Senate Engrossed House Bill

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KEN BENNETT
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CHAPTER 42

HOUSE BILL 2199

AN ACT

AMENDING SECTIONS 10-125, 10-203, 10-224, 10-504, 10-1006, 10-1007, 10-1008, 10-1105, 10-1403, 10-1420, 10-1503, 10-1510, 10-1520, AND 10-2077, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2084; AMENDING SECTION 10-2143, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2150; AMENDING SECTIONS 10-3125, 10-3203, 10-3224, 10-3504, 10-11006, 10-11007, 10-11008, 10-11105, 10-11107, 10-11403, 10-11503, 10-11510, 10-11520, 29-603, 29-609, 29-633, 29-634 AND 29-635, ARIZONA REVISED STATUTES; RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 10-125, Arizona Revised Statutes, is amended to read:

10-125. Filing duty of commission

A. At the time of delivery of a document to the commission, the commission shall stamp, endorse or attach the date and time of delivery of the document.

B. The commission shall file a document delivered to the commission for filing if both of the following apply:

1. The commission determines that the document satisfies the requirements of chapters 1 through 17 of this title.

2. The corporation filing the document or on whose behalf the document is being filed~~,~~ is in good standing within the meaning of section 10-128 ~~or 10-3128~~.

C. The commission may file a document delivered to the commission in which either the corporation has filed articles of dissolution or the corporation has filed a document that is required to bring the corporation into good standing. The commission shall deliver a document copy to the domestic or foreign corporation or its representative.

D. If the commission refuses to file a document, it shall return it or a copy of the original to the domestic or foreign corporation or its representative within five days after the determination of refusal to file, together with a brief written explanation of the reason for the refusal.

E. The filing or refusing to file a document by the commission does not:

1. Affect the validity or invalidity of the document in whole or part, except to the extent that filing is required to make the document valid.

2. Relate to the correctness or incorrectness of information contained in the document.

3. Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

Sec. 2. Section 10-203, Arizona Revised Statutes, is amended to read:

10-203. Incorporation

A. Unless a delayed effective date is specified in the articles of incorporation, incorporation occurs and the corporate existence begins when the articles of incorporation and certificate of disclosure are delivered to the commission for filing.

B. The commission's filing of the articles of incorporation and certificate of disclosure is conclusive proof that the incorporators satisfied all conditions precedent to incorporation except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation pursuant to chapter 14 of this title.

C. Subject to section 10-124, if the commission determines that the requirements of chapters 1 through 17 of this title for filing have not been met, the articles of incorporation and certificate of disclosure shall not be

filed and the corporate existence terminates at the time the commission completes the determination. If the corporate existence is terminated pursuant to this subsection, sections 10-1405, 10-1406 and 10-1407 apply.

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of incorporation shall be published. An affidavit evidencing the publication ~~shall~~ MAY be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of incorporation~~.

Sec. 3. Section 10-224, Arizona Revised Statutes, is amended to read:

10-224. Recording and publication of articles of domestication

Within sixty days after the commission ~~has approved~~ APPROVES the filing of the articles of domestication, a copy of the articles of domestication shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of domestication~~. If other laws require the domesticated corporation to record its articles of incorporation, the domesticated corporation shall also record the articles of domestication.

Sec. 4. Section 10-504, Arizona Revised Statutes, is amended to read:

10-504. Service on corporation

A. The statutory agent appointed by a corporation is an agent of the corporation on whom process, notice or demand that is required or permitted by law to be served on the corporation may be served and that, when so served, is lawful personal service on the corporation.

B. If a corporation fails to appoint or maintain a statutory agent at the address shown on the records of the commission, the commission is an agent of the corporation on whom process, notice or demand may be served. Pursuant to the Arizona rules of civil procedure, service on the commission of any process, notice or demand for an entity that is registered pursuant to this title shall be made by delivering to and leaving with the commission duplicate copies of the process, notice or demand, and the commission shall immediately cause one of the copies of the process, notice or demand to be forwarded by mail, addressed to the corporation at its known place of business. Service made on the commission is returnable pursuant to applicable law relative to personal service on the corporation. If service is made on the commission, whether under this chapter or a rule of court, the corporation has thirty days to respond in addition to the time otherwise provided by law.

C. The commission shall keep a permanent record of all processes, notices and demands served on it under this section and shall record in the record the time of the service and its action with reference to the service.

D. NOTICE REQUIRED TO BE SERVED ON A CORPORATION PURSUANT TO SECTION 10-1421 OR 10-1422 MAY BE SERVED:

1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE CORPORATION OR, IF THE CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO

THE KNOWN PLACE OF BUSINESS REQUIRED TO BE MAINTAINED PURSUANT TO SECTION 10-501.

2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE ARIZONA RULES OF CIVIL PROCEDURE.

Sec. 5. Section 10-1006, Arizona Revised Statutes, is amended to read:

10-1006. Articles of amendment

A. A corporation amending its articles of incorporation shall deliver to the commission for filing articles of amendment setting forth:

1. The name of the corporation.

2. The text of each amendment adopted.

3. If an amendment provides for an exchange, reclassification or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself.

4. The date of each amendment's adoption.

5. If an amendment was adopted by the incorporators or board of directors without shareholder action, a statement to that effect and that shareholder action was not required.

6. If an amendment was approved by the shareholders:

(a) The designation of outstanding shares, number of outstanding shares, number of votes entitled to be cast by each voting group entitled to vote separately on the amendment and number of votes of each voting group indisputably represented at the meeting.

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

B. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of amendment~~.

Sec. 6. Section 10-1007, Arizona Revised Statutes, is amended to read:

10-1007. Restated articles of incorporation

A. A corporation's board of directors may restate its articles of incorporation at any time with or without shareholder action.

B. The restatement may include one or more amendments to the articles. If the restatement includes an amendment requiring shareholder approval, it shall be adopted as provided in section 10-1003.

C. If the board of directors submits a restatement for shareholder action, the corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders' meeting in accordance with section 10-705. The notice shall also state that the purpose or one of the purposes of the meeting is to consider the proposed restatement and shall

contain or be accompanied by a copy of the restatement that identifies any amendment or other change it would make in the articles.

D. A corporation restating its articles of incorporation shall deliver to the commission for filing articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

1. Whether the restatement contains an amendment to the articles requiring shareholder approval and, if it does not, that the board of directors adopted the restatement.

2. If the restatement contains an amendment to the articles requiring shareholder approval, the information required by section 10-1006.

E. Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to them.

F. The commission may certify restated articles of incorporation, as the articles of incorporation currently in effect, without including the certificate information required by subsection D of this section.

G. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of restatement shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after the approval by the commission of the filing of the articles of restatement~~.

Sec. 7. Section 10-1008, Arizona Revised Statutes, is amended to read:

10-1008. Amendment pursuant to reorganization

A. A corporation's articles of incorporation may be amended pursuant to this section without action by the board of directors or shareholders to carry out a plan of reorganization confirmed by an order or decree of a court of competent jurisdiction under a federal statute or a statute of this state if the articles of incorporation after amendment contain only provisions required or permitted by section 10-202.

B. Before the date of entry of a final decree in the reorganization proceeding, the individual or individuals designated by the plan shall deliver to the commission for filing articles of amendment setting forth all of the following:

1. The name of the corporation.

2. The text of each amendment contained in the plan of reorganization.

3. The date of the court's order or decree confirming the plan of reorganization containing the articles of amendment.

4. The title of the reorganization proceeding in which the order or decree was entered.

5. A statement that the court had jurisdiction of the proceeding under federal or state statute.

C. Shareholders of a corporation undergoing reorganization do not have dissenters' rights except as and to the extent provided in the reorganization plan.

D. This section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan.

E. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of amendment~~.

Sec. 8. Section 10-1105, Arizona Revised Statutes, is amended to read:

10-1105. Articles of merger or share exchange; publication

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

1. The plan of merger or share exchange.

2. Articles of merger or share exchange setting forth:

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

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

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

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

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

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

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

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

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

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

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of merger or share exchange shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of merger or share exchange~~.

Sec. 9. Section 10-1403, Arizona Revised Statutes, is amended to read:

10-1403. Articles of dissolution; effective date of dissolution

A. At any time after dissolution is authorized, the corporation may dissolve by delivering to the commission for filing articles of dissolution setting forth all of the following:

1. The name of the corporation.

2. The date dissolution was authorized.

3. If dissolution was approved by the shareholders, both:

(a) The number of votes entitled to be cast on the proposal to dissolve.

(b) Either the total number of votes cast for and against dissolution or the total number of undisputed votes cast for dissolution and a statement that the number cast for dissolution was sufficient for approval.

4. If voting by voting groups was required, the information required by paragraph 3 shall be separately provided for each voting group entitled to vote separately on the plan to dissolve.

B. A corporation is dissolved on the effective date of its articles of dissolution.

C. The articles of dissolution shall not be considered complete until the commission has received a notice from the department of revenue to the effect that the tax levied under title 42, chapter 5, article 1 against the corporation has been paid, or until it is notified by the department of revenue that the corporation is not subject to the tax and until the commission has received from the department of revenue its certificate issued pursuant to section 43-1151.

D. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE ARTICLES OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

~~D.~~ E. The articles of dissolution shall not be considered complete until all fees, penalties and costs required to be paid under this title have been paid ~~and until the commission has received an affidavit that a copy of the articles of dissolution has been published~~.

Sec. 10. Section 10-1420, Arizona Revised Statutes, is amended to read:

10-1420. Grounds for administrative dissolution

The commission may commence a proceeding under section 10-1421 to administratively dissolve a corporation if either:

1. The corporation does not pay within sixty days after they are due any fees or penalties imposed by chapters 1 through 17 of this title.

2. The corporation does not deliver its annual report to the commission within sixty days after it is due.

3. The corporation is without a statutory agent or known place of business in this state for sixty days or more.

4. The corporation does not notify the commission within sixty days that its statutory agent or known place of business has been changed, that its statutory agent has resigned or that its principal office has been discontinued.

5. The corporation has failed to make any publication required by this title, provided the commission has notified the corporation of the intent of the commission to commence a dissolution proceeding for that reason and the corporation has failed to file an affidavit of publication or other appropriate evidence of publication within sixty days after that notice.

6. The corporation's period of duration stated in its articles of incorporation expires.

7. The corporation has failed to comply with section 10-202, subsection F.

8. Any officer or other representative of the corporation has made any misrepresentation of a material matter in any application, report or other document submitted by the corporation pursuant to chapters 1 through 17 of this title.

9. The corporation has failed to comply with section 10-1403, subsection D OR E, or the commission has not received the notice required by section 10-1403, subsection C, within six months after filing articles of dissolution.

10. The corporation has failed to file a certificate of disclosure or answer interrogatories as prescribed in chapters 1 through 17 of this title.

11. The corporation failed to comply with section 10-1623, subsection A.

Sec. 11. Section 10-1503, Arizona Revised Statutes, is amended to read:

10-1503. <u>Application for authority to transact business</u>

A. A foreign corporation may apply for authority to transact business in this state by delivering an application and a certificate of disclosure to the commission for filing. The certificate of disclosure shall contain the information set forth in section 10-202, subsection D and is subject to the requirements of section 10-202, subsection F. The application shall be executed by the corporation and shall set forth:

1. The name of the foreign corporation and, if its name is unavailable for use in this state, a corporate name that satisfies the requirements of section 10-1506.

2. The name of the state or country under whose law it is incorporated.

3. Its date of incorporation and period of duration.

4. The street address of its principal office in its state or country of incorporation.

5. The street address of the proposed known place of business of the corporation in this state and the name and street address of its proposed statutory agent in this state.

6. If its purpose or purposes are narrower than the transaction of any or all lawful business in which corporations may engage in the state or country under whose law it is incorporated, a statement of the limitations on its purpose.

7. The names and usual business addresses of its current directors and officers.

8. A statement of the aggregate number of shares that the corporation has authority to issue, itemized by classes, par value of shares, shares without par value and series, if any, within a class.

9. A statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value and series, if any, within a class.

10. A brief statement of the character of business that the corporation initially intends actually to conduct in this state. This statement does not limit the character of business that the corporation ultimately conducts.

B. The foreign corporation shall deliver the application and the certificate of disclosure to the commission, together with a copy of its articles of incorporation, any amendments to the articles of incorporation and a certificate of existence or a document of similar import duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated, and the nonrefundable fees required by law.

C. After determining that the application sets forth the information required by this section, does not use as the name of the corporation in this state a name that is in violation of section 10-1506 and appears in all other respects to conform to the requirements of this article, the commission shall file the application. The date of filing shall be the date on which the corporation is granted authority to transact business in this state.

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the application shall be published. An affidavit evidencing the publication may be filed ~~within ninety days after approval by the commission of the filing of the application~~ WITH THE COMMISSION.

E. A foreign corporation authorized to transact business in this state is subject to section 10-1623.

Sec. 12. Section 10-1510, Arizona Revised Statutes, is amended to read:

10-1510. Service on foreign corporation

A. The statutory agent appointed by a foreign corporation is an agent of the foreign corporation on whom process, notice or demand that is required

or permitted by law to be served on the foreign corporation may be served and that, when so served, is lawful personal service on the foreign corporation.

B. If a foreign corporation fails to appoint or maintain a statutory agent at the address shown on the records of the commission, the commission is an agent of the foreign corporation on whom any process, notice or demand may be served. Pursuant to the Arizona rules of civil procedure, service on the commission of any process, notice or demand shall be made by delivering to and leaving with the commission duplicate copies of the process, notice or demand, and the commission shall immediately cause one of the copies of the process, notice or demand to be forwarded by mail, addressed to the foreign corporation at its known place of business. Service made on the commission is returnable pursuant to applicable law relative to personal service on the corporation. If service is made on the commission, whether under this chapter or a rule of court, the foreign corporation has thirty days to respond in addition to the time otherwise provided by law.

C. The commission shall keep a permanent record of all processes, notices and demands served on it under this section and shall record in the record the time of the service and its action with reference to the service.

D. NOTICE REQUIRED TO BE SERVED ON A FOREIGN CORPORATION PURSUANT TO SECTION 10-1531 MAY BE SERVED:

1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE FOREIGN CORPORATION OR, IF THE FOREIGN CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO ITS KNOWN PLACE OF BUSINESS IN THIS STATE OR ITS PRINCIPAL PLACE OF BUSINESS IN ITS STATE OR COUNTRY OF INCORPORATION.

2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE ARIZONA RULES OF CIVIL PROCEDURE.

Sec. 13. Section 10-1520, Arizona Revised Statutes, is amended to read:

10-1520. <u>Withdrawal of foreign corporation</u>

A. A foreign corporation authorized to transact business in this state shall not withdraw from this state until the commission files its application for withdrawal.

B. A foreign corporation authorized to transact business in this state may apply to surrender the authority by delivering an application to the commission for filing. The application shall set forth:

1. The name of the foreign corporation and the name of the state or country under whose law it is incorporated.

2. That it is not transacting business in this state and that it surrenders its authority to transact business in this state.

3. That the foreign corporation revokes the authority of its statutory agent to accept service on its behalf and appoints the commission as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to transact business in this state.

4. A mailing address to which the commission may mail a copy of any process served on the commission pursuant to its appointment as the foreign corporation's agent for service of process.

5. A commitment to notify the commission in the future of any change in the foreign corporation's mailing address.

C. The application for withdrawal is not considered complete until the commission has received a notice from the department of revenue to the effect that the tax levied under title 42, chapter 5, article 1 against the foreign corporation has been paid or until it is notified by the department of revenue that the applicant is not subject to the tax and further has received from the department of revenue its certificate issued pursuant to section 43-1151.

D. The application for withdrawal is not considered complete until all fees, penalties and costs required to be paid under this chapter have been paid.

E. After determining that the application appears in all respects to conform to the requirements of this chapter and when all fees have been paid as are prescribed in this chapter, the commission shall file the application in the manner provided in section 10-120. On the filing of the application for withdrawal, the authority of the foreign corporation to transact business in this state ceases.

F. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE APPLICATION FOR WITHDRAWAL SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

~~F.~~ G. After withdrawal of the foreign corporation is effective, service of process on the commission under this section is service on the foreign corporation. On receipt of process, the commission shall mail a copy of the process to the foreign corporation at the most recent mailing address provided by the foreign corporation in the application or by notice to the commission.

Sec. 14. Section 10-2077, Arizona Revised Statutes, is amended to read:

10-2077. <u>Dissolution</u>

A. A cooperative which has not commenced business may be dissolved by delivering to the corporation commission articles of dissolution, which shall be executed by the cooperative and which shall state:

1. The name of the cooperative.

2. The address of its principal office.

3. That the cooperative has not commenced business.

4. That any monies received by the cooperative, less any part disbursed for expenses of the cooperative, have been returned or paid to those entitled to the monies.

5. That no debt of the cooperative is unpaid.

6. That a majority of the incorporators elect that the cooperative be dissolved.

B. A cooperative which has commenced business may be dissolved in the following manner:

1. The proposition to dissolve shall be submitted to the members of the cooperative at any annual or special meeting, the notice of which shall set forth the proposition.

2. The members at the meeting shall approve, by the affirmative vote of not less than a majority of all members of the cooperative, the proposition that the cooperative be dissolved.

3. Upon approval, a certificate of election to dissolve, designated in this subsection as the "certificate", shall be executed by the cooperative.

4. The certificate shall state:

(a) The name of the cooperative.

(b) The address of its principal office.

(c) That the members of the cooperative have duly voted that the cooperative be dissolved.

5. The certificate shall be submitted to the corporation commission for filing.

6. Upon filing the certificate with the corporation commission the cooperative shall cease to carry on its business except to the extent necessary for winding up, but its corporate existence shall continue until articles of dissolution have been filed with the corporation commission.

7. The board of directors shall immediately cause notice of the dissolution proceedings to be mailed to each known creditor of and claimant against the cooperative, and such notice shall be published once a week for two successive weeks in a newspaper of general circulation in the county in which the principal office of the cooperative is located.

8. The board of directors shall wind up and settle the affairs of the cooperative, collect monies owing to it, liquidate its property and assets, pay and discharge its debts, obligations and liabilities, other than those to patrons arising by reason of their patronage, and do all other things required to wind up its business. After paying or discharging or adequately providing for the payment or discharge of all its debts, obligations and liabilities, other than those to patrons arising by reason of their patronage, the board of directors shall distribute any remaining sums, first to patrons for the pro rata return of all amounts standing to their credit by reason of their patronage, and second to members for the pro rata repayment of membership fees. Any sums then remaining shall be distributed among its members and former members in proportion to their patronage.

9. The board of directors shall thereupon authorize the execution of articles of dissolution, which shall be executed by the cooperative.

10. The articles of dissolution shall recite that they are executed pursuant to this article and shall state:

(a) The name of the cooperative.

(b) The address of its principal office.

(c) The date on which the certificate of election to dissolve was filed by the corporation commission.

(d) That there are no actions or suits pending against the cooperative.

(e) That all debts, obligations and liabilities of the cooperative have been paid and discharged or that adequate provision has been made for payment and discharge.

(f) That the preceding provisions of this subsection have been duly complied with.

11. THE ARTICLES OF DISSOLUTION PREPARED PURSUANT TO PARAGRAPH 10 OF THIS SUBSECTION SHALL BE DELIVERED TO THE COMMISSION FOR FILING. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE ARTICLES OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

Sec. 15. Title 10, chapter 19, article 2, Arizona Revised Statutes, is amended by adding section 10-2084, to read:

10-2084. Electric cooperative nonprofit membership corporations; annual report

EACH ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION INCORPORATED PURSUANT TO THIS ARTICLE SHALL DELIVER TO THE COMMISSION FOR FILING AN ANNUAL REPORT AS REQUIRED BY SECTION 10-11622.

Sec. 16. Section 10-2143, Arizona Revised Statutes, is amended to read:

10-2143. Dissolution

A. A generation and transmission cooperative ~~which~~ THAT has not commenced business may dissolve voluntarily by delivering to the corporation commission articles of dissolution, executed and acknowledged on behalf of the generation and transmission cooperative by a majority of the incorporators, which shall state:

1. The name of the generation and transmission cooperative.

2. The address of its principal office.

3. The date of its incorporation.

4. That the generation and transmission cooperative has not commenced business.

5. That the amount, if any, actually paid in on account of membership fees, less any part disbursed for necessary expenses, has been returned to those entitled and that all easements have been released to the grantors.

6. That no debt of the generation and transmission cooperative remains unpaid.

7. That a majority of the incorporators ~~elects~~ ELECT that the generation and transmission cooperative be dissolved. The articles of dissolution shall be submitted to the corporation commission for filing as provided in this article.

B. A generation and transmission cooperative ~~which~~ THAT has commenced business may dissolve voluntarily and wind up its affairs in the following manner:

1. The proposition that the generation and transmission cooperative be dissolved must be submitted to the members of the generation and transmission cooperative at any meeting. The meeting notice shall state the proposition. The proposed voluntary dissolution is deemed to be approved on the affirmative vote of not less than two-thirds of those members acting through their voting delegates voting at the meeting.

2. On approval, a certificate of election to dissolve, designated the "certificate", shall be executed by the generation and transmission cooperative. The certificate shall BE SUBMITTED TO THE CORPORATION COMMISSION FOR FILING AS PROVIDED IN THIS ARTICLE AND SHALL state:

(a) The name of the generation and transmission cooperative.

(b) The address of its principal office.

(c) The names and addresses of its directors.

(d) The total number of voting delegates of the generation and transmission cooperative and the number of voting delegates who voted for and against the voluntary dissolution of the generation and transmission cooperative.

~~The certificate shall be submitted to the corporation commission for filing as provided in this article.~~

3. On the filing of the certificate with the corporation commission, the generation and transmission cooperative shall cease to carry on its business except as is necessary for the winding up of business, but its corporate existence continues until articles of dissolution have been filed with the corporation commission.

4. After the filing of the certificate with the corporation commission, the board of directors shall immediately mail notice of the winding up of proceedings to each known creditor and claimant and publish notice once a week for two successive weeks in a newspaper of general circulation in the county in which the principal office of the generation and transmission cooperative is located.

5. The board of directors has full power to wind up and settle the affairs of the cooperative and shall proceed to collect the debts owing to the generation and transmission cooperative, convey and dispose of its property and assets, pay, satisfy and discharge its debts, obligations and liabilities and do all other things required to liquidate its business and affairs and, after paying or adequately providing for the payment of all its debts, obligations and liabilities, shall distribute the remainder of its property and assets among its members without priority in proportion to the aggregate patronage of each member during the seven years next preceding the date of filing the certificate, or, if the generation and transmission cooperative was not in existence for such period, during the period of its existence.

6. When all debts, liabilities and obligations of the generation and transmission cooperative have been paid and discharged or adequate provision has been made for them, and all the remaining property and assets of the generation and transmission cooperative have been distributed to the members pursuant to this section, the board of directors shall authorize the execution of articles of dissolution. The articles of dissolution shall state:

(a) The name of the generation and transmission cooperative.

(b) The address of the principal office of the generation and transmission cooperative.

(c) That the generation and transmission cooperative has previously delivered to the corporation commission a certificate of election to dissolve and the date on which the certificate was filed by the corporation commission.

(d) That all debts, obligations and liabilities of the generation and transmission cooperative have been paid and discharged or that adequate provision has been made for them.

(e) That all the remaining property and assets of the generation and transmission cooperative have been distributed among the members in accordance with this section.

(f) That there are no actions or suits pending against the generation and transmission cooperative.

~~The articles of dissolution accompanied by proof of the publication required in this subsection shall be submitted to the corporation commission for filing as provided in this article.~~

7. THE ARTICLES OF DISSOLUTION PREPARED PURSUANT TO PARAGRAPH 6 OF THIS SUBSECTION SHALL BE DELIVERED TO THE COMMISSION FOR FILING. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE ARTICLES OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

Sec. 17. Title 10, chapter 19, article 4, Arizona Revised Statutes, is amended by adding section 10-2150, to read:

10-2150. Nonprofit electric generation and transmission cooperative corporations; annual report

EACH NONPROFIT ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE CORPORATION INCORPORATED PURSUANT TO THIS ARTICLE SHALL DELIVER TO THE COMMISSION FOR FILING AN ANNUAL REPORT AS REQUIRED BY SECTION 10-11622.

Sec. 18. Section 10-3125, Arizona Revised Statutes, is amended to read:

10-3125. Filing duty of commission

A. At the time of delivery of a document to the commission, the commission shall stamp, endorse or attach the date and time of delivery of the document.

~~B. If a document delivered to the commission for filing satisfies the requirements of chapters 24 through 40 of this title, the commission shall file it by stamping, otherwise endorsing or attaching "filed" on the original document. Except as provided in sections 10-3503 and 10-11509, after filing a document the commission shall deliver the document copy to the domestic or foreign corporation or its representative.~~

B. THE COMMISSION SHALL FILE A DOCUMENT DELIVERED TO THE COMMISSION FOR FILING IF BOTH OF THE FOLLOWING APPLY:

1. THE COMMISSION DETERMINES THAT THE DOCUMENT SATISFIES THE REQUIREMENTS OF CHAPTERS 24 THROUGH 40 OF THIS TITLE.

2. THE CORPORATION FILING THE DOCUMENT OR ON WHOSE BEHALF THE DOCUMENT IS BEING FILED IS IN GOOD STANDING PURSUANT TO SECTION 10-3128.

C. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION IN WHICH EITHER THE CORPORATION HAS FILED ARTICLES OF DISSOLUTION OR THE CORPORATION HAS FILED A DOCUMENT THAT IS REQUIRED TO BRING THE CORPORATION INTO GOOD STANDING. THE COMMISSION SHALL DELIVER THE DOCUMENT COPY TO THE DOMESTIC OR FOREIGN CORPORATION OR ITS REPRESENTATIVE.

~~C.~~ D. If the commission refuses to file a document, it shall return it or a copy of the original to the domestic or foreign corporation or its representative within five days after the determination of the refusal to file, together with a brief written explanation of the reason for the refusal.

~~D.~~ E. The filing or refusing to file a document by the commission does not:

1. Affect the validity or invalidity of the document in whole or in part, except to the extent that filing is required to make the document valid.

2. Relate to the correctness or incorrectness of information contained in the document.

3. Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

Sec. 19. Section 10-3203, Arizona Revised Statutes, is amended to read:

10-3203. <u>Incorporation</u>

A. Unless a delayed effective date is specified in the articles of incorporation, incorporation occurs and the corporate existence begins when the articles of incorporation and certificate of disclosure are delivered to the commission for filing.

B. The commission's filing of the articles of incorporation and certificate of disclosure is conclusive proof that the incorporators satisfied all conditions precedent to incorporation except in a proceeding by the state to cancel or revoke the incorporation or involuntarily dissolve the corporation pursuant to chapter 37 of this title.

C. Subject to section 10-3124, if the commission determines that the requirements of chapters 24 through 42 of this title for filing have not been

met, the articles of incorporation and certificate of disclosure shall not be filed and the corporate existence terminates at the time the commission completes the determination. If the corporate existence is terminated pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of incorporation shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of incorporation~~.

Sec. 20. Section 10-3224, Arizona Revised Statutes, is amended to read:

10-3224. Recording and publication of articles of domestication

Within sixty days after the commission ~~has approved~~ APPROVES the filing of the articles of domestication, a copy of the articles of domestication shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after the approval by the commission of the filing of the articles of domestication~~. If other laws require the domesticated corporation to record its articles of incorporation, the domesticated corporation shall also record the articles of domestication.

Sec. 21. Section 10-3504, Arizona Revised Statutes, is amended to read:

10-3504. Service on corporation

A. The statutory agent appointed by a corporation is an agent of the corporation on whom process, notice or demand that is required or permitted by law to be served on the corporation may be served and that, when so served, is lawful personal service on the corporation.

B. If a corporation fails to appoint or maintain a statutory agent at the address shown on the records of the commission, the commission is an agent of the corporation on whom any process, notice or demand may be served. Pursuant to the Arizona rules of civil procedure, service on the commission of any process, notice or demand for an entity that is registered pursuant to this title shall be made by delivering to and leaving with the commission duplicate copies of the process, notice or demand, and the commission shall immediately cause one of the copies of the process, notice or demand to be forwarded by mail, addressed to the corporation at its known place of business. Service made on the commission is returnable pursuant to applicable law relative to personal service on the corporation. If service is made on the commission, whether under this chapter or a rule of court, the corporation has thirty days to respond in addition to the time otherwise provided by law.

C. The commission shall keep a permanent record of all processes, notices and demands served on it under this section and shall record in the record the time of the service and its action with reference to the service.

D. NOTICE REQUIRED TO BE SERVED ON A CORPORATION PURSUANT TO SECTION 10-11421 OR 10-11422 MAY BE SERVED:

1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE CORPORATION OR, IF THE CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO THE KNOWN PLACE OF BUSINESS REQUIRED TO BE MAINTAINED PURSUANT TO SECTION 10-3501.

2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE ARIZONA RULES OF CIVIL PROCEDURE.

Sec. 22. Section 10-11006, Arizona Revised Statutes, is amended to read:

10-11006. Articles of amendment

A. A corporation amending its articles of incorporation shall deliver to the commission for filing articles of amendment setting forth:

1. The name of the corporation.

2. The text of each amendment adopted.

3. The date of each amendment's adoption.

4. A statement that the amendment was duly adopted by act of the members or act of the board of directors and, if applicable, with the approval required pursuant to section 10-11030.

B. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of amendment~~.

Sec. 23. Section 10-11007, Arizona Revised Statutes, is amended to read:

10-11007. Restated articles of incorporation

A. A corporation's board of directors may restate its articles of incorporation at any time with or without approval by the members or any other person.

B. The restatement may include one or more amendments to the articles of incorporation. If the restatement includes an amendment requiring approval by the members or any other person, it shall be adopted as provided in section 10-11003.

C. If the board of directors submits a restatement for member action, the corporation shall notify each member entitled to vote of the proposed membership meeting in writing in accordance with section 10-3705. The notice shall also state that the purpose or one of the purposes of the meeting is to consider the proposed restatement and shall contain or be accompanied by a copy or summary of the restatement that identifies any amendment or other change it would make in the articles.

D. If the board of directors submits a restatement for member action by written ballot or written consent, the material that solicits the approval shall contain or be accompanied by a copy or summary of the restatement that

also identifies any amendment or other change it would make in the articles of incorporation.

E. A corporation restating its articles of incorporation shall deliver to the commission for filing articles of restatement setting forth the name of the corporation and the text of the restated articles of incorporation together with a certificate setting forth:

1. Whether the restatement contains an amendment to the articles requiring approval by any other person other than the board of directors and, if it does not, that the board of directors adopted the restatement.

2. If the restatement contains an amendment to the articles requiring approval by the members, a statement that such approval was obtained.

3. If the restatement contains an amendment to the articles requiring approval by a person whose approval is required pursuant to section 10-11030, a statement that such approval was obtained.

F. Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to them.

G. The commission may certify restated articles of incorporation, as the articles of incorporation currently in effect, without including the certificate information required by subsection E of this section.

H. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of restatement shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of restatement~~.

Sec. 24. Section 10-11008, Arizona Revised Statutes, is amended to read:

10-11008. Amendment pursuant to reorganization

A. A corporation's articles may be amended pursuant to this section without action by the board of directors or members or approval required pursuant to section 10-11030 to carry out a plan of reorganization ordered or decreed by a court of competent jurisdiction under a federal statute or a statute of this state if the articles of incorporation after amendment contain only provisions required or permitted by section 10-3202.

B. Before the date of entry of a final decree in the reorganization proceeding, the individual or individuals designated by the court plan shall deliver to the commission articles of amendment setting forth all of the following:

1. The name of the corporation.

2. The text of each amendment contained in the plan of reorganization.

3. The date of the court's order or decree confirming the plan of reorganization containing the articles of amendment.

4. The title of the reorganization proceeding in which the order or decree was entered.

5. A statement that the court had jurisdiction of the proceeding under federal or state statute.

C. This section does not apply after entry of a final decree in the reorganization proceeding even though the court retains jurisdiction of the proceeding for limited purposes unrelated to consummation of the reorganization plan.

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of amendment shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of amendment~~.

Sec. 25. Section 10-11105, Arizona Revised Statutes, is amended to read:

10-11105. Articles of merger or membership exchange; publication

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

1. The plan of merger or membership exchange.

2. Articles of merger or membership exchange setting forth:

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

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

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

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

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

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

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

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of merger or membership exchange shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of merger or membership exchange~~.

Sec. 26. Section 10-11107, Arizona Revised Statutes, is amended to read:

10-11107. Merger or exchange with other entities

A. In addition to mergers or exchanges governed by sections 10-11101 and 10-11102, a domestic corporation may merge or enter into an exchange of memberships and interests with one or more other entities incorporated, formed or organized under the laws of this state, any other state, the United States, any foreign country or any other jurisdiction, if:

1. In a merger, the merger is permitted by the law of the jurisdiction under whose laws the other entity is incorporated, formed or organized, and each other entity complies with that law in effecting the merger. For entities incorporated, formed or organized under the laws of this state, this section constitutes permission for the merger.

2. Each domestic nonprofit corporation approves the plan of merger or exchange in the manner required by section 10-11103, subsection B.

3. Each other entity approves the plan of merger or exchange in the manner required by the laws of the jurisdiction under whose laws it is organized.

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

B. The plan of merger or exchange shall set forth:

1. The name and jurisdiction of incorporation, formation or organization of each entity that plans to merge or exchange.

2. The name of the surviving or acquiring entity.

3. The terms and conditions of the merger or exchange.

4. The manner and basis, if any, of converting or exchanging the memberships, rights or securities of or interests in each entity that is a party to the merger or to be acquired in the exchange into or for obligations, memberships, rights or securities of or interest in the surviving or acquiring entity or into or for cash or other property in whole or in part.

C. The plan of merger or exchange may set forth:

1. In a merger, amendments to the articles or certificate of incorporation or organization, the certificate of limited partnership or similar organizational document of the surviving entity.

2. Other provisions relating to the merger or exchange.

D. After a plan of merger or exchange is approved as provided in subsection A, paragraphs 2 and 3 of this section, the surviving or acquiring entity shall deliver to the commission for filing both:

1. The plan of merger or exchange, or a statement that the plan of merger or exchange is on file at a place of business of the surviving or acquiring entity, including the address of the place of business, and a statement that the surviving or acquiring entity will provide a copy of the

plan of merger or exchange on request and without cost to any person who holds an interest in an entity that is a party to the merger or exchange.

2. The articles of merger or exchange setting forth:

(a) The names of the domestic nonprofit corporations and other entities that were parties to the merger or exchange.

(b) The name and a place of business of the surviving or acquiring entity.

(c) If the surviving entity in a merger is a domestic nonprofit or business corporation, any amendments to the articles of incorporation of that corporation.

3. If the surviving entity in a merger is not an entity organized under the laws of this state, both of the following:

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

(b) A statement that the surviving entity irrevocably appoints the commission as its agent to accept service of process in the action, suit or proceeding described in subdivision (a) of this paragraph, including the address to which the commission shall mail a copy of the process.

E. The articles of merger shall serve as the articles or certificate of dissolution, termination or cancellation for an entity that is not the surviving entity in a merger.

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

G. If the articles of merger include amendments to the articles of incorporation of the surviving corporation as described in subsection D, paragraph 2, subdivision (c) of this section, the document required to be filed and published under this section shall be styled "articles of amendment and merger".

H. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of merger or share exchange shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of merger or share exchange~~.

I. When a merger takes effect:

1. Every other entity that is a party to the merger merges into the surviving entity and the separate existence of every entity except the surviving entity ceases.

2. The title to all real estate and other property owned by each entity that is a party to the merger is vested automatically in the surviving entity without reversion or impairment, subject to any and all conditions to which the property was subject prior to the merger.

3. The surviving entity automatically has all of the liabilities of each entity that is a party to the merger.

4. A proceeding pending against any entity that is a party to the merger may be continued as if the merger did not occur or the surviving entity may be substituted in the proceeding for the entity whose existence ceased.

5. The organizational document of the surviving entity is amended to the extent provided in the articles of amendment and merger.

6. The memberships, rights or securities of or interests in each entity that is a party to the merger that are to be converted into obligations, memberships, rights or securities of or other interests in the surviving or any other entity or into cash or other property are converted, and the former holders of the memberships, rights, securities or interests are entitled only to the rights provided in the plan of merger.

J. If an exchange takes effect, the memberships, rights or securities of or other interests in each acquired entity are exchanged as provided in the plan, and the former holders of the membership, rights, securities or interests are entitled only to the exchange rights provided in the plan of exchange.

K. Unless the plan of merger or exchange provides otherwise, each entity that is a party to the merger or exchange may abandon the proposed merger or exchange before the effective date of the merger or exchange in a manner required by the laws of the jurisdiction in which the entity is organized.

L. This section does not limit the power of an entity to acquire all or part of the memberships of one or more classes of a domestic corporation through a voluntary exchange or otherwise.

Sec. 27. Section 10-11403, Arizona Revised Statutes, is amended to read:

10-11403. Articles of dissolution

A. At any time after dissolution is authorized, the corporation may dissolve by delivering to the commission articles of dissolution setting forth all of the following:

1. The name of the corporation.

2. The date dissolution was authorized.

3. A statement that the dissolution was duly authorized by an act of the members or an act of the board of directors and, if applicable, with the approval required pursuant to section 10-11402.

B. A corporation is dissolved on the effective date of its articles of dissolution.

C. The articles of dissolution shall not be considered complete until all fees, penalties and costs required to be paid under this title have been paid.

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the articles of dissolution shall be published. An affidavit evidencing the publication may be filed with the commission ~~within ninety days after approval by the commission of the filing of the articles of dissolution~~.

E. The articles of dissolution are not complete until the commission has received a notice from the department of revenue that the tax levied under title 42, chapter 5, article 1 against the corporation has been paid, or until the department of revenue notifies the commission that the corporation is not subject to the tax and the commission has received from the department of revenue a certificate issued by the department of revenue pursuant to section 43-1151.

Sec. 28. Section 10-11503, Arizona Revised Statutes, is amended to read:

10-11503. Application for certificate of authority

A. A foreign corporation may apply for authority to conduct affairs in this state by delivering an application and a certificate of disclosure to the commission for filing. The certificate of disclosure shall contain the information set forth in section 10-3202, subsection D and is subject to the requirements of section 10-3202, subsection F. The application shall be executed by the corporation and shall set forth:

1. The name of the foreign corporation and, if its name is unavailable for use in this state, a corporate name that satisfies the requirements of section 10-11506.

2. The name of the state or country under whose law it is incorporated.

3. Its date of incorporation and period of duration.

4. The street address of its principal office in its state or country of incorporation.

5. The street address of the proposed known place of business of the corporation in this state and the name and street address of its proposed statutory agent in this state.

6. If its purpose or purposes are narrower than the transaction of any or all lawful affairs in which corporations may engage in the state or country under whose law it is incorporated, a statement of the limitations on its purpose.

7. The names and usual business addresses of its current directors and officers.

8. Whether the foreign corporation has members.

9. A brief statement of the character of business that the corporation initially intends actually to conduct in this state. This statement does not limit the character of business that the corporation ultimately conducts.

B. The foreign corporation shall deliver the application and the certificate of disclosure to the commission, together with a copy of its articles of incorporation, any amendments to the articles of incorporation

and a certificate of existence or a document of similar import duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated, and the nonrefundable fees required by law.

C. After determining that the application sets forth the information required by this section, does not use as the name of the corporation in this state a name that is in violation of section 10-11506 and appears in all other respects to conform to the requirements of this article, the commission shall file the application. The date of filing shall be the date on which the corporation is granted authority to transact business in this state.

D. Within sixty days after the commission ~~has approved~~ APPROVES the filing, a copy of the application shall be published. An affidavit evidencing the publication may be filed ~~within ninety days after approval by the commission of the filing of the application~~ WITH THE COMMISSION.

E. A foreign corporation authorized to transact business in this state is subject to section 10-11623.

Sec. 29. Section 10-11510, Arizona Revised Statutes, is amended to read:

10-11510. Service on foreign corporation

A. The statutory agent appointed by a foreign corporation is an agent of the foreign corporation on whom process, notice or demand that is required or permitted by law to be served on the foreign corporation may be served and that, when so served, is lawful personal service on the foreign corporation.

B. If a foreign corporation fails to appoint or maintain a statutory agent at the address shown on the records of the commission, the commission is an agent of the foreign corporation on whom any process, notice or demand may be served. Pursuant to the Arizona rules of civil procedure, service on the commission of any process, notice or demand for an entity that is registered pursuant to this title shall be made by delivering to and leaving with the commission duplicate copies of the process, notice or demand, and the commission shall immediately cause one of the copies of the process, notice or demand to be forwarded by mail, addressed to the foreign corporation at its known place of business. Service made on the commission is returnable pursuant to applicable law relative to personal service on the foreign corporation. If service is made on the commission, whether under this chapter or a rule of court, the foreign corporation has thirty days to respond in addition to the time otherwise provided by law.

C. The commission shall keep a permanent record of all processes, notices and demands served on it under this section and shall record in the record the time of the service and its action with reference to the service.

D. NOTICE REQUIRED TO BE SERVED ON A FOREIGN CORPORATION PURSUANT TO SECTION 10-11531 MAY BE SERVED:

1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE FOREIGN CORPORATION OR, IF THE FOREIGN CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY

AGENT, ADDRESSED TO ITS KNOWN PLACE OF BUSINESS IN THIS STATE OR ITS PRINCIPAL PLACE OF BUSINESS IN ITS STATE OR COUNTRY OF INCORPORATION.

2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE ARIZONA RULES OF CIVIL PROCEDURE.

Sec. 30. Section 10-11520, Arizona Revised Statutes, is amended to read:

10-11520. Withdrawal of foreign corporation

A. A foreign corporation authorized to conduct affairs in this state shall not withdraw from this state until the commission files its application for withdrawal.

B. A foreign corporation authorized to conduct affairs in this state may apply to surrender the authority by delivering an application to the commission for filing. The application shall set forth:

1. The name of the foreign corporation and the name of the state or country under whose law it is incorporated.

2. That it is not conducting affairs in this state and that it surrenders its authority to conduct affairs in this state.

3. That the foreign corporation revokes the authority of its statutory agent to accept service on its behalf and appoints the commission as its agent for service of process in any proceeding based on a cause of action arising during the time it was authorized to conduct affairs in this state.

4. A mailing address to which the commission may mail a copy of any process served on the commission pursuant to its appointment as the foreign corporation's agent for service of process.

5. A commitment to notify the commission in the future of any change in the foreign corporation's mailing address.

C. The application for withdrawal is not considered complete until the commission has received a notice from the department of revenue to the effect that the tax levied under title 42, chapter 5, article 1 against the foreign corporation has been paid or until it is notified by the department of revenue that the applicant is not subject to the tax and further has received from the department of revenue its certificate issued pursuant to section 43-1151.

D. The application for withdrawal is not considered complete until all fees, penalties and costs required to be paid under this chapter have been paid.

E. After determining that the application appears in all respects to conform to the requirements of this chapter and when all fees have been paid as are prescribed in this chapter, the commission shall file the application in the manner provided in section 10-3120. On the filing of the application for withdrawal, the authority of the foreign corporation to transact business in this state ceases.

F. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE APPLICATION FOR WITHDRAWAL SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

~~F.~~ G. After the withdrawal of the corporation is effective, service of process on the commission under this section is service on the foreign corporation. On receipt of process, the commission shall mail a copy of the process to the foreign corporation at the mailing address set forth in its application for withdrawal.

Sec. 31. Section 29-603, Arizona Revised Statutes, is amended to read:

29-603. Reservation of name

A. The exclusive right to use a name may be reserved by:

1. A person intending to organize a limited liability company under this chapter and to adopt the name.

2. A domestic limited liability company or any foreign limited liability company registered in this state that intends to adopt the name.

3. A foreign limited liability company intending to register in this state and to adopt the name.

4. A person intending to organize a foreign limited liability company and to have it registered in this state and to adopt the name.

B. The reservation shall be made by filing with the commission an application that is executed by the applicant or an authorized agent of the applicant to reserve a specified name. If the commission finds that the name is available for use by a domestic or foreign limited liability company, it shall reserve the name for the exclusive use of the applicant for a NONRENEWABLE period of one hundred twenty days from and after the date the application is filed with the commission.

C. The right to the exclusive use of a reserved name may be transferred to another person by filing with the commission a notice of the transfer that is executed by the applicant or an authorized agent of the applicant for whom the name was reserved and that specifies the name to be transferred and the name and address of the transferee. The transfer shall not extend the term during which the name is reserved.

D. The reservation of a specified name may be cancelled by filing with the commission a notice of cancellation that is executed by the applicant or an authorized agent of the applicant and that specifies the name reservation to be cancelled and the name and address of the applicant.

Sec. 32. Section 29-609, Arizona Revised Statutes, is amended to read:

29-609. Purpose; insurance business

A. Except as provided in subsection B of this section, a limited liability company may be organized under this chapter and may conduct or promote business and other activities for any lawful purpose, except banking.

B. A limited liability company shall not ~~conduct or promote any insurance business~~ BE AN INSURER AS DEFINED IN SECTION 20-104 unless as a title insurance agent as defined in section 20-1562 or as a pure captive insurer as defined in section 20-1098 who is expressly authorized by the director of the department of insurance pursuant to title 20. For the purposes of title insurance transactions or pure captive insurance business, the members of the limited liability company are individually responsible,

equally and ratably, and not one for another, for all contracts, debts and engagements of the limited liability company, to the extent of the amount of each member's initial investment in the limited liability company.

Sec. 33. Section 29-633, Arizona Revised Statutes, is amended to read:

29-633. Amendment of articles of organization; restatement; publication

A. The articles of organization of a limited liability company are amended by filing with the commission the articles of amendment, signed on behalf of the limited liability company by a manager if management of the limited liability company is vested in one or more managers or by a member if management of the limited liability company is reserved to the members. The articles of amendment shall set forth:

1. The name of the limited liability company.

2. The text of the amendment to the articles of organization.

B. A limited liability company shall amend its articles of organization if there is a statement in the articles of organization that was false or erroneous when it was made or within thirty days after the occurrence of any of the following events:

1. Any arrangements or facts have changed making the articles of organization inaccurate in any respect other than those changes required to be set forth in a statement delivered to the commission pursuant to section 29-605.

2. Management of the limited liability company is reserved to the members and there is a change in the persons who are members.

3. Management of the limited liability company is vested in a manager or managers and there is a change in the persons who are managers or in the members who own a twenty per cent or greater interest in the capital or profits interest of the limited liability company.

C. A limited liability company may amend its articles of organization if its articles of organization as amended contain only provisions that may be lawfully contained in the articles of organization at the time of making the amendment. In particular and without limitation on the general power of amendment, a limited liability company may amend its articles of organization to:

1. Change the name of the limited liability company.

2. Change, enlarge or diminish the purposes of the limited liability company.

3. If management is reserved to the members of a limited liability company, vest management of the limited liability company in one or more managers.

4. If management is vested in one or more managers, vest management of the limited liability company in the members.

D. A limited liability company may restate its articles of organization. Restated articles of organization shall be executed and filed in the same manner as articles of amendment. Restated articles of

organization shall be specifically designated as such in the heading and shall state either in the heading or in an introductory paragraph the limited liability company's present name and, if it has been changed, all of its former names.

E. A limited liability company that has not amended its articles of organization as required by this section may not maintain an action upon or on account of a contract or transaction made in the name of the limited liability company in any court of this state until it has first amended its articles of organization as required by this section. No person has any liability because an amendment to articles of organization has not been filed to reflect the occurrence of any event prescribed by subsection B of this section if the amendment is filed within the thirty-day period specified in subsection B of this section.

F. Within sixty days after the commission ~~has approved~~ APPROVES the filing, A COPY of the articles of amendment or restated articles of organization ~~there~~ shall be published in a newspaper of general circulation in the county of the known place of business for three consecutive publications ~~a copy of the articles of amendment or restated articles of organization~~. An affidavit evidencing publication ~~shall~~ MAY be filed ~~within ninety days after approval by~~ WITH the commission ~~of the filing of the amendment of the articles of organization~~. Publication is not required if amendments to the articles of organization ~~are made solely in relation to changes in managers or members of the limited liability company or changes made pursuant to section 29-605~~ OR RESTATED ARTICLES OF ORGANIZATION ONLY CHANGE ANY OF THE FOLLOWING:

1. THE NAME OR ADDRESS OF MEMBERS OR MANAGERS.
2. THE KNOWN PLACE OF BUSINESS ADDRESS.
3. THE NAME OR ADDRESS OF THE STATUTORY AGENT.

Sec. 34. Section 29-634, Arizona Revised Statutes, is amended to read:

29-634. Filing with the commission

A. ~~One copy of~~ The signed original articles of organization, THE application for a certificate of registration or any other document required to be filed pursuant to this chapter shall be delivered to the commission. The commission shall file a document delivered to the commission for filing if all of the following apply:

1. The commission determines that the document conforms to the filing provisions of this chapter.

2. The limited liability company filing the document or on whose behalf the document is being filed~~,~~ is in good standing within the meaning of section 29-614.

3. All fees required pursuant to section 29-851 have been paid.

B. The commission may file a document delivered to the commission IN WHICH EITHER THE LIMITED LIABILITY COMPANY HAS FILED ARTICLES OF TERMINATION OR THE LIMITED LIABILITY COMPANY HAS FILED A DOCUMENT that is required to

bring the limited liability company into good standing. The commission shall:

1. Endorse, stamp or attach on the ~~signed~~ original ~~and duplicate copy~~ DOCUMENT the word "filed" and the date and time of its acceptance for filing.

2. Retain the signed original DOCUMENT in the commission's files.

3. Return a ~~duplicate~~ copy OF THE FILED DOCUMENT to the person who filed it or the person's representative.

C. If the commission is unable to make the determination required for filing by subsection A of this section at the time any documents are delivered for filing, the documents are deemed to have been filed at the time of delivery if the commission subsequently determines either of the following:

1. The documents as delivered conform to the filing provisions of this chapter.

2. Within thirty days after notification of nonconformance is given by the commission to the person who delivered the documents for filing or the person's representative, the documents are brought into conformance.

D. A document may specify a delayed effective time or date, or both, and is effective at that specified time and date. If the document specifies a delayed effective date but does not specify the time, the document is effective on the specified date at 12:01 a.m. mountain standard time. A delayed effective date for a document may not be later than the ninetieth day after the date the document is delivered to the commission for filing.

E. If the filing and determination requirements of this chapter are not satisfied completely within the time prescribed in subsection ~~B~~ C, paragraph 2 of this section, the documents shall not be filed.

Sec. 35. Section 29-635, Arizona Revised Statutes, is amended to read:

29-635. Formation of limited liability company

A. Except as provided in section 29-634, subsection D, a limited liability company is formed when the articles of organization are delivered to the commission for filing, even if the commission is unable to make the determination required for filing by section 29-634, subsection A at the time of delivery. If the articles of organization, as delivered to the commission, do not conform to the filing provisions of this chapter and are not brought into conformance within the time period prescribed by section 29-634, subsection C, paragraph 2, the existence of the limited liability company terminates at the end of the time period.

B. A copy of the articles of organization that is filed with the commission and that is stamped "filed" and marked with the filing date is conclusive evidence that all conditions precedent required to be performed by the organizers have been complied with and that the limited liability company has been legally organized and formed under this chapter. A limited liability company continues perpetually unless otherwise provided in its articles of organization or operating agreement or until the limited

1 liability company is dissolved and terminated in accordance with this
2 chapter.
3 C. Within sixty days after the commission ~~has approved~~ APPROVES the
4 filing, there shall be published in a newspaper of general circulation in the
5 county of the known place of business, for three consecutive publications, a
6 notice of the filing of such articles of organization consisting of the
7 information required in section 29-632, subsection A, paragraphs 1, 2, 3, 5
8 and 6. An affidavit evidencing publication may be filed ~~within ninety days~~
9 ~~after approval by the commission of the filing of the articles of~~
10 ~~organization~~ WITH THE COMMISSION.

APPROVED BY THE GOVERNOR JULY 10, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 10, 2009.