



Chapter 10.20. ALASKA NONPROFIT CORPORATION ACT

Article 01. SUBSTANTIVE PROVISIONS

Sec. 10.20.005. Purposes.

Corporations may be organized under this chapter for any lawful purpose, including, but not limited to, one or more of the following: charitable; religious; benevolent; eleemosynary; educational; civic; cemetery; patriotic; political; social; fraternal; literary; cultural; athletic; scientific; agricultural; horticultural; animal husbandry; and professional, commercial, industrial, or trade association purposes. Trade unions and other labor organizations may also be organized under this chapter, but cooperative corporations, electric and telephone cooperatives, and organizations subject to state insurance or banking laws may not be organized under this chapter.

Sec. 10.20.007. Corporations organized under Alaska Native Claims Settlement Act.

A village corporation organized under 43 U.S.C. 1601 et seq. (Alaska Native Claims Settlement Act) may be incorporated under and subject to this chapter except the name of the corporation may not contain the word "village" or otherwise imply that the corporation is a municipal corporation; however, the name of a village may be used in the corporate name.

Sec. 10.20.011. General powers.

A corporation may

(1) have perpetual succession by its corporate name unless its duration is limited by its articles of incorporation;

(2) sue and be sued, complain and defend, in its corporate name;

(3) adopt and use a corporate seal or a facsimile thereof, which may be altered at pleasure, and which may be impressed or affixed or in any manner reproduced;

(4) purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest in the property, wherever situated;

(5) sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets;

(6) lend money to its employees other than its officers and directors and otherwise assist its employees, officers and directors;

(7) purchase, take, receive, subscribe to, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district or municipality or of any instrumentality thereof;

(8) make contracts, incur liabilities, borrow money at rates of interests the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income;

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

(10) transact its business, carry on its operations, have offices and exercise the powers granted by this chapter in any state, territory, district, or possession of the United States, or in any foreign country;

(11) elect or appoint officers and agents of the corporation, who may be directors or members, define their duties and fix their compensation;

(12) make and alter bylaws, not inconsistent with its articles of incorporation or with the laws of the state, for the administration and regulation of the affairs of the corporation;

(13) make donations for public welfare or for charitable, scientific or educational purposes; and in time of war make donations in aid of war activities;

(14) indemnify a director, officer or former director or officer of the corporation, or a person who has served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and reasonably incurred by that person in connection with the defense of any action, suit or proceeding, civil or criminal, in which that person is made a party by reason of being or having been a director or officer, except in relation to matters in which that person was adjudged, in the action, suit or proceeding, to be liable for negligence or misconduct in the performance of corporate duties; and to make any other indemnification authorized by the articles of incorporation or bylaws, or resolution adopted after notice by the members entitled to vote;

(15) pay pensions and establish pension plans or pension trusts for its directors, officers and employees;

(16) cease its corporate activities and surrender its corporate franchise;

(17) have and exercise all powers necessary or convenient to effect the purposes for which the corporation is organized.

Sec. 10.20.016. Defense of ultra vires.

(a) An act of a corporation and a conveyance or transfer of real or personal property to or by a corporation is not invalid because the corporation did not have capacity or power to perform the act or to convey or receive the property. However, lack of capacity or power may be asserted as provided in this section.

(b) The assertion may be made in a proceeding by a member or director against the corporation to enjoin the performance of an act or the transfer of real or personal property by or to the corporation. If the unauthorized act or transfer sought to be enjoined is being or is to be performed or made under a contract to which the corporation is a party, the court may, if the parties to the contract are parties to the proceeding and if the court considers it equitable, set aside and enjoin the performance of the contract. In so doing the court may allow compensation to the corporation or to the other parties to the contract for the loss or damage sustained by either of them resulting from the action of the court in setting aside and

enjoining the performance of the contract. The court may not award anticipated profits to be derived from the performance of the contract as a loss or damage sustained.

(c) The assertion may be made in a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through members in a representative suit, against the incumbent or former officers or directors of the corporation.

(d) The assertion may be made in a proceeding by the attorney general to dissolve the corporation, or to enjoin the corporation from the transaction of unauthorized business.

Sec. 10.20.021. Corporate name.

(a) The name of a corporation may not contain a word or phrase that indicates or implies that it is organized for a purpose other than one or more of the purposes contained in the articles of incorporation of the corporation.

(b) The name of the corporation must be distinguishable on the records of the department from the name of any other organized entity and from a reserved or registered name. The department may adopt regulations under AS 44.62 (Administrative Procedure Act) to implement this subsection. In this subsection, "organized entity" and "reserved or registered name" have the meanings given in AS 10.35.040 .

Sec. 10.20.026. Registered office and registered agent.

A corporation shall continuously maintain in the state a registered office which may be, but need not be, the same as its place of business, and a registered agent. The registered agent may be either an individual resident of the state whose business office is the same as the registered office, or a domestic or foreign corporation authorized to transact business in the state whose business office is the same as the registered office.

Sec. 10.20.031. Filing list of registered corporations.

The department shall file a list of the name of each corporation, the address of the registered office and the name and address of the registered agent with each clerk of the superior court. The department shall provide a periodic supplement to the list indicating additions, deletions and changes at least once every six months. The commissioner shall make the list available to the public for a fee prescribed by the commissioner.

Sec. 10.20.036. Change of registered office or agent.

(a) A corporation, domestic or foreign, may change its registered office, agent, or both, by filing with the department a statement signed by the president or the vice-president setting out

- (1) the name of the corporation;
- (2) the address of its registered office;
- (3) the address of its new registered office if the registered office is to be changed;
- (4) the name of its registered agent;

(5) the name of its new registered agent if its registered agent is to be changed;

(6) that the change is authorized by resolution of its board of directors.

(b) Upon finding that the statement complies with this chapter, the commissioner shall file it in the commissioner's office. The change becomes effective when the statement is filed.

Sec. 10.20.041. Change of location or resignation of registered agent.

(a) If the registered agent of a corporation, domestic or foreign, changes the location of an office from one address to another within a city or town, or from one city or town in the state to another, the agent may change the registered office for each corporation for whom the agent is acting as registered agent by filing in the office of the commissioner a statement setting out

(1) the name of the agent;

(2) the address of the office before change;

(3) the address to which the office is changed; and

(4) a list of corporations for whom the agent is furnishing a registered office.

(b) The statement in (a) of this section shall be executed by the registered agent in the agent's individual name and, if the agent is a corporation, domestic or foreign, it shall be executed by its president or a vice-president. The statement shall be delivered to the commissioner who, upon finding that it complies with this chapter, shall file it in the commissioner's office. The change becomes effective when the statement is filed.

(c) A registered agent may resign by filing a written notice, executed in duplicate, with the commissioner. The commissioner shall immediately mail a copy of the notice to the corporation at its registered office. The appointment of the agent terminates 30 days after receipt of the notice by the commissioner.

Sec. 10.20.046. Service on corporation.

(a) The registered agent of a corporation is an agent upon whom process, notice or demand required or permitted by law to be served upon the corporation may be served.

(b) Whenever a corporation fails to appoint or maintain a registered agent in the state, the commissioner is an agent of the corporation upon whom the process, notice, or demand may be served. Service is made upon the commissioner as agent by leaving with the commissioner, or with a clerk having charge of the corporation department of the commissioner's office, duplicate copies of the process, notice or demand. When process, notice or demand is served on the commissioner, the commissioner shall immediately forward a copy of it by registered mail to the corporation at its registered office. Service on the commissioner is returnable in not less than 30 days.

(c) The commissioner shall keep a record of processes, notices, and demands served on the commissioner. The record must show the time of service and the commissioner's action with reference to the service.

(d) This chapter does not limit or affect the right to serve process, notice or demand required or

permitted by law to be served upon a corporation in any other manner permitted by law.

Sec. 10.20.051. Members and liability of directors, officers, employees, and members.

(a) A corporation may have one or more classes of members or may have no members. If the corporation has one or more classes of members, the designation of the class or classes, the manner of election or appointment, and the qualifications and rights of the members of each class shall be set out in the articles of incorporation or the bylaws. If the corporation has no members, that fact shall be set out in the articles of incorporation or the bylaws. A corporation may issue certificates evidencing membership.

(b) The directors, officers, employees, and members of the corporation are not, as such, liable on its obligations.

Sec. 10.20.056. Bylaws.

The board of directors shall adopt the initial bylaws of a corporation. The power to adopt, alter, amend or repeal bylaws is vested in the board of directors unless it is reserved to the members by the articles of incorporation. The bylaws may contain provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

Sec. 10.20.061. Meetings of members.

(a) Meetings of members may be held at a place, either inside or outside the state, which may be provided in the bylaws. In the absence of such a provision, all meetings shall be held at the registered office of the corporation in the state.

(b) An annual meeting of the members shall be held at a time provided in the bylaws. Failure to hold the annual meeting at the designated time does not work a forfeiture or dissolution of the corporation.

(c) Special meetings of the members may be called by the president or by the board of directors. Special meetings of the members may also be called by such other officers, persons or number or proportion of members as may be provided in the articles of incorporation or bylaws. In the absence of a provision fixing the number or proportion of members entitled to call a meeting, a special meeting of members may be called by members having one-twentieth of the votes entitled to be cast at the meeting.

Sec. 10.20.066. Notice of members' meetings.

Unless otherwise provided in the articles of incorporation or bylaws, written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each member entitled to vote at the meeting. If mailed, the notice shall be considered to be delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the corporation, with postage prepaid.

Sec. 10.20.071. Voting.

(a) The right of the members, or any class or classes of members, to vote may be limited, enlarged, or denied to the extent specified in the articles of incorporation or the bylaws. Unless limited, enlarged, or denied, each member, regardless of class, is entitled to one vote on each matter submitted to a vote of members.

(b) A member entitled to vote may vote in person or, unless the articles of incorporation or the bylaws otherwise provide, may vote by proxy executed in writing by the member or by the attorney-in-fact for the member. A proxy is not valid after 11 months from the date of its execution, unless otherwise provided in the proxy. If directors or officers are to be elected by members, the bylaws may provide that the elections may be conducted by mail.

(c) The articles of incorporation or the bylaws may provide that in all elections for directors every member entitled to vote shall have the right to cumulate the member's vote and to give one candidate a number of votes equal to the member's vote multiplied by the number of directors to be elected, or by distributing the votes on the same principle among any number of the candidates.

(d) If a corporation has no members or its members have no right to vote, the directors shall have sole voting power.

(e) The articles of incorporation or the bylaws may provide the number or percentage of members entitled to vote represented in person or by proxy, or the number or percentage of votes represented in person or by proxy, which constitute a quorum at a meeting of members. In the absence of any such provision, members holding one-tenth of the votes entitled to be cast on the matter to be voted upon represented in person or by proxy constitute a quorum. A majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which the quorum is present is necessary for adoption unless a greater proportion is required by this chapter, the articles of incorporation or the bylaws.

Sec. 10.20.076. Quorum of members.

Unless otherwise provided in the articles of incorporation or the bylaws, members holding one-tenth of the votes entitled to be cast, represented in person or by proxy, constitute a quorum at a meeting of members. However, in no event may a quorum consist of less than one-tenth of the votes entitled to vote at a meeting. If a quorum is present, the affirmative vote of a majority of the votes represented at the meeting and entitled to vote on the subject matter is the act of the members, unless the vote of a greater number is required by this chapter or the articles of incorporation or the bylaws.

Sec. 10.20.081. Board of directors.

The affairs of a corporation shall be managed by a board of directors. Directors need not be residents of the state or members of the corporation unless the articles of incorporation or the bylaws so require. The articles of incorporation or the bylaws may prescribe other qualifications for directors.

Sec. 10.20.086. Number of directors.

(a) The number of directors of a corporation shall be at least three. The number of directors shall be fixed by the bylaws, except that the number constituting the initial board of directors shall be fixed by the articles of incorporation.

(b) The number of directors may be increased or decreased from time to time by amendment to the bylaws, but a decrease may not have the effect of shortening the term of an incumbent director.

(c) In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation.



