretary of State as its agent for service of process in a proceeding to enforce any obligation. Service of process must be made personally by delivering to and leaving with the Secretary of State duplicate copies of the process and the payment of a fee of \$100 for accepting and transmitting the process. The Secretary of State shall send one of the copies of the process by registered or certified mail to the resulting entity at its specified address, unless the resulting entity has designated in writing to the Secretary of State a different address for that purpose, in which case it must be mailed to the last address so designated.

Sec. 98. NRS 92A.240 is hereby amended to read as follows:

92A.240 1. A merger, conversion or exchange takes effect ~~{upon}~~ :

(a) *At the time of the* filing of the articles of merger, conversion or exchange ~~{or upon}~~ *with the Secretary of State;*

(b) *Upon* a later date *and time* as specified in the articles, which *date* must not be more than 90 days after the *date on which the* articles are filed ~~{}~~ ; or

(c) *If the articles specify a later effective date but do not specify an effective time, at 12:01 a.m. in the Pacific time zone on the specified later date.*

2. If the filed articles of merger, conversion or exchange specify such a later effective date ~~{}~~ *or effective date and time*, the constituent entity or entities may file articles of termination before the effective ~~{date,}~~ *time*, setting forth:

(a) The name of each constituent entity and, for a conversion, the resulting entity; and

(b) That the merger, conversion or exchange has been terminated pursuant to the plan of merger, conversion or exchange.

3. The articles of termination must be signed in the manner provided in NRS 92A.230.

Sec. 99. (Deleted by amendment.)

Sec. 100. NRS 92A.380 is hereby amended to read as follows:

92A.380 1. Except as otherwise provided in NRS 92A.370 and 92A.390 ~~{}~~ *and subject to the limitation in paragraph (f)*, any stockholder is entitled to dissent from, and obtain payment of the fair value of the stockholder's shares in the event of any of the following corporate actions:



(a) Consummation of a plan of merger to which the domestic corporation is a constituent entity:

(1) If approval by the stockholders is required for the merger by NRS 92A.120 to 92A.160, inclusive, or the articles of incorporation, regardless of whether the stockholder is entitled to vote on the plan of merger; or

(2) If the domestic corporation is a subsidiary and is merged with its parent pursuant to NRS 92A.180.

(b) Consummation of a plan of conversion to which the domestic corporation is a constituent entity as the corporation whose subject owner's interests will be converted.

(c) Consummation of a plan of exchange to which the domestic corporation is a constituent entity as the corporation whose subject owner's interests will be acquired, if the stockholder's shares are to be acquired in the plan of exchange.

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

(e) Accordance of full voting rights to control shares, as defined in NRS 78.3784, only to the extent provided for pursuant to NRS 78.3793.

(f) Any corporate action not described in this subsection that will result in the stockholder receiving money or scrip instead of ~~fractional shares~~ *a fraction of a share* except where the stockholder would not be entitled to receive such payment pursuant to NRS 78.205, 78.2055 or 78.207. *A dissent pursuant to this paragraph applies only to the fraction of a share, and the stockholder is entitled only to obtain payment of the fair value of the fraction of a share.*

2. A stockholder who is entitled to dissent and obtain payment pursuant to NRS 92A.300 to 92A.500, inclusive, may not challenge the corporate action creating the entitlement unless the action is unlawful or fraudulent with respect to the stockholder or the domestic corporation.

3. ~~From~~ *Subject to the limitations in this subsection, from* and after the effective date of any corporate action described in subsection 1, no stockholder who has exercised the right to dissent pursuant to NRS 92A.300 to 92A.500, inclusive, is entitled to vote his or her shares for any purpose or to receive payment of dividends or any other distributions on shares. This subsection does not apply to dividends or other distributions payable to stockholders on a date



before the effective date of any corporate action from which the stockholder has dissented. *If a stockholder exercises the right to dissent with respect to a corporate action described in paragraph (f) of subsection 1, the restrictions of this subsection apply only to the shares to be converted into a fraction of a share and the dividends and distributions to those shares.*

Sec. 101. NRS 92A.490 is hereby amended to read as follows:

92A.490 1. If a demand for payment remains unsettled, the subject corporation shall commence a proceeding within 60 days after receiving the demand and petition the court to determine the fair value of the shares and accrued interest. If the subject corporation does not commence the proceeding within the 60-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded by each dissenter pursuant to NRS 92A.480 plus interest.

2. A subject corporation shall commence the proceeding in the district court of the county where its principal office is located in this State. If the principal office of the subject corporation is not located in ~~the~~ *this State, the right to dissent arose from a merger, conversion or exchange and the principal office of the surviving entity, resulting entity or the entity whose shares were acquired, whichever is applicable, is located in this State,* it shall commence the proceeding in the county where the principal office of the ~~{domestic corporation merged with}~~ *surviving entity, resulting entity or the entity* whose shares were acquired ~~{by the foreign entity was}~~ *is* located. ~~{If}~~ *In all other cases, if* the principal office of the subject corporation ~~{and the domestic corporation merged with or whose shares were acquired}~~ is not located in this State, the subject corporation shall commence the proceeding in the district court in the county in which the corporation's registered office is located.

3. The subject corporation shall make all dissenters, whether or not residents of Nevada, whose demands remain unsettled, parties to the proceeding as in an action against their shares. All parties must be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

4. The jurisdiction of the court in which the proceeding is commenced under subsection 2 is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers have the powers described in the order appointing them, or any amendment thereto. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.



5. Each dissenter who is made a party to the proceeding is entitled to a judgment:

(a) For the amount, if any, by which the court finds the fair value of the dissenter's shares, plus interest, exceeds the amount paid by the subject corporation; or

(b) For the fair value, plus accrued interest, of the dissenter's after-acquired shares for which the subject corporation elected to withhold payment pursuant to NRS 92A.470.

Sec. 102. NRS 77.220, 77.260, 78.595, 78A.001, 78A.004, 78A.006, 78A.008, 80.001, 80.002, 80.0025, 80.003, 80.004, 81.001, 81.0012, 81.0014, 81.0015, 81.0025, 82.038, 82.042, 82.043, 82.044, 84.002, 84.003, 84.0035, 84.004, 86.116, 86.126, 86.127, 86.128, 87.004, 87.005, 87.006, 87.008, 87A.090, 87A.110, 87A.115, 87A.125, 88A.055, 88A.080, 88A.090, 88A.100, 90.277, 91.145, 92A.085, 92A.093, 92A.097 are hereby repealed.

