

Amendment No. 347

Senate Amendment to Senate Bill No. 446	(BDR 7-1088)
<b>Proposed by:</b> Senate Committee on Judiciary	
<b>Amends:</b> Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



## SENATE BILL NO. 446—COMMITTEE ON JUDICIARY

MARCH 23, 2015

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to businesses. (BDR 7-1088)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to business ; ~~entities;~~ establishing procedures for the ratification or validation of certain noncompliant corporate acts; providing that a trust company may be formed as a corporation; revising provisions governing the stock ledger maintained by the registered agent of a corporation; revising provisions setting forth the required officers of a corporation; revising provisions governing transactions involving interested directors or officers; revising provisions governing the stock of corporations; revising provisions governing meetings of stockholders of corporations; revising provisions governing certain transactions between corporations and interested stockholders; revising provisions relating to articles and certificates of incorporation; revising provisions establishing the time of organization of certain business entities; revising provisions governing the allocation of certain liabilities after a merger of business entities; revising provisions governing notarial acts; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 1** of this bill establishes *additional, nonexclusive* procedures by which a corporate act that is not in compliance with applicable law or the articles of incorporation or bylaws of the corporation may be ratified or validated by the directors and ~~shareholders~~ *stockholders* of the corporation.

Under existing law, a trust company organized for the purpose of conducting a banking business may not be organized as a corporation. (NRS 78.020) **Section 2** of this bill provides that a trust company may be formed as a corporation under chapter 78 of NRS but that the trust company may not transact business in this State as a trust company until it complies with existing law governing trust companies.

Existing law requires a corporation to keep, among other documents, a stock ledger or duplicate thereof, revised annually, at its registered office. (NRS 78.105) **Section 3** of this bill specifies a timeline for revising the stock ledger by requiring the stock ledger to be revised not later than 60 days after the date by which the corporation is required to file its annual list.

**Section 4** of this bill revises provisions relating to the officers of a corporation to clarify that vice presidents, assistant secretaries and assistant treasurers are not officers of a corporation unless those persons are designated as officers.

Existing law authorizes a corporation to have more than one class or series of stock if the articles of incorporation prescribe the classes and series, the number of shares of each class or series and the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series, or if the articles of incorporation authorize the board of directors to prescribe those matters. (NRS 78.195) **Section 6** of this bill specifically states that all shares of the same class or series must have the same voting powers, designations, preferences, limitations, restrictions and relative rights. **Section 6** also specifically states that the voting powers, designations, preferences, limitations, restrictions and relative rights for the shares of a class or series of stock may be made dependent upon certain facts or events.

Existing law provides that if more than one class or series of stock is authorized, the articles of incorporation or the resolution of the board of directors authorizing the class or series must describe the voting powers, designations, preferences, limitations, restrictions, relative rights and distinguishing designation of the class or series. **Section 6** provides that these matters must be set forth in the certificate of designation filed with the Secretary of State, ~~rather than the resolution of the board of directors must describe these matters,~~ and **sections 7, 8 and 12** of this bill make conforming changes to refer to the certificate of designation rather than the resolution of the board of directors. approving the certificate of designation. **Section 7** further specifies that when a filed certificate of designation, or amendment thereto, becomes effective, the certificate or amendment has the effect of amending articles of incorporation.

Existing law provides that in certain circumstances, a corporation may change the numbers of shares of a class or series of stock by a resolution adopted by the board of directors, without obtaining the approval of the stockholders. Such a change is not effective until a certificate is filed in the Office of the Secretary of State setting forth certain information concerning the shares of stock of the corporation. (NRS 78.207, 78.209) **Section 9** of this bill specifies that when a filed certificate changing the number of shares of a class or series of stock becomes effective, the certificate has the effect of amending articles of incorporation. (NRS 78.209)

Existing law authorizes a board of directors of a corporation to authorize shares of stock to be issued for consideration of various forms. (NRS 78.211) **Section 10** of this bill provides that the nature and amount of that consideration may be made dependent upon a formula approved by the board or upon certain other facts or events. **Section 10** also provides that issued shares of stock are outstanding shares unless the shares are treasury shares.

Existing law provides that stockholders may participate in a meeting of stockholders through electronic communications, videoconferencing, teleconferencing or other technology under certain circumstances. (NRS 78.320) **Section 11** of this bill revises this provision to provide that if authorized by the articles of incorporation or bylaws, a meeting of stockholders may be held solely through the use of such technology.

Existing law sets forth certain restrictions on combinations and other transactions between certain corporations and interested stockholders. (NRS 78.411-78.444) **Section 14** of this bill provides that those provisions do not apply to a combination of a resident domestic corporation with an interested stockholder of that corporation after the expiration of 4 years after the person first became an interested stockholder. **Section 15** of this bill authorizes a resident domestic corporation to engage in a combination with any interested stockholder less than 2 years after the person first became an interested stockholder if the combination meets the requirements of the articles of incorporation of the resident domestic corporation as well as certain requirements set forth in existing law. **Sections 16-19** of this bill clarify the language of certain provisions governing combinations and other transactions between certain corporations and interested stockholders.

**Sections 20-31** of this bill change references to a certificate of incorporation to refer to articles of incorporation.

Existing law provides that a limited liability company or a limited partnership is considered legally organized at the time of the filing of organizational documents with the Secretary of State or upon some later date and time as specified in those documents. (NRS 86.201, 87A.235, 88.350) **Sections 32, 34 and 35** of this bill revise these provisions to provide that those business entities are considered legally organized at the time of the filing with the Secretary of State.

Under existing law, the surviving entity in certain mergers between a parent entity and a subsidiary entity may be either the parent or the subsidiary. (NRS 92A.180) **Section 36** of this

bill requires the surviving entity in the merger, rather than the parent entity, to mail a copy or summary of the plan of merger to each owner of the subsidiary who does not waive the mailing requirement in writing.

Existing law establishes the effect of a merger between business entities, including, without limitation, the effect of the merger on the liabilities of the surviving entity and the constituent entities. (NRS 92A.250) **Section 37** of this bill revises this provision to provide that an owner of a constituent entity remains liable for the obligations of the constituent entity that existed at the time of the merger to the extent the owner was liable before the merger.

**Section 38** of this bill provides that the certificate evidencing a notarial act must be signed in the same manner as the signature that is on file with the Secretary of State only if the notarial officer is a notary public with such a signature on file with the Secretary of State.

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

**Section 1.** Chapter 78 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Except to the extent expressly prohibited in the articles of incorporation or an amendment thereto, in each case filed and effective on or after October 1, 2015, any corporate act not in compliance, or purportedly not in compliance, with this title or the articles of incorporation or bylaws in effect at the time of such corporate act may be ratified or validated in accordance with this section. This section does not apply to circumvent or contravene the provisions of NRS 78.378 to 78.3793, inclusive, or NRS 78.411 to 78.444, inclusive. Except as otherwise determined by the district court pursuant to its authority under subsection 5, a ratification or validation of a corporate act in accordance with this section is conclusive in the absence of actual fraud in the transaction. Ratification or validation under this section must not be the exclusive means by which a corporate act may be ratified or validated. This section shall not be construed to limit the authority of the board of directors, the stockholders or the corporation to effect any lawful means of ratification or validation of a corporate act or correction of a record, including, without limitation, the authority of:*

*(a) The board of directors to act, or to consent to an action before or after the action, pursuant to NRS 78.315;*

*(b) The stockholders to act, or to consent to an action before or after the action, pursuant to NRS 78.320; or*

*(c) The corporation to correct a record filed in the Office of the Secretary of State pursuant to NRS 78.0295.*

*2. Any ratification or validation of a corporate act pursuant to this section must be approved by the board of directors and, as applicable, the stockholders in accordance with this title and the articles of incorporation and bylaws in effect at the time of such ratification or validation, unless a higher approval standard was or would have been applicable to the original taking or purported taking of the corporate act, in which case such ratification or validation must be approved in accordance with such higher approval standard. The voting power of any shares issued or purportedly issued pursuant to the corporate act being ratified or validated must be disregarded for all purposes of the stockholder approval of such corporate act as required by this subsection, including for purposes of determining a quorum at a meeting of stockholders.*

*3. Notice of any ratification or validation of a corporate act pursuant to this section must be given not later than 10 days after the approval of such ratification or validation pursuant to subsection 2, to each stockholder of record*

1 *at the time of such ratification or validation, whether or not action by the*  
2 *stockholders is required for such ratification or validation.*

3 *4. If a corporate act ratified or validated pursuant to this section would*  
4 *have required any filing with the Secretary of State pursuant to the provisions of*  
5 *this title, or if such ratification or validation would cause any such filing to be*  
6 *inaccurate or incomplete in any material respect, the corporation shall make,*  
7 *amend or correct each such filing in accordance with this title, including this*  
8 *subsection. Any such filing, amendment or correction:*

9 *(a) Must be accompanied by a certificate of validation indicating that the*  
10 *filing, amendment or correction is being made in connection with a ratification*  
11 *or validation of a corporate act in accordance with this section and specifying the*  
12 *effective date and time of the filing, amendment or correction, which may be*  
13 *before the date and time of filing; and*

14 *(b) Must otherwise be filed with the Secretary of State in accordance with the*  
15 *requirements of this title.*

16 *5. The district court has plenary and exclusive jurisdiction in equity, upon*  
17 *application of any person adversely affected, to administer and provide equitable*  
18 *relief under this section, including, without limitation, the authority to confirm,*  
19 *nullify, modify or compel any ratification or validation taken or proposed to be*  
20 *taken pursuant to this section, including any filing, amendment or correction*  
21 *pursuant to subsection 4. The provisions of this section shall not be construed to*  
22 *prescribe or circumscribe which facts and circumstances the court may consider*  
23 *or which remedies the court may grant in exercising its jurisdiction under this*  
24 *section. Any action, application or petition relating to a ratification or validation*  
25 *taken or proposed to be taken pursuant to this section must be filed in the district*  
26 *court:*

27 *(a) Not later than 180 days after the notice required by subsection 3 is given;*  
28 *and*

29 *(b) In the county where the principal office of the corporation is located or, if*  
30 *the principal office is not located in this State, in the county in which the*  
31 *corporation's registered office is located.*

32 *6. Unless otherwise determined by the district court pursuant to its authority*  
33 *under subsection 5, a ratification or validation of a corporate act in accordance*  
34 *with this section relates back to the date of the corporate act.*

35 *7. As used in this section:*

36 *(a) "Corporate act" means:*

37 *(1) Any act or purported act of the board of directors;*

38 *(2) Any act or purported act of the stockholders; or*

39 *(3) Any other act or transaction taken or purportedly taken by or on*  
40 *behalf of the corporation, including, without limitation, any issuance or*  
41 *purported issuance of stock or other securities of the corporation.*

42 *(b) "Higher approval standard" means any provision set forth in the articles*  
43 *of incorporation or bylaws in effect at the time of the original taking or purported*  
44 *taking of a corporate act:*

45 *(1) Requiring action of the directors or stockholders, at a meeting or by*  
46 *written consent, to be taken by a proportion greater than otherwise would have*  
47 *been required pursuant to this chapter if the articles of incorporation and bylaws*  
48 *were silent as to the required proportion;*

49 *(2) Requiring a greater proportion of the directors or stockholders to*  
50 *constitute a quorum for the transaction of business at a meeting than otherwise*  
51 *would have been required pursuant to this chapter if the articles of incorporation*  
52 *and bylaws were silent as to the required proportion;*

*(3) Requiring, prohibiting or prescribing conditions on action of the directors or stockholders at a meeting or by written consent;*

*(4) Requiring separate action of the holders of shares of any class or series of the corporation's stock, unless no shares of such class or series are outstanding at the time of the ratification or validation of the corporate act pursuant to this section;*

*(5) Requiring separate action of the holders of securities of the corporation other than stock, unless such securities are not outstanding at the time of the ratification or validation of the corporate act pursuant to this section; or*

*(6) Requiring separate action of any specified person or persons.*

**Sec. 2.** NRS 78.020 is hereby amended to read as follows:

78.020 1. ~~Insurance~~ **Trust companies, insurance** companies, mutual fire insurance companies, surety companies, express companies and railroad companies may be formed under this chapter, but such a corporation may not:

(a) Transact any such business within this State until it has first complied with all laws concerning or affecting the right to engage in such business.

(b) Infringe the laws of any other state or country in which it may intend to engage in business, by so incorporating under this chapter.

2. No ~~trust company~~ savings and loan association, thrift company or corporation organized for the purpose of conducting a banking business may be organized under this chapter.

**Sec. 3.** NRS 78.105 is hereby amended to read as follows:

78.105 1. A corporation shall keep a copy of the following records at its registered office:

(a) A copy certified by the Secretary of State of its articles of incorporation, and all amendments thereto;

(b) A copy certified by an officer of the corporation of its bylaws and all amendments thereto; and

(c) A stock ledger or a duplicate stock ledger, revised annually ~~+~~ **not later than 60 days after the date by which an annual list is required to be filed pursuant to NRS 78.150**, containing the names, alphabetically arranged, of all persons who are stockholders **of record** of the corporation, showing their places of residence, if known, and the number of shares held by them respectively. In lieu of the stock ledger or duplicate stock ledger, the corporation may keep a statement setting out the name of the custodian of the stock ledger or duplicate stock ledger, and the present and complete mailing or street address where the stock ledger or duplicate stock ledger specified in this section is kept.

2. A stock ledger, duplicate stock ledger or statement setting out the name of the custodian of the stock ledger or duplicate stock ledger described in paragraph (c) of subsection 1 must be maintained by the registered agent of the corporation for 3 years following the resignation or termination of the registered agent or the dissolution of the corporation by the Secretary of State.

3. Any person who has been a stockholder of record of a corporation for at least 6 months immediately preceding the demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5 percent of all of its outstanding shares, upon at least 5 days' written demand is entitled to inspect in person or by agent or attorney, during usual business hours, the records required by subsection 1 and make copies therefrom. Holders of voting trust certificates representing shares of the corporation must be regarded as stockholders for the purpose of this subsection. Every corporation that neglects or refuses to keep the records required by subsection 1 open for inspection, as required in this subsection, shall forfeit to the State the sum of \$25 for every day of such neglect or refusal.

4. If any corporation willfully neglects or refuses to make any proper entry in the stock ledger or duplicate copy thereof, or neglects or refuses to permit an inspection of the records required by subsection 1 upon demand by a person entitled to inspect them, or refuses to permit copies to be made therefrom, as provided in subsection 3, the corporation is liable to the person injured for all damages resulting to the person therefrom.

5. When the corporation keeps a statement in the manner provided for in paragraph (c) of subsection 1, the information contained thereon must be given to any stockholder of the corporation demanding the information, when the demand is made during business hours. Every corporation that neglects or refuses to keep a statement available, as in this subsection required, shall forfeit to the State the sum of \$25 for every day of such neglect or refusal.

6. In every instance where an attorney or other agent of the stockholder seeks the right of inspection, the demand must be accompanied by a power of attorney signed by the stockholder authorizing the attorney or other agent to inspect on behalf of the stockholder.

7. The right to copy records under subsection 3 includes, if reasonable, the right to make copies by photographic, xerographic or other means.

8. The corporation may impose a reasonable charge to recover the costs of labor and materials and the cost of copies of any records provided to the stockholder.

**Sec. 4.** NRS 78.130 is hereby amended to read as follows:

78.130 1. Every corporation must have a president, a secretary and a treasurer, or the equivalent thereof.

2. Every corporation may also have ~~one or more vice presidents, assistant secretaries and assistant treasurers, and~~ such other officers and agents as may be deemed necessary.

3. All officers must be natural persons and must be chosen in such manner, hold their offices for such terms and have such powers and duties as may be prescribed by the bylaws or determined by the board of directors. Any natural person may hold two or more offices.

4. An officer holds office after the expiration of his or her term until a successor is chosen or until the officer's resignation or removal before the expiration of his or her term. A failure to elect officers does not require the corporation to be dissolved. Any vacancy occurring in an office of the corporation by death, resignation, removal or otherwise, must be filled as the bylaws provide, or in the absence of such a provision, by the board of directors.

**Sec. 5.** NRS 78.140 is hereby amended to read as follows:

78.140 1. A contract or other transaction is not void or voidable solely because:

(a) The contract or transaction is between a corporation and:

(1) One or more of its directors or officers; or

(2) Another corporation, firm or association in which one or more of its directors or officers are directors or officers or are financially interested;

(b) A common or interested director or officer:

(1) Is present at the meeting of the board of directors or a committee thereof which authorizes or approves the contract or transaction; or

(2) Joins in the signing of a written consent which authorizes or approves the contract or transaction pursuant to subsection 2 of NRS 78.315; or

(c) The vote or votes of a common or interested director are counted for the purpose of authorizing or approving the contract or transaction,

↳ if one of the circumstances specified in subsection 2 exists.



2. The circumstances in which a contract or other transaction is not void or voidable pursuant to subsection 1 are:

(a) The fact of the common directorship, office or financial interest is known to the board of directors or committee, and the ~~board~~ *directors* or *members of the committee* ~~authorizes, approves or ratifies~~, *other than any common or interested directors or members of the committee, approve or ratify* the contract or transaction in good faith. ~~By a vote sufficient for the purpose without counting the vote or votes of the common or interested director or directors.~~

(b) The fact of the common directorship, office or financial interest is known to the stockholders, and ~~they~~ *stockholders holding a majority of the voting power* approve or ratify the contract or transaction in good faith. ~~By a majority vote of stockholders holding a majority of the voting power.~~ The votes of the common or interested directors or officers must be counted in any such vote of stockholders.

(c) The fact of the common directorship, office or financial interest is not known to the director or officer at the time the transaction is brought before the board of directors of the corporation for action.

(d) The contract or transaction is fair as to the corporation at the time it is authorized or approved.

3. Common or interested directors *or common or interested members of the committee* may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies a contract or transaction, and if the votes of the common or interested directors *or common or interested members of the committee* are not counted at the meeting, then a majority of the disinterested directors *or disinterested members of the committee* may authorize, approve or ratify a contract or transaction.

4. The fact that the vote or votes of the common or interested director or directors, *or common or interested member or members of the committee*, are not counted for purposes of subsection 2 does not prohibit any authorization, approval or ratification of a contract or transaction to be given by written consent pursuant to subsection 2 of NRS 78.315, regardless of whether the common or interested director signs such written consent or abstains in writing from providing consent.

5. Unless otherwise provided in the articles of incorporation or the bylaws, the board of directors, without regard to personal interest, may establish the compensation of directors for services in any capacity. If the board of directors establishes the compensation of directors pursuant to this subsection, such compensation is presumed to be fair to the corporation unless proven unfair by a preponderance of the evidence.

**Sec. 6.** NRS 78.195 is hereby amended to read as follows:

78.195 1. If a corporation desires to have more than one class or series of stock, the articles of incorporation must prescribe, or vest authority in the board of directors to prescribe, the classes, series and the number of each class or series of stock and the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of stock. If more than one class or series of stock is authorized, the articles of incorporation or the resolution of the board of directors ~~passed~~ *adopted* pursuant to a provision of the articles must prescribe a distinguishing designation for each class and series. The voting powers, designations, preferences, limitations, restrictions, relative rights and distinguishing designation of each class or series of stock must be described in the articles of incorporation or the resolution of the board of directors *and the certificate of designation filed pursuant to subsection 1 of NRS 78.195* before the issuance of shares of that class or series.

2. All shares of a *class or* series must have voting powers, designations, preferences, limitations, restrictions and relative rights identical with those of other



1 shares of the same *class or* series and, except to the extent otherwise provided in  
2 the description of the series, with those of other series of the same class.

3 3. Unless otherwise provided in the articles of incorporation, no stock issued  
4 as fully paid up may ever be assessed and the articles of incorporation must not be  
5 amended in this particular.

6 4. ~~Any rate, condition or time for payment of distributions on any~~ *The*  
7 *voting powers, designations, preferences, limitations, restrictions and relative*  
8 *rights for the shares of a* class or series of stock may be made dependent upon any  
9 fact or event which may be ascertained outside the articles of incorporation ~~for the~~  
10 ~~resolution providing for the distributions adopted by the board of directors~~ if the  
11 manner in which a fact or event may operate upon the ~~rate, condition or time of~~  
12 ~~payment for the distributions~~ *voting powers, designations, preferences,*  
13 *limitations, restrictions and relative rights* is stated in the articles of incorporation .  
14 ~~for the resolution~~ As used in this subsection, "fact or event" includes, without  
15 limitation, the existence of a fact or occurrence of an event, including, without  
16 limitation, a determination or action by a person, the corporation itself or any  
17 government, governmental agency or political subdivision of a government.

18 5. The provisions of this section do not restrict the directors of a corporation  
19 from taking action to protect the interests of the corporation and its stockholders,  
20 including, but not limited to, adopting or signing plans, arrangements or  
21 instruments that grant or deny rights, privileges, power or authority to a holder or  
22 holders of a specified number of shares or percentage of share ownership or voting  
23 power.

24 **Sec. 7.** NRS 78.1955 is hereby amended to read as follows:

25 78.1955 1. If the voting powers, designations, preferences, limitations,  
26 restrictions and relative rights of any class or series of stock have been established  
27 by a resolution of the board of directors pursuant to a provision in the articles of  
28 incorporation, a certificate of designation setting forth the resolution and stating the  
29 number of shares for each designation must be signed by an officer of the  
30 corporation and filed with the Secretary of State. A certificate of designation signed  
31 and filed pursuant to this section must become effective before the issuance of any  
32 shares of the class or series.

33 2. Unless otherwise provided in the articles of incorporation or the certificate  
34 of designation being amended, if no shares of a class or series of stock established  
35 by ~~a resolution of the board of directors~~ *a certificate of designation filed*  
36 *pursuant to subsection 1* have been issued, the designation of the class or series,  
37 the number of the class or series and the voting powers, designations, preferences,  
38 limitations, restrictions and relative rights of the class or series may be amended by  
39 a resolution of the board of directors pursuant to a certificate of amendment filed in  
40 the manner provided in subsection 4.

41 3. Unless otherwise provided in the articles of incorporation or the certificate  
42 of designation, if shares of a class or series of stock established by ~~a resolution of~~  
43 ~~the board of directors~~ *a certificate of designation filed pursuant to subsection 1*  
44 have been issued, the designation of the class or series, the number of the class or  
45 series and the voting powers, designations, preferences, limitations, restrictions and  
46 relative rights of the class or series may be amended by a resolution of the board of  
47 directors only if the amendment is approved as provided in this subsection. Unless  
48 otherwise provided in the articles of incorporation or the certificate of designation,  
49 the proposed amendment adopted by the board of directors must be approved by the  
50 vote of stockholders holding shares in the corporation entitling them to exercise a  
51 majority of the voting power, or such greater proportion of the voting power as may  
52 be required by the articles of incorporation or the certificate of designation, of:

53 (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 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. *When any certificate of designation, or any amendment thereto, filed pursuant to this section becomes effective, it shall have the effect of amending the articles of incorporation, but* NRS 78.380, 78.385 and 78.390 do not apply to ~~certificates~~ *a certificate of designation, or any amendment thereto, filed pursuant to this section.*

**Sec. 8.** NRS 78.196 is hereby amended to read as follows:

78.196 1. Each corporation must have:

(a) One or more classes or series of shares that together have unlimited voting rights; and

(b) One or more classes or series of shares that together are entitled to receive the net assets of the corporation upon dissolution.

➤ If the articles of incorporation provide for only one class of stock, that class of stock has unlimited voting rights and is entitled to receive the net assets of the corporation upon dissolution.

2. The articles of incorporation, or a *certificate of designation approved pursuant to a resolution of the board of directors ~~pursuant thereto,~~ and filed ~~in accordance with this chapter,~~ pursuant to subsection 1 of NRS 78.1955,* may authorize one or more classes or series of stock that:

(a) Have special, conditional or limited voting powers, or no right to vote, except to the extent otherwise provided by this title;

(b) Are redeemable or convertible:

(1) At the option of the corporation, the stockholders or another person, or upon the occurrence of a designated event;

(2) For cash, indebtedness, securities or other property; or

(3) In a designated amount or in an amount determined in accordance with a designated formula or by reference to extrinsic data or events;

(c) Entitle the stockholders to distributions calculated in any manner, including dividends that may be cumulative, noncumulative or partially cumulative;

(d) Have preference over any other class or series of shares with respect to distributions, including dividends and distributions upon the dissolution of the corporation;

(e) Have par value; or

(f) Have powers, designations, preferences, limitations, restrictions and relative rights dependent upon any fact or event which may be ascertained outside of the articles of incorporation or the ~~resolution~~ *certificate of designation* if the manner in which the fact or event may operate on such class or series of stock is stated in the articles of incorporation or the ~~resolution~~ *certificate of designation*. As used in this paragraph, "fact or event" includes, without limitation, the existence of a fact or occurrence of an event, including, without limitation, a determination or action by a person, the corporation itself or any government, governmental agency or political subdivision of a government.

3. Unless otherwise provided in the articles of incorporation, or in a ~~resolution of the board of directors~~ *certificate of designation filed pursuant to subsection 1 of NRS 78.1955*, establishing a class or series of stock, shares which are subject to redemption and which have been called for redemption are not deemed to be outstanding shares for purposes of voting or determining the total number of shares entitled to vote on a matter on and after the date on which:

(a) Written notice of redemption has been sent to the holders of such shares; and

(b) A sum sufficient to redeem the shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of any certificates.

4. The description of voting powers, designations, preferences, limitations, restrictions and relative rights of the classes or series of shares contained in this section is not exclusive.

**Sec. 9.** 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 number of authorized shares and the par value, if any, of each affected class or, if applicable, each affected series 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 of shares after the change;

(c) The number of shares of each affected class or, if applicable, each affected series 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 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 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 a later effective date, the board of directors may terminate the effectiveness of the certificate by resolution ~~+~~~~A~~ and 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.

*5. When any certificate filed pursuant to subsection 1 becomes effective, it shall have the effect of amending the articles of incorporation, but NRS 78.380, 78.385 and 78.390 do not apply to a certificate of change filed pursuant to this section.*

**Sec. 10.** NRS 78.211 is hereby amended to read as follows:

78.211 1. The board of directors may authorize shares to be issued for consideration consisting of any tangible or intangible property or benefit to the corporation, including, but not limited to, cash, promissory notes, services performed, contracts for services to be performed or other securities of the corporation. *The nature and amount of such consideration may be made dependent upon a formula approved by the board of directors or upon any fact or event which may be ascertained outside the articles of incorporation or the resolution providing for the issuance of the shares adopted by the board of directors if the manner in which a fact or event may operate upon the nature and amount of the consideration is stated in the articles of incorporation or the resolution.* The judgment of the board of directors as to the consideration received for the shares issued is conclusive in the absence of actual fraud in the transaction.

2. When the corporation receives the consideration for which the board of directors authorized the issuance of shares, the shares issued therefor are fully paid. *Shares that are issued are outstanding shares unless such shares are treasury shares.*

3. The corporation may place in escrow shares issued for a contract for future services or benefits or a promissory note, or make any other arrangements to restrict the transfer of the shares. The corporation may credit distributions made for the shares against their purchase price, until the services are performed, the benefits are received or the promissory note is paid. If the services are not performed, the benefits are not received or the promissory note is not paid, the shares escrowed or restricted and the distributions credited may be cancelled in whole or in part.

4. For the purposes of this section, "benefit to the corporation" includes, without limitation, the authorization of the issuance of shares to up to 100 persons without consideration for the sole purpose of qualifying 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.

1       **Sec. 11.** NRS 78.320 is hereby amended to read as follows:

2       78.320 1. Unless this chapter, the articles of incorporation or the bylaws  
3 provide for different proportions:

4       (a) A majority of the voting power, which includes the voting power that is  
5 present in person or by proxy, regardless of whether the proxy has authority to vote  
6 on all matters, constitutes a quorum for the transaction of business; and

7       (b) Action by the stockholders on a matter other than the election of directors is  
8 approved if the number of votes cast in favor of the action exceeds the number of  
9 votes cast in opposition to the action.

10       2. Unless otherwise provided in the articles of incorporation or the bylaws,  
11 any action required or permitted to be taken at a meeting of the stockholders may  
12 be taken without a meeting if, before or after the action, a written consent thereto is  
13 signed by stockholders holding at least a majority of the voting power, except that  
14 if a different proportion of voting power is required for such an action at a meeting,  
15 then that proportion of written consents is required.

16       3. In no instance where action is authorized by written consent need a meeting  
17 of stockholders be called or notice given.

18       4. Unless otherwise restricted by the articles of incorporation or bylaws,  
19 stockholders may participate in a meeting of stockholders through electronic  
20 communications, videoconferencing, teleconferencing or other available technology  
21 if the corporation has implemented reasonable measures to:

22       (a) Verify the identity of each person participating through such means as a  
23 stockholder; and

24       (b) Provide the stockholders a reasonable opportunity to participate in the  
25 meeting and to vote on matters submitted to the stockholders, including an  
26 opportunity to communicate, and to read or hear the proceedings of the meetings in  
27 a substantially concurrent manner with such proceedings.

28       5. *If authorized in the articles of incorporation or bylaws, a meeting of*  
29 *stockholders may be held solely by remote communication pursuant to subsection*  
30 *4.*

31       6. Participation in a meeting pursuant to subsection 4 constitutes presence in  
32 person at the meeting.

33       ~~6.~~ 7. Unless this chapter, the articles of incorporation or the bylaws provide  
34 for different proportions, if voting by a class or series of stockholders is permitted  
35 or required:

36       (a) A majority of the voting power of the class or series that is present in  
37 person or by proxy, regardless of whether the proxy has authority to vote on all  
38 matters, constitutes a quorum for the transaction of business; and

39       (b) An act by the stockholders of each class or series is approved if a majority  
40 of the voting power of a quorum of the class or series votes for the action.

41       **Sec. 12.** NRS 78.350 is hereby amended to read as follows:

42       78.350 1. Unless otherwise provided in the articles of incorporation, or in  
43 the ~~resolution providing for the issuance of~~ *certificate of designation establishing*  
44 ~~the class or series of stock, adopted by the board of directors pursuant to authority~~  
45 ~~expressly vested in it by the provisions of the articles of incorporation,~~  
46 stockholder of record of a corporation is entitled at each meeting of stockholders  
47 thereof to one vote for each share of stock standing in his or her name on the  
48 records of the corporation. If the articles of incorporation, or the ~~resolution~~  
49 ~~providing for the issuance of~~ *certificate of designation establishing the class or*  
50 ~~series of stock adopted by the board of directors pursuant to authority expressly~~  
51 ~~vested in it by the articles of incorporation,~~ provides for more or less than one vote  
52 per share for any class or series of shares on any matter, every reference in this  
53 chapter to a majority or other proportion of stock shall be deemed to refer to a

majority or other proportion of the voting power of all of the shares or those classes or series of shares, as may be required by the articles of incorporation, or in the ~~resolution providing for the issuance of~~ *certificate of designation establishing the class or series of* stock ~~adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation,~~ or the provisions of this chapter.

2. Unless a period of more than 60 days or a period of less than 10 days is prescribed or fixed in the articles of incorporation, the directors may prescribe a period not exceeding 60 days before any meeting of the stockholders during which no transfer of stock on the books of the corporation may be made, or may fix, in advance, a record date not more than 60 or less than 10 days before the date of any such meeting as the date as of which stockholders entitled to notice of and to vote at such meetings must be determined. Only stockholders of record on that date are entitled to notice or to vote at such a meeting. If a record date is not fixed, the record date is at the close of business on the day before the day on which the first notice is given or, if notice is waived, at the close of business on the day before the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders applies to an adjournment *or postponement* of the meeting unless the board of directors fixes a new record date for the adjourned *or postponed* meeting. The board of directors must fix a new record date if the meeting is adjourned *or postponed* to a date more than 60 days later than the *meeting* date set for the original meeting.

3. The board of directors may adopt a resolution prescribing a date upon which the stockholders of record entitled to give written consent pursuant to NRS 78.320 must be determined. The date prescribed by the board of directors may not precede or be more than 10 days after the date the resolution is adopted by the board of directors. If the board of directors does not adopt a resolution prescribing a date upon which the stockholders of record entitled to give written consent pursuant to NRS 78.320 must be determined and:

(a) No prior action by the board of directors is required by this chapter or chapter 92A of NRS before the matter is submitted for consideration by the stockholders, the date is the first date on which any stockholder delivers to the corporation such consent signed by the stockholder.

(b) Prior action by the board of directors is required by this chapter or chapter 92A of NRS before the matter is submitted for consideration by the stockholders, the date is at the close of business on the day the board of directors adopts the resolution.

4. The provisions of this section do not restrict the directors from taking action to protect the interests of the corporation and its stockholders, including, but not limited to, 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. 13.** 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.

2. 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 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 delivered as provided in NRS 75.150 to each stockholder of record entitled to

1 vote at the meeting not less than 10 nor more than 60 days before the meeting. If  
2 mailed, it must be directed to the stockholder at his or her address as it appears  
3 upon the records of the corporation. Personal delivery of any such notice to any  
4 officer of a corporation or association, to any member of a limited-liability  
5 company managed by its members, to any manager of a limited-liability company  
6 managed by managers, to any general partner of a partnership or to any trustee of a  
7 trust constitutes delivery of the notice to the corporation, association, limited-  
8 liability company, partnership or trust.

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

11 5. Notice delivered or mailed to a stockholder in accordance with the  
12 provisions of this section and NRS 75.150 and the provisions, if any, of the articles  
13 of incorporation or the bylaws is sufficient, and in the event of the transfer of the  
14 stockholder's stock after such delivery or mailing and before the holding of the  
15 meeting it is not necessary to deliver or mail notice of the meeting to the transferee.

16 6. Unless otherwise provided in the articles of incorporation or the bylaws, if  
17 notice is required to be delivered, under any provision of this chapter or the articles  
18 of incorporation or bylaws of any corporation, to any stockholder to whom:

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

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

24 ➡ have been mailed addressed to the stockholder at his or her address as shown on  
25 the records of the corporation and have been returned undeliverable, the delivery of  
26 further notices to the stockholder is not required. Any action or meeting taken or  
27 held without notice to such a stockholder has the same effect as if the notice had  
28 been delivered. If any such stockholder delivers to the corporation a written notice  
29 setting forth his or her current address, the requirement that notice be delivered to  
30 the stockholder is reinstated. If the action taken by the corporation is such as to  
31 require the filing of a certificate under any of the other sections of this chapter, the  
32 certificate need not state that notice was not delivered to persons to whom notice  
33 was not required to be delivered pursuant to this subsection. The delivery of further  
34 notices to a stockholder is still required for any notice returned as undeliverable if  
35 the notice was delivered by electronic transmission.

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

43 **Sec. 14.** NRS 78.433 is hereby amended to read as follows:

44 78.433 1. NRS 78.411 to 78.444, inclusive, do not apply to any combination  
45 of a resident domestic corporation:

46 (a) Which was not, as of the date that the person first becomes an interested  
47 stockholder, a publicly traded corporation, unless the corporation's articles of  
48 incorporation provide otherwise.

49 (b) Whose articles of incorporation have been amended to provide that the  
50 resident domestic corporation is subject to NRS 78.411 to 78.444, inclusive, and  
51 which was not a publicly traded corporation on the effective date of the  
52 amendment, if the combination is with a person who first became an interested  
53 stockholder before the effective date of the amendment.



*(c) With an interested stockholder of the resident domestic corporation after the expiration of 4 years after the person first became an interested stockholder.*

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.

3. The provisions of NRS 78.411 to 78.444, inclusive, 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. 15.** 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 2 years after the date that the person first became an interested stockholder unless ~~the combination meets all of the requirements of the articles of incorporation of the resident domestic corporation and:~~

(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. 16.** 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 2 years after the person first became an interested stockholder ~~other than a~~ unless the combination ~~meeting~~ meets 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;~~

1. The combination ~~was approved by the board of directors of the resident domestic corporation before such person first became an interested stockholder.~~

~~2. The~~ or transaction by which the person first became an interested stockholder ~~was~~ is approved by the board of directors of the resident domestic corporation before the person first became an interested stockholder ~~;~~

~~3;~~ ;

2. The combination is approved ~~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 or any affiliate or associate of the interested stockholder ~~++~~; *or*

*3. The combination meets the requirements specified in NRS 78.411 to 78.444, inclusive.*

**Sec. 17.** NRS 78.441 is hereby amended to read as follows:

78.441 As an alternative to a combination satisfying the requirements of subsection 1 ~~++~~ *or* 2 ~~for 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 78.442, 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 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 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 2 years immediately before the date of announcement with respect to the combination or within 2 years immediately before, or in, the transaction in which 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 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 that earliest date.

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 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.

**Sec. 18.** NRS 78.442 is hereby amended to read as follows:

78.442 As an alternative to a combination satisfying the requirements of subsection 1 ~~++~~ *or* 2 ~~for 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, 78.443 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        1. The highest price per share paid by the interested stockholder, at a time  
2 when the interested stockholder was the beneficial owner, directly or indirectly, of  
3 5 percent or more of the outstanding voting shares of the corporation, for any shares  
4 of that class or series of shares acquired by the interested stockholder within 2 years  
5 immediately before the date of announcement with respect to the combination or  
6 within 2 years immediately before, or in, the transaction in which the person  
7 became an interested stockholder, whichever is higher, plus, in either case, interest  
8 compounded annually from the earliest date on which the highest price per share  
9 was paid through the date of consummation at the rate for one-year obligations of  
10 the United States Treasury in effect on that earliest date, less the aggregate amount  
11 of any dividends paid in cash and the market value of any dividends paid other than  
12 in cash, per share of the class or series of shares since that earliest date.

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

27        3. The market value per share of the class or series of shares on the date of  
28 announcement with respect to the combination or on the date that the person first  
29 became an interested stockholder, whichever is higher, plus interest compounded  
30 annually from that date through the date of consummation at the rate for one-year  
31 obligations of the United States Treasury in effect on that date, less the aggregate  
32 amount of any dividends paid in cash and the market value of any dividends paid  
33 other than in cash, per share of the class or series of shares since that date.

34        **Sec. 19.** NRS 78.444 is hereby amended to read as follows:

35        78.444 As an alternative to a combination satisfying the requirements of  
36 subsection 1 ~~H~~ *or* 2 ~~for 3~~ of NRS 78.439, a combination with an interested  
37 stockholder of the resident domestic corporation engaged in more than 2 years after  
38 the date that the person first became an interested stockholder is permissible if the  
39 requirements of NRS 78.441, 78.442 and 78.443 are satisfied and, after the date that  
40 such person first became an interested stockholder and before the date of  
41 consummation with respect to the combination, the interested stockholder has not  
42 become the beneficial owner of any additional voting shares of the resident  
43 domestic corporation except:

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

46        2. By virtue of any transaction or series of transactions not constituting a  
47 combination;

48        3. Through a combination meeting the requirements of NRS 78.439; or

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

1       **Sec. 20.** NRS 78.725 is hereby amended to read as follows:

2       78.725 1. Any corporation organized and existing under the laws of this  
3 State on April 1, 1925, may reincorporate under this chapter, either under the same  
4 or a different name, by:

5       (a) Filing with the Secretary of State a certificate signed by its president and  
6 attested by its secretary and duly authorized by a meeting of the stockholders called  
7 for that purpose, setting forth the statements required in ~~the~~ **the** original  
8 ~~certificate~~ **articles** of incorporation by NRS 78.035; and

9       (b) Surrendering the existing charter or ~~certificate or~~ **articles** of incorporation  
10 of the corporation, and accepting the provisions of this chapter.

11       2. Upon the filing of the certificate, the corporation shall be deemed to be  
12 incorporated under this chapter and is entitled to and possesses all the privileges,  
13 franchises and powers as if originally incorporated under this chapter. All the  
14 properties, rights and privileges theretofore belonging to the corporation, which  
15 were acquired by gift, grant, conveyance, assignment or otherwise, are hereby  
16 ratified, approved and confirmed and assured to the corporation with like effect and  
17 to all intents and purposes as if the same had been originally acquired through  
18 incorporation under this chapter.

19       3. Any corporation reincorporating under this chapter is subject to all the  
20 contracts, duties and obligations theretofore resting upon the corporation whose  
21 charter or ~~certificate or~~ **articles** of incorporation ~~has~~ **are** thus surrendered or to  
22 which the corporation is then in any way liable.

23       **Sec. 21.** NRS 78A.030 is hereby amended to read as follows:

24       78A.030 1. Any corporation organized under chapter 78 of NRS may  
25 become a close corporation pursuant to this chapter by signing, filing and  
26 recording, in accordance with NRS 78.390, a certificate of amendment of the  
27 ~~certificate~~ **articles** of incorporation which must:

28       (a) Contain a statement that the corporation elects to become a close  
29 corporation; and

30       (b) Meet the requirements of paragraph (a) of subsection 2 of NRS 78A.020.

31       2. Except as otherwise provided in subsection 3, the amendment must be  
32 adopted in accordance with the requirements of NRS 78.380 or 78.390.

33       3. If an amendment is adopted in accordance with the requirements of NRS  
34 78.390, it must be approved by a vote of the holders of record of at least two-thirds  
35 of the shares of each class of stock of the corporation that are outstanding and  
36 entitled to vote, unless the articles of incorporation or bylaws require approval by a  
37 greater proportion.

38       **Sec. 22.** NRS 78A.040 is hereby amended to read as follows:

39       78A.040 1. The following statement must appear conspicuously on each  
40 share certificate issued by a close corporation:

41  
42       The rights of stockholders in a close corporation may differ materially from  
43 the rights of shareholders in other corporations. Copies of the ~~certificate~~  
44 **articles** of incorporation, bylaws, shareholders' agreements and other  
45 records, any of which may restrict transfers of stock and affect voting and  
46 other rights, may be obtained by a shareholder on written request to the  
47 corporation.

48  
49       2. A person claiming an interest in the shares of a close corporation that has  
50 complied with the requirement of subsection 1 is bound by the records referred to in  
51 the notice. A person claiming an interest in the shares of a close corporation that  
52 has not complied with the requirement of subsection 1 is bound by any record that  
53 he or she or a person through whom he or she claims has knowledge or notice.

3. A close corporation shall provide to any shareholder upon his or her written request and without charge, copies of the provisions that restrict transfer or affect voting or other rights of shareholders appearing in the articles of incorporation, bylaws, shareholders' agreements or voting trust agreements filed with the corporations.

4. Except as otherwise provided in subsection 5, the close corporation may refuse to register the transfer of stock into the name of a person to whom the stock of a close corporation has been transferred if the person has, or is presumed to have, notice that the transfer of the stock is in violation of a restriction on the transfer of stock. If the close corporation refuses to register the transfer of stock into the name of the transferee, the close corporation must notify the transferee of its refusal and state the reasons therefor.

5. Subsection 4 does not apply if:

(a) The transfer of stock, even if contrary to the restrictions on transfer of stock, has been consented to by all the stockholders of the close corporation; or

(b) The close corporation has amended its ~~certificate~~ **articles** of incorporation in accordance with NRS 78A.180.

6. The provisions of this section do not impair any rights of a transferee to:

(a) Rescind the transaction by which the transferee acquired the stock; or

(b) Recover under any applicable warranty.

7. As used in this section, "transfer" is not limited to a transfer for value.

**Sec. 23.** NRS 78A.050 is hereby amended to read as follows:

78A.050 1. An interest in the shares of a close corporation may not be transferred, except to the extent permitted by the ~~certificate~~ **articles** of incorporation, the bylaws, a shareholders' agreement or a voting trust agreement.

2. Except as otherwise provided by the ~~certificate~~ **articles** of incorporation, the provisions of this section do not apply to a transfer:

(a) To the corporation or to any other shareholder of the same class or series of shares.

(b) To heirs at law.

(c) That has been approved in writing by all of the holders of the shares of the corporation having voting rights.

(d) To an executor or administrator upon the death of a shareholder or to a trustee or receiver as a result of a bankruptcy, insolvency, dissolution or similar proceeding brought by or against a shareholder.

(e) By merger or share exchange or an exchange of existing shares for other shares of a different class or series in the corporation.

(f) By a pledge as collateral for a loan that does not grant the pledgee any voting rights possessed by the pledgor.

(g) Made after the termination of the status of the corporation as a close corporation.

**Sec. 24.** NRS 78A.080 is hereby amended to read as follows:

78A.080 A written agreement among stockholders of a close corporation or any provision of the ~~certificate~~ **articles** of incorporation or of the bylaws of the corporation that relates to any phase of the affairs of the corporation, including, but not limited to, the management of its business, the declaration and payment of dividends or other division of profits, the election of directors or officers, the employment of stockholders by the corporation or the arbitration of disputes is not invalid on the ground that it is an attempt by the parties to the agreement or by the stockholders of the corporation to treat the corporation as if it were a partnership or to arrange relations among the stockholders or between the stockholders and the corporation in a manner that would be appropriate only among partners.

1       **Sec. 25.** NRS 78A.090 is hereby amended to read as follows:

2       78A.090 1. A close corporation may operate without a board of directors if  
3 the ~~certificate~~ **articles** of incorporation ~~contains~~ **contain** a statement to that  
4 effect.

5       2. An amendment to the ~~certificate~~ **articles** of incorporation eliminating a  
6 board of directors must be approved:

7       (a) By all the shareholders of the corporation, whether or not otherwise entitled  
8 to vote on amendments; or

9       (b) If no shares have been issued, by all subscribers for shares, if any, or if  
10 none, by the incorporators.

11       3. While a corporation is operating without a board of directors as authorized  
12 by subsection 1:

13       (a) All corporate powers must be exercised by or under the authority of, and  
14 the business and affairs of the corporation managed under the direction of, the  
15 shareholders.

16       (b) Unless the articles of incorporation provide otherwise:

17       (1) Action requiring the approval of the board of directors or of both the  
18 board of directors and the shareholders is authorized if approved by the  
19 shareholders; and

20       (2) Action requiring a majority or greater percentage vote of the board of  
21 directors is authorized if approved by the majority or greater percentage of votes of  
22 the shareholders entitled to vote on the action.

23       (c) A requirement by a state or the United States that a record delivered for  
24 filing contain a statement that specified action has been taken by the board of  
25 directors is satisfied by a statement that the corporation is a close corporation  
26 without a board of directors and that the action was approved by the shareholders.

27       (d) The shareholders by resolution may appoint one or more shareholders to  
28 sign records as designated directors.

29       4. An amendment to the articles of incorporation that deletes the provision  
30 which eliminates a board of directors must be approved by the holders of at least  
31 two-thirds of the votes of each class or series of shares of the corporation, voting as  
32 separate voting groups, whether or not otherwise entitled to vote on amendments.  
33 The amendment must specify the number, names and mailing addresses of the  
34 directors of the corporation or describe who will perform the duties of the board of  
35 directors.

36       **Sec. 26.** NRS 78A.140 is hereby amended to read as follows:

37       78A.140 1. Upon application of a stockholder, the court may appoint one or  
38 more persons to be custodians and, if the corporation is insolvent, to be receivers of  
39 any close corporation when:

40       (a) The business and affairs of the close corporation are managed by the  
41 stockholders who are so divided that the business of the corporation is suffering or  
42 is threatened with irreparable injury and any remedy with respect to such a  
43 deadlock provided in the ~~certificate~~ **articles** of incorporation or bylaws or in any  
44 written agreement of the stockholders has failed; or

45       (b) The petitioning stockholder has the right to the dissolution of the  
46 corporation under a provision of the ~~certificate~~ **articles** of incorporation permitted  
47 by NRS 78A.160.

48       2. If the court determines that it would be in the best interest of the  
49 corporation, the court may appoint a provisional director in lieu of appointing a  
50 custodian or receiver for a close corporation. Such an appointment does not  
51 preclude any subsequent order of the court appointing a custodian or receiver for  
52 the corporation.

1       **Sec. 27.** NRS 78A.150 is hereby amended to read as follows:

2       78A.150 1. Notwithstanding any contrary provision of the ~~certificate~~  
3       **articles** of incorporation, the bylaws or an agreement of the stockholders, the court  
4       may appoint a provisional director for a close corporation if the shareholders or  
5       directors, if any, are so divided concerning the management of the business and  
6       affairs of the corporation that the votes required for action by the board of directors  
7       cannot be obtained, with the consequence that the business and affairs of the  
8       corporation cannot be conducted to the advantage of the stockholders generally.

9       2. An application for relief pursuant to this section must be filed:

10      (a) By at least one-half of the number of directors then in office;

11      (b) By the holders of at least one-third of all stock then entitled to elect  
12      directors; or

13      (c) If there is more than one class of stock then entitled to elect one or more  
14      directors, by the holders of two-thirds of the stock of each class.

15      ➤ The ~~certificate~~ **articles** of incorporation of a close corporation may provide that  
16      a lesser proportion of the directors, the stockholders or a class of stockholders may  
17      apply for relief under this section.

18      3. A provisional director:

19      (a) Must be an impartial person who is not a stockholder or a creditor of the  
20      corporation or of any subsidiary or affiliate of the corporation and whose further  
21      qualifications, if any, may be determined by the court.

22      (b) Is not a custodian or receiver of the corporation and does not have the title  
23      and powers of a custodian or receiver appointed under NRS 78A.140.

24      (c) Has the rights and powers of an elected director of the corporation,  
25      including the right to notice of and to vote at meetings of directors, until such time  
26      as the provisional director may be removed by order of the court.

27      4. The compensation of a provisional director must be determined by  
28      agreement between the provisional director and the corporation subject to the  
29      approval of the court, which may fix the compensation in the absence of agreement  
30      or in the event of disagreement between the provisional director and the  
31      corporation.

32      **Sec. 28.** NRS 78A.160 is hereby amended to read as follows:

33      78A.160 1. The ~~certificate~~ **articles** of incorporation of any close  
34      corporation may include a provision granting to any stockholder or to the holder of  
35      any specified number or percentage of shares of any class of stock an option to  
36      have the corporation dissolved at will or upon the occurrence of any specified event  
37      or contingency. Whenever any option to dissolve is exercised, the stockholders who  
38      exercise the option shall give written notice thereof to all other stockholders. Thirty  
39      days after the notice is sent, the dissolution of the corporation must proceed as if the  
40      required number of stockholders having voting power consented in writing to  
41      dissolution of the corporation as provided by NRS 78.320.

42      2. If the ~~certificate~~ **articles** of incorporation as originally filed ~~does~~ **do** not  
43      contain a provision authorized by subsection 1, the ~~certificate~~ **articles** may be  
44      amended to include such a provision if adopted by the affirmative vote of the  
45      holders of all the outstanding stock, whether or not otherwise entitled to vote,  
46      unless the ~~certificate~~ **articles** of incorporation specifically ~~authorizes~~ **authorize**  
47      such an amendment by a vote which is not less than two-thirds of all the  
48      outstanding stock, whether or not otherwise entitled to vote.

49      3. Each stock certificate in any corporation whose ~~certificate~~ **articles** of  
50      incorporation ~~authorizes~~ **authorize** dissolution as permitted by this section must  
51      conspicuously note on the face of the certificate the existence of the provision or  
52      the provision is ineffective.



1       **Sec. 29.** NRS 78A.170 is hereby amended to read as follows:

2       78A.170 A close corporation is subject to the provisions of this chapter until:

3       1. The corporation files with the Secretary of State a certificate of amendment  
4 deleting from the ~~{certificate}~~ *articles* of incorporation the provisions required or  
5 permitted by NRS 78A.020, to be stated in the ~~{certificate}~~ *articles* of  
6 incorporation; or

7       2. A provision or condition required or permitted by NRS 78A.020 to be  
8 stated in ~~{a certificate}~~ *the articles* of incorporation has been breached and the  
9 corporation or any stockholder has not acted pursuant to NRS 78A.190 to prevent  
10 the loss of status or remedy the breach.

11       **Sec. 30.** NRS 78A.180 is hereby amended to read as follows:

12       78A.180 1. A corporation may voluntarily terminate its status as a close  
13 corporation, and cease to be subject to the provisions of this chapter, by amending  
14 the ~~{certificate}~~ *articles* of incorporation to delete therefrom the additional  
15 provisions required or permitted by NRS 78A.020 to be stated in the ~~{certificate}~~  
16 *articles* of incorporation of a close corporation. An amendment must be adopted  
17 and become effective in accordance with NRS 78.390, except that it must be  
18 approved by a vote of the holders of record of at least two-thirds of the voting  
19 shares of each class of stock of the corporation that are outstanding.

20       2. The ~~{certificate}~~ *articles* of incorporation of a close corporation may  
21 provide that on any amendment to terminate the status as a close corporation, a vote  
22 greater than two-thirds or a vote of all shares of any class may be required. If the  
23 ~~{certificate}~~ *articles* of incorporation ~~{contains}~~ *contain* such a provision, that  
24 provision may not be amended, repealed or modified by any vote less than that  
25 required to terminate the status of the corporation as a close corporation.

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

33       **Sec. 31.** NRS 78A.190 is hereby amended to read as follows:

34       78A.190 1. The status of a corporation as a close corporation terminates if  
35 one or more of the provisions or conditions of this chapter cease to exist or be  
36 fulfilled unless:

37       (a) Within 30 days after the occurrence of the event, or within 30 days after the  
38 event has been discovered by the corporation, whichever is later, the corporation  
39 files with the Secretary of State a signed certificate stating that a specified provision  
40 or condition included in the ~~{certificate}~~ *articles* of incorporation to qualify the  
41 corporation as a close corporation has ceased to be applicable and furnishes a copy  
42 of the certificate to each stockholder; and

43       (b) The corporation, concurrently with the filing of a certificate, takes such  
44 steps as are necessary to correct the situation that threatens the status as a close  
45 corporation, including the refusal to register the transfer of stock which has been  
46 wrongfully transferred as provided by NRS 78A.050 or commencing a proceeding  
47 under subsection 2.

48       2. Upon the suit of the close corporation or any stockholder, the court has  
49 jurisdiction to:

50       (a) Issue all orders necessary to prevent the corporation from losing its status  
51 as a close corporation.

52       (b) Restore the status of the corporation as a close corporation by enjoining or  
53 setting aside any act or threatened act on the part of the corporation or a stockholder

1 that would be inconsistent with any of the provisions or conditions required or  
2 permitted by this chapter to be stated in the ~~certificate~~ *articles* of incorporation of  
3 a close corporation, unless it is an act approved in accordance with NRS 78A.050.

4 (c) Enjoin or set aside any transfer or threatened transfer of stock of a close  
5 corporation that is contrary to the terms of the ~~certificate~~ *articles* of incorporation  
6 or of any permitted restriction on transfer.

7 (d) Enjoin any public offering or threatened public offering of stock of the  
8 close corporation.

9 **Sec. 32.** NRS 86.201 is hereby amended to read as follows:

10 86.201 1. A limited-liability company is considered legally organized  
11 pursuant to this chapter:

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

17 (b) Upon paying the required filing fees to the Secretary of State.

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

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

24 **Sec. 33.** NRS 86.286 is hereby amended to read as follows:

25 86.286 1. A limited-liability company may, but is not required to, adopt an  
26 operating agreement. An operating agreement may be adopted only by the  
27 unanimous vote or unanimous written consent of the members, which may be in  
28 any tangible or electronic format, or by the sole member. If any operating  
29 agreement provides for the manner in which it may be amended, including by  
30 requiring the approval of a person who is not a party to the operating agreement or  
31 the satisfaction of conditions, it may be amended only in that manner or as  
32 otherwise permitted by law and any attempt to otherwise amend the operating  
33 agreement shall be deemed void and of no legal force or effect unless otherwise  
34 provided in the operating agreement. Unless otherwise provided in the operating  
35 agreement, amendments to the agreement may be adopted only by the unanimous  
36 vote or unanimous written consent of the persons who are members at the time of  
37 amendment.

38 2. An operating agreement may be adopted before, after or at the time of the  
39 filing of the articles of organization and, whether entered into before, after or at the  
40 time of the filing, may become effective at the formation of the limited-liability  
41 company or at a later date specified in the operating agreement. If an operating  
42 agreement is adopted:

43 (a) Before the filing of the articles of organization or before the effective date  
44 of formation specified in the articles of organization, the operating agreement is not  
45 effective until the effective date of formation of the limited-liability company.

46 (b) After the filing of the articles of organization or after the effective date of  
47 formation specified in the articles of organization, the operating agreement binds  
48 the limited-liability company and may be enforced whether or not the limited-  
49 liability company assents to the operating agreement.

50 3. An operating agreement may provide that a certificate of limited-liability  
51 company interest issued by the limited-liability company may evidence a member's  
52 interest in a limited-liability company.

53 4. An operating agreement:

(a) May provide, but is not required to provide : ~~to any person, including a person who is not a party to the operating agreement, to the extent set forth therein;~~

(1) Rights to any person, including a person who is not a party to the operating agreement, to the extent set forth therein;

(2) For the admission of any person as a member of the company dependent upon any fact or event that may be ascertained outside the articles of organization or the operating agreement, if the manner in which the fact or event may operate on the determination of the person or the admission of the person as a member of the company is set forth in the articles of organization or the operating agreement;

(3) That the personal representative of the last remaining member is obligated to agree in writing to the admission of the personal representative, or its nominee or designee, as a member of the company effective upon the occurrence of the event that terminated the last remaining member's status as a member of the company;

(4) For the admission of any person as a member of the company upon or after the death, retirement, resignation, expulsion, bankruptcy, dissolution or dissociation of, or any other event affecting, a member or the last remaining member, or after there is no longer a member of the company; or

(5) Any other provision, not inconsistent with law or the articles of organization, which the members elect to set out in the operating agreement for the regulation of the internal affairs of the company.

(b) Must be interpreted and construed to give the maximum effect to the principle of freedom of contract and enforceability.

5. If, and to the extent that, a member or manager or other person has duties to a limited-liability company, to another member or manager, or to another person that is a party to or is otherwise bound by the operating agreement, such duties may be expanded, restricted or eliminated by provisions in the operating agreement, except that an operating agreement may not eliminate the implied contractual covenant of good faith and fair dealing.

6. Unless otherwise provided in an operating agreement, a member, manager or other person is not liable for breach of duties, if any, to a limited-liability company, to any of the members or managers or to another person that is a party to or otherwise bound by the operating agreement for conduct undertaken in the member's, manager's or other person's good faith reliance on the provisions of the operating agreement.

7. An operating agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties, if any, of a member, manager or other person to a limited-liability company, to any of the members or managers, or to another person that is a party to or is otherwise bound by the operating agreement. An operating agreement may not limit or eliminate liability for any conduct that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing.

8. The Secretary of State may make available a model operating agreement for use by and at the discretion of a limited-liability company according to such terms and limitations as established by the Secretary of State. The use of such an operating agreement does not create a presumption that the contents of the operating agreement are accurate or that the operating agreement is valid.

**Sec. 34.** NRS 87A.235 is hereby amended to read as follows:

87A.235 1. In order for a limited partnership to be formed, a certificate of limited partnership must be delivered to the Secretary of State for filing. The certificate must state:

(a) The name of the limited partnership;

(b) The information required pursuant to NRS 77.310;  
(c) The name and the street and mailing address of each general partner;  
(d) Any additional information required by chapter 92A of NRS; and  
(e) If the limited partnership is to be a restricted limited partnership, a statement to that effect.

2. A certificate of limited partnership may also contain any other matters but may not vary or otherwise affect the provisions specified in subsection 2 of NRS 87A.190 in a manner inconsistent with that section.

3. If there has been substantial compliance with subsection 1, a limited partnership is formed on ~~the later of~~ the filing of the certificate of limited partnership. ~~for a date specified in the certificate of limited partnership.~~

4. Subject to subsection 2, if any provision of a partnership agreement is inconsistent with the filed certificate of limited partnership or with a filed certificate of withdrawal, certificate of cancellation or statement of change or filed articles of conversion or merger:

(a) The partnership agreement prevails as to partners and transferees; and

(b) The filed certificate of limited partnership, certificate of withdrawal, certificate of cancellation or statement of change or articles of conversion or merger prevail as to persons, other than partners and transferees, that reasonably rely on the filed record to their detriment.

**Sec. 35.** NRS 88.350 is hereby amended to read as follows:

88.350 1. In order to form a limited partnership, a certificate of limited partnership must be signed and filed in the Office of the Secretary of State. The certificate must set forth:

(a) The name of the limited partnership;

(b) The information required pursuant to NRS 77.310;

(c) The name and business address of each organizer executing the certificate;

(d) The name and business address of each initial general partner;

(e) The latest date upon which the limited partnership is to dissolve;

(f) If the limited partnership is to be a restricted limited partnership, a statement to that effect; and

(g) Any other matters the organizers determine to include therein.

2. A limited partnership is formed at the time of the filing of the certificate of limited partnership in the Office of the Secretary of State ~~for at any later time specified in the certificate of limited partnership~~ if there has been substantial compliance with the requirements of this section.

**Sec. 36.** NRS 92A.180 is hereby amended to read as follows:

92A.180 1. A parent domestic corporation, whether or not for profit, parent domestic limited-liability company, unless otherwise provided in the articles of organization or operating agreement, or parent domestic limited partnership owning at least 90 percent of the outstanding shares of each class of a subsidiary corporation entitled to vote on a merger, 90 percent of the percentage or other interest in the capital and profits of a subsidiary limited-liability company then owned by each class of members entitled to vote on a merger or 90 percent of the percentage or other interest in the capital and profits of a subsidiary limited partnership then owned by both the general partners and each class of limited partners entitled to vote on a merger may merge the subsidiary into itself without approval of the owners of the owner's interests of the parent domestic corporation, parent domestic limited-liability company or parent domestic limited partnership or the owners of the owner's interests of the subsidiary domestic corporation, subsidiary domestic limited-liability company or subsidiary domestic limited partnership.

2. A parent domestic corporation, whether or not for profit, parent domestic limited-liability company, unless otherwise provided in the articles of organization or operating agreement, or parent domestic limited partnership owning at least 90 percent of the outstanding shares of each class of a subsidiary corporation entitled to vote on a merger, 90 percent of the percentage or other interest in the capital and profits of a subsidiary limited-liability company then owned by each class of members entitled to vote on a merger, or 90 percent of the percentage or other interest in the capital and profits of a subsidiary limited partnership then owned by both the general partners and each class of limited partners entitled to vote on a merger may merge with and into the subsidiary without approval of the owners of the owner's interests of the subsidiary domestic corporation, subsidiary domestic limited-liability company or subsidiary domestic limited partnership.

3. The board of directors of a parent corporation, the managers of a parent limited-liability company with managers unless otherwise provided in the operating agreement, all members of a parent limited-liability company without managers unless otherwise provided in the operating agreement, or all general partners of a parent limited partnership shall adopt a plan of merger that sets forth:

(a) The names of the parent and subsidiary; and

(b) The manner and basis of converting the owner's interests of the disappearing entity into the owner's interests, obligations or other securities of the surviving or any other entity or into cash or other property in whole or in part.

4. The ~~parent~~ *surviving entity* shall mail a copy or summary of the plan of merger to each owner of the subsidiary who does not waive the mailing requirement in writing.

5. Articles of merger under this section may not contain amendments to the constituent documents of the surviving entity except that the name of the surviving entity may be changed.

6. The articles of incorporation of a domestic corporation, the articles of organization of a domestic limited-liability company, the certificate of limited partnership of a domestic limited partnership or the certificate of trust of a domestic business trust may forbid that entity from entering into a merger pursuant to this section.

**Sec. 37.** NRS 92A.250 is hereby amended to read as follows:

92A.250 1. When a merger takes effect:

(a) Every other entity that is a constituent entity merges into the surviving entity and the separate existence of every entity except the surviving entity ceases;

(b) The title to all real estate and other property owned by each merging constituent entity is vested in the surviving entity without reversion or impairment;

(c) *An owner of a constituent entity remains liable for all the obligations of such constituent entity existing at the time of the merger to the extent the owner was liable before the merger;*

(d) The surviving entity has all of the liabilities of each other constituent entity

~~(d) incurred after the time of the merger;~~

(e) A proceeding pending against any constituent entity may be continued as if the merger had not occurred or the surviving entity may be substituted in the proceeding for the entity whose existence has ceased;

~~(e)~~ (f) The articles of incorporation, articles of organization, certificate of limited partnership or certificate of trust of the surviving entity are amended to the extent provided in the plan of merger; and

~~(f)~~ (g) The owner's interests of each constituent entity that are to be converted into owner's interests, obligations or other securities of the surviving or any other entity or into cash or other property are converted, and the former holders

1 of the owner's interests are entitled only to the rights provided in the articles of  
2 merger or any created pursuant to NRS 92A.300 to 92A.500, inclusive.

3 2. When an exchange takes effect, the owner's interests of each acquired  
4 entity are exchanged as provided in the plan, and the former holders of the owner's  
5 interests are entitled only to the rights provided in the articles of exchange or any  
6 rights created pursuant to NRS 92A.300 to 92A.500, inclusive.

7 3. When a conversion takes effect:

8 (a) The constituent entity is converted into the resulting entity and is governed  
9 by and subject to the law of the jurisdiction of the resulting entity;

10 (b) The conversion is a continuation of the existence of the constituent entity;

11 (c) The title to all real estate and other property owned by the constituent entity  
12 is vested in the resulting entity without reversion or impairment;

13 (d) The resulting entity has all the liabilities of the constituent entity;

14 (e) A proceeding pending against the constituent entity may be continued as if  
15 the conversion had not occurred or the resulting entity may be substituted in the  
16 proceeding for the constituent entity;

17 (f) The owner's interests of the constituent entity that are to be converted into  
18 the owner's interests of the resulting entity are converted;

19 (g) An owner of the resulting entity remains liable for all the obligations of the  
20 constituent entity *existing at the time of the conversion* to the extent the owner was  
21 ~~personally~~ liable before the conversion; and

22 (h) The domestic constituent entity is not required to wind up its affairs, pay its  
23 liabilities, distribute its assets or dissolve, and the conversion is not deemed a  
24 dissolution of the domestic constituent entity.

25 **Sec. 38.** NRS 240.1655 is hereby amended to read as follows:

26 240.1655 1. A notarial act must be evidenced by a certificate that:

27 (a) Identifies the county, including, without limitation, Carson City, in this  
28 State in which the notarial act was performed in substantially the following form:

29  
30 State of Nevada

31 County of .....  
32

33 (b) Except as otherwise provided in this paragraph, includes the name of the  
34 person whose signature is being notarized. If the certificate is for certifying a copy  
35 of a document, the certificate must include the name of the person presenting the  
36 document. If the certificate is for the jurat of a subscribing witness, the certificate  
37 must include the name of the subscribing witness.

38 (c) Is signed and dated in ink by the notarial officer performing the notarial act.  
39 ~~The~~ *If the notarial officer is a notary public, the* certificate must be signed in the  
40 same manner as the signature of the notarial officer that is on file with the Secretary  
41 of State.

42 (d) If the notarial officer performing the notarial act is a notary public, includes  
43 the statement imprinted with the stamp of the notary public, as described in NRS  
44 240.040.

45 (e) If the notarial officer performing the notarial act is not a notary public,  
46 includes the title of the office of the notarial officer and may include the official  
47 stamp or seal of that office. If the officer is a commissioned officer on active duty  
48 in the military service of the United States, the certificate must also include the  
49 officer's rank.

50 2. Except as otherwise provided in subsection 8, a notarial officer shall:

51 (a) In taking an acknowledgment, determine, from personal knowledge or  
52 satisfactory evidence, that the person making the acknowledgment is the person

1 whose signature is on the document. The person who signed the document shall  
2 present the document to the notarial officer in person.

3 (b) In administering an oath or affirmation, determine, from personal  
4 knowledge or satisfactory evidence, the identity of the person taking the oath or  
5 affirmation.

6 (c) In certifying a copy of a document, photocopy the entire document and  
7 certify that the photocopy is a true and correct copy of the document that was  
8 presented to the notarial officer.

9 (d) In making or noting a protest of a negotiable instrument, verify compliance  
10 with the provisions of subsection 2 of NRS 104.3505.

11 (e) In executing a jurat, administer an oath or affirmation to the affiant and  
12 determine, from personal knowledge or satisfactory evidence, that the affiant is the  
13 person named in the document. The affiant shall sign the document in the presence  
14 of the notarial officer. The notarial officer shall administer the oath or affirmation  
15 required pursuant to this paragraph in substantially the following form:

16  
17 Do you (solemnly swear, or affirm) that the statements in this document  
18 are true, (so help you God)?  
19

20 3. A certificate of a notarial act is sufficient if it meets the requirements of  
21 subsections 1 and 2 and it:

22 (a) Is in the short form set forth in NRS 240.166 to 240.169, inclusive;

23 (b) Is in a form otherwise prescribed by the law of this State;

24 (c) Is in a form prescribed by the laws or regulations applicable in the place in  
25 which the notarial act was performed; or

26 (d) Sets forth the actions of the notarial officer and those are sufficient to meet  
27 the requirements of the designated notarial act.

28 4. For the purposes of paragraphs (a), (b) and (e) of subsection 2, a notarial  
29 officer has satisfactory evidence that a person is the person whose signature is on a  
30 document if the person:

31 (a) Is personally known to the notarial officer;

32 (b) Is identified upon the oath or affirmation of a credible witness who  
33 personally appears before the notarial officer;

34 (c) Is identified on the basis of an identifying document which contains a  
35 signature and a photograph;

36 (d) Is identified on the basis of a consular identification card;

37 (e) Is identified upon an oath or affirmation of a subscribing witness who is  
38 personally known to the notarial officer; or

39 (f) In the case of a person who is 65 years of age or older and cannot satisfy the  
40 requirements of paragraphs (a) to (e), inclusive, is identified upon the basis of an  
41 identification card issued by a governmental agency or a senior citizen center.

42 5. An oath or affirmation administered pursuant to paragraph (b) of  
43 subsection 4 must be in substantially the following form:

44  
45 Do you (solemnly swear, or affirm) that you personally know  
46 .....(name of person who signed the document)....., (so help you  
47 God)?  
48

49 6. A notarial officer shall not affix his or her signature over printed material.

50 7. By executing a certificate of a notarial act, the notarial officer certifies that  
51 the notarial officer has complied with all the requirements of this section.

52 8. If a person is physically unable to sign a document that is presented to a  
53 notarial officer pursuant to this section, the person may direct a person other than



1 the notarial officer to sign the person's name on the document. The notarial officer  
2 shall insert "Signature affixed by (insert name of other person) at the direction of  
3 (insert name of person)" or words of similar import.

4 9. As used in this section, unless the context otherwise requires, "consular  
5 identification card" means an identification card issued by a consulate of a foreign  
6 government, which consulate is located within the State of Nevada.