

Texas Uniform Unincorporated Nonprofit Association Act
Tex. Rev. Civ. Stat. art. 1396–1.01 to 1396–11.02

Art. 1396-1.01. Short Title, Captions, Parts, Articles, Sections, Subsections and Paragraphs

- A. This Act shall be known and may be cited as the "Texas Non-Profit Corporation Act."
- B. The division of this Act into Parts, Articles, Sections, Subsections, and Paragraphs and the use of captions in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Act.
- C. This Act has been organized and subdivided in the following manner:
- (1) The Act is divided into Parts, containing groups of related Articles. Parts are numbered consecutively with cardinal numbers.
 - (2) The Act is also divided into Articles, numbered consecutively with Arabic numerals.
 - (3) Articles are divided into Sections. The Sections within each Article are numbered consecutively with capital letters.
 - (4) Sections are divided into Subsections. The Subsections within each Section are numbered consecutively with Arabic numerals enclosed in parentheses.
 - (5) Subsections are divided into Paragraphs. The Paragraphs within each Subsection are numbered consecutively with lower case letters enclosed in parentheses.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 1.01.

Art. 1396-1.02. Definitions

- A. As used in this Act, unless the context otherwise requires, the term:
- (1) "Corporation" or "domestic corporation" means a corporation not for profit subject to the provisions of this Act, except a foreign corporation.
 - (2) "Foreign corporation" means a corporation not for profit organized under laws other than the laws of this State.
 - (3) "Non-Profit Corporation" is the equivalent of "not for profit corporation" and means a corporation no part of the income of which is distributable to its members, directors, or officers.
 - (4) "Articles of incorporation" means the original or restated articles of incorporation and all amendments thereto.
 - (5) "By-laws" means the code or codes of rules adopted for the regulation or management of the corporation, irrespective of the name or names by which such rules are designated.
 - (6) "Member" means one having membership rights in a corporation in accordance with the provisions of its articles of incorporation or its by-laws.
 - (7) "Board of Directors" means the group of persons vested with the management of the affairs of the corporation, irrespective of the name by which such group is designated.
 - (8) "President" means that officer designated as "president" in the articles of incorporation or by-laws of a corporation, or that officer authorized, in the articles of incorporation, the by-laws, or otherwise, to perform the functions of the principal executive officer, irrespective of the name by which he may be designated, or that committee of persons authorized, in the articles of incorporation, the by-laws, or otherwise, to perform the functions of the principal executive officer.
 - (9) "Vice-president" means that officer designated as "vice-president" in the articles of incorporation or the by-laws of a corporation, or that officer or committee of persons authorized, in the articles of incorporation, the by-laws, or otherwise, to perform the duties of the president upon the death, absence, or resignation of the president or upon his inability to perform the duties of his office, irrespective of the name by which he, or they, may be designated.
 - (10) "Secretary" means that officer designated as "secretary" in the articles of incorporation or the by-laws of a corporation, or that officer or committee of persons authorized, in the articles of incorporation, the by-laws, or otherwise, to perform the functions of secretary, irrespective of the name by which he, or they, may be designated.

(11) "Treasurer" means that officer designated as "treasurer" in the articles of incorporation or the by-laws of a corporation, or that officer or committee of persons authorized, in the articles of incorporation, the by-laws, or otherwise, to perform the functions of a treasurer, irrespective of the name by which he, or they, may be designated.

(12) "Insolvency" means inability of a corporation to pay its debts as they become due in the usual course of its affairs.

(13) "Verified" means subscribed and sworn to under the sanction of an oath, or such affirmation as is by law equivalent to an oath, made before an officer authorized to administer oaths.

(14) "Director" means a member of the board of directors of a corporation organized under this Act.

(15) "Ordinary care" means the care that an ordinarily prudent person in a similar position would exercise under similar circumstances.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 1.02. Amended by Acts 1993, 73rd Leg., ch. 733, Sec. 1, eff. Jan. 1, 1994.

Art. 1396-2.01. Purposes

A. Except as hereinafter in this Article expressly excluded herefrom, non-profit corporations may be organized under this Act for any lawful purpose or purposes, which purposes shall be fully stated in the articles of incorporation. Such purpose or purposes may include, without being limited to, any one or more of the following: charitable, benevolent, religious, eleemosynary, patriotic, civic, missionary, educational, scientific, social, fraternal, athletic, aesthetic, agricultural and horticultural; and the conduct of professional, commercial, industrial, or trade associations; and animal husbandry. Subject to the provisions of Chapter 2, Title 83, of the Revised Civil Statutes of Texas, 1925, and of such Chapter or any part thereof as it may hereafter be amended, a corporation may be organized under this Act if any one or more of its purposes for the conduct of its affairs in this State is to organize laborers, working men, or wage earners to protect themselves in their various pursuits.

(1) Charitable corporations may be formed for the purpose of operating a Dental Health Service Corporation ...

B. This Act shall not apply to any corporation, nor may any corporation be organized under this Act or obtain authority to conduct its affairs in this State under this Act:

(1) If any one or more of its purposes for the conduct of its affairs in this State is expressly forbidden by any law of this State.

(2) If any one or more of its purposes for the conduct of its affairs in this State is to engage in any activity which cannot lawfully be engaged in without first obtaining a license under the authority of the laws of this State to engage in such activity and such license cannot lawfully be granted to a corporation, except as provided by Subsection C.

(3) If any one or more of its purposes for the conduct of its affairs in this State is to organize Group Hospital Service, Rural Credit Unions, Agricultural and Livestock Pools, Mutual Loan Corporations, Co-operative Credit Associations, Farmers' Co-operative Societies, Co-operative Marketing Act Corporations, Rural Electric Co-operative Corporations, Telephone Co-operative Corporations, or fraternal organizations operating under the lodge system and heretofore or hereafter incorporated under Articles 1399 through 1407, both inclusive, of Revised Civil Statutes of Texas, 1925.

(4) If any one or more of its purposes for the conduct of its affairs in this State is to operate a bank under the banking laws of this State or to operate an insurance company of any type or character that operates under the insurance laws of this State.

C. Doctors of medicine and osteopathy ...

D. When doctors of medicine, ...

Acts 1959, 56th Leg., p. 286, ch. 162, art. 201. Amended by Acts 1961, 57th Leg., p. 959, ch. 418, Sec. 1; Acts 1983, 68th Leg., p. 142, ch. 36, Sec. 1, eff. Aug. 29, 1983; Acts 1989, 71st Leg., ch. 1039, Sec. 4.07, eff. Sept. 1, 1989; Acts 1999, 76th Leg., ch. 813, Sec. 2, eff. Aug. 30, 1999; Acts 2003, 78th Leg., ch. 534, Sec. 1, eff. June 20, 2003.

Art. 1396-2.02. General Powers

A. Subject to the provisions of Sections B and C of this Article, each corporation shall have power:

- (1) To have perpetual succession by its corporate name, unless a limited period of duration is stated in its articles of incorporation. Notwithstanding the articles of incorporation, the period of duration for any corporation incorporated before August 10, 1959, is perpetual if all fees and franchise taxes have been paid as provided by law.
 - (2) To sue and be sued, complain and defend, in its corporate name.
 - (3) To have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by its proper officers.
 - (4) To purchase, receive, lease, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with, real or personal property, or any interest therein, wherever situated, as the purposes of the corporation shall require, or as shall be donated to it.
 - (5) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.
 - (6) To lend money to and otherwise assist its employees and officers, but not its directors, if the loan or assistance may reasonably be expected to benefit, directly or indirectly, the corporation providing the assistance. Loans made to officers must be:
 - (a) made for the purpose of financing the principal residence of the officer; or
 - (b) made during the first year of that officer's employment, in which case the original principal amount may not exceed 100 percent of the officer's annual salary; or
 - (c) made in any subsequent year, in which case the original principal amount may not exceed 50 percent of the officer's annual salary.
 - (7) To purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, mortgage, lend, pledge, sell 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, government district, or municipality, or of any instrumentality thereof.
 - (8) To make contracts and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income.
 - (9) To 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) To conduct its affairs, carry on its operations, and have officers and exercise the powers granted by this Act in any state, territory, district, or possession of the United States, or any foreign country.
 - (11) To elect or appoint officers and agents of the corporation for such period of time as the corporation may determine and define their duties and fix their compensation.
 - (12) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation.
 - (13) To make donations for the public welfare or for charitable, scientific, or educational purposes and in time of war to make donations in aid of war activities.
 - (14) To cease its corporate activities and terminate its existence by voluntary dissolution.
 - (15) Whether included in the foregoing or not, to have and exercise all powers necessary or appropriate to effect any or all of the purposes for which the corporation is organized.
 - (16) Any religious, charitable, educational, or eleemosynary institution organized under the laws of this State may acquire, own, hold, mortgage, and dispose of and invest its funds in real and personal property for the use and benefit and under the discretion of, and in trust for any convention, conference or association organized under the laws of this State or another state with which it is affiliated, or which elects its board of directors, or which controls it, in furtherance of the purposes of the member institution.
 - (17) To pay pensions and establish pension plans and pension trusts for all of, or class, or classes of its officer and employees, or its officers or its employees.
 - (18) To deliver money to a scholarship fund for rural students.
- B. Nothing in this Article grants any authority to officers or directors of a corporation for the exercise of any of the foregoing powers, inconsistent with limitations on any of the same which may be expressly set

forth in this Act or in the articles of incorporation or by-laws or in any other laws of this State. Authority of officers and directors to act beyond the scope of the purpose or purposes of a corporation is not granted by any provisions of this Article.

C. Nothing in this Article shall be deemed to authorize any action in violation of the Anti-Trust Laws of this State or of any of the provisions of Chapter 4 of Title 32 of Revised Civil Statutes of Texas, 1925, as now existing or hereafter amended.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.02. Amended by Acts 1977, 65th Leg., p. 837, ch. 313, Sec. 1, eff. Aug. 29, 1977; Acts 1979, 66th Leg., p. 174, ch. 96, Sec. 1, eff. May 2, 1979; Acts 1989, 71st Leg., ch. 1199, Sec. 1, eff. Aug. 28, 1989; Acts 1997, 75th Leg., ch. 904, Sec. 5, eff. Sept. 1, 1997.

Art. 1396-2.03. Defense of Ultra Vires

A. Lack of capacity of a corporation shall never be made the basis of any claim or defense at law or in equity.

B. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that such act, conveyance or transfer was beyond the scope of the purpose or purposes of the corporation as expressed in its articles of incorporation or by reason of limitations on authority of its officers and directors to exercise any statutory power of the corporation, as such limitations are expressed in the articles of incorporation, but that such act, conveyance or transfer was, or is, beyond the scope of the purpose or purposes of the corporation as expressed in its articles of incorporation or inconsistent with any such expressed limitations of authority, may be asserted:

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

(2) 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 for exceeding their authority.

(3) In a proceeding by the Attorney General, as provided in this Act, to dissolve the corporation, or in a proceeding by the Attorney General to enjoin the corporation from performing unauthorized acts, or to enforce divestment of real property acquired or held contrary to the laws of this State.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.03.

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Art. 1396-2.08. Members

A. A corporation may have one or more classes of members or may have no members.

B. If the corporation has one or more classes of members, the designation of such class or classes, the manner of election or appointment, and the qualifications and rights of the members of each class shall be set forth in the articles of incorporation or by-laws.

C. If the corporation is to have no members, that fact shall be set forth in the articles of incorporation.

D. A corporation may issue certificates, or cards, or other instruments evidencing membership rights, voting rights or ownership rights as may be authorized in the articles of incorporation or in the by-laws.

E. The members of a non-profit corporation shall not be personally liable for the debts, liabilities, or obligations of the corporation.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.08. Amended by Acts 1961, 57th Leg., p. 653, ch. 302, Sec. 1.

Art. 1396-2.09. By-Laws

A. The initial by-laws of a corporation shall be adopted by its board of directors or, if the management of the corporation is vested in its members, by the members. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

B. A corporation's board of directors may amend or repeal the corporation's by-laws, or adopt new by-laws, unless:

(1) the articles of incorporation or this Act reserves the power exclusively to the members in whole or in part;

(2) the management of the corporation is vested in its members; or

(3) the members in amending, repealing, or adopting a particular by-law expressly provide that the board of directors may not amend or repeal that by-law.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.09. Amended by Acts 1993, 73rd Leg., ch. 733, Sec. 5, eff. Jan. 1, 1994.

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Art. 1396-2.14. Board of Directors

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

B. Boards of directors of religious, charitable, educational, or eleemosynary institutions may be affiliated with, elected and controlled by a convention, conference or association organized under the laws of this State or another state, whether incorporated or unincorporated, whose membership is composed of representatives, delegates, or messengers from any church or other religious association.

C. The articles of incorporation of a corporation may vest the management of the affairs of the corporation in its members. If the corporation has a board of directors, it may limit the authority of the board of directors to whatever extent as may be set forth in the articles of incorporation or by-laws.

Except for a church organized and operating under a congregational system, was incorporated before January 1, 1994, and has the management of its affairs vested in its members, a corporation shall be deemed to have vested the management of the affairs of the corporation in its board of directors in the absence of an express provision to the contrary in the articles of incorporation or the by-laws.

D. The board of directors may be designated by any name appropriate to the customs, usages, or tenets of the corporation.

E. The board of directors of a corporation may be elected (in whole or in part) by one or more associations or corporations, organized under the laws of this State or another state if (1) the articles of incorporation or the by-laws of the former corporation so provide, and (2) the former corporation has no members with voting rights.

F. The articles of incorporation or the by-laws may provide that any one or more persons may be ex-officio members of the board of directors. A person designated as an ex-officio member of the board of directors is entitled to notice of and to attend meetings of the board of directors. The ex-officio member is not entitled to vote unless otherwise provided in the articles of incorporation or the by-laws. An ex-officio member of the board of directors who is not entitled to vote does not have the duties or liabilities of a director as provided in this Act.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.14. Amended by Acts 1967, 60th Leg., p. 1716, ch. 656, Sec. 1, eff. June 17, 1967; Acts 1993, 73rd Leg., ch. 733, Sec. 9, eff. Jan. 1, 1994.

Art. 1396-2.15. Number, Election, Classification, and Removal of Directors

A. The number of directors of a corporation shall be not less than three (3). Subject to such limitation, the number of directors shall be fixed by, or in the manner provided in, the articles of incorporation or the by-laws, except as to the number constituting the initial board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to, or in the manner provided in, the articles of incorporation or the by-laws, but no decrease shall have the effect of shortening the term of any incumbent director. The number of directors

may not be decreased to fewer than three (3). In the absence of a by-law or a provision of the articles of incorporation fixing the number of directors or providing for the manner in which the number of directors shall be fixed, the number of directors shall be the same as the number constituting the initial board of directors as fixed by the articles of incorporation.

B. The directors constituting the initial board of directors shall be named in the articles of incorporation and shall hold office until the first annual election of directors or for such other period as may be specified in the articles of incorporation or the by-laws. Thereafter, directors shall be elected, appointed, or designated in the manner and for the terms provided in the articles of incorporation or the by-laws. If the method of election, designation, or appointment is not provided in the articles of incorporation or by-laws, the directors, other than the initial directors, shall be elected by the board of directors. In the absence of a provision in the articles of incorporation or the by-laws fixing the term of office, a director shall hold office until the next annual election of directors and until his successor shall have been elected, appointed, or designated and qualified.

C. Directors may be divided into classes and the terms of office of the several classes need not be uniform. Unless removed in accordance with the provisions of the articles of incorporation or the by-laws, each director shall hold office for the term for which he is elected, appointed, or designated and until his successor shall have been elected, appointed, or designated and qualified.

D. A director may be removed from office pursuant to any procedure therefor provided in the articles of incorporation or by-laws. In the absence of a provision providing for removal, a director may be removed from office, with or without cause, by the persons entitled to elect, designate, or appoint the director. If the director was elected to office, removal requires an affirmative vote equal to the vote necessary to elect the director.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.15. Amended by Acts 1989, 71st Leg., ch. 801, Sec. 45, eff. Aug. 28, 1989; Acts 1993, 73rd Leg., ch. 733, Sec. 10, eff. Jan. 1, 1994.

Art. 1396-2.16. Vacancies

A. Unless otherwise provided in the articles of incorporation or the by-laws, any vacancy occurring in the board of directors shall be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

B. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose. If a corporation has no members, or no members having the right to vote thereon, such directorship shall be filled as provided in the articles of incorporation or the by-laws.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 2.16.

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Art. 1396-3.02. Articles of Incorporation

A. The articles of incorporation shall set forth:

- (1) The name of the corporation.
- (2) A statement that the corporation is a non-profit corporation.
- (3) The period of duration, which may be perpetual.
- (4) The purpose or purposes for which the corporation is organized.
- (5) If the corporation is to have no members, a statement to that effect.
- (6) If management of the affairs of the corporation is to be vested in its members, a statement to that effect.
- (7) Any provision, not inconsistent with law, including any provision which under this Act is required or permitted to be set forth in the by-laws, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation.
- (8) The street address of its initial registered office and the name of its initial registered agent at such street address.

(9) The number of directors constituting the initial board of directors, and the names and addresses of the persons who are to serve as the initial directors unless the management of the corporation is vested in its members, in which event a statement to that effect shall be set forth.

(10) The name and street or post office address of each incorporator.

(11) If the corporation is to be authorized on its dissolution to distribute its assets in a manner other than as provided by Article 6.02(3) of this Act, a statement describing the manner of distribution of the corporation's assets.

B. Provided that charters or articles of incorporation of corporations existing on the effective date of this Act which do not contain one or more of the requirements listed in the foregoing Section need not be amended for the purpose of meeting such requirements. Any subsequent amendment or restatement of the articles of incorporation of such corporation shall include such requirements, except that it shall not be necessary, in such amended or restated articles, to include the information required in Subsections (8), (9), and (10) of Section A.

C. It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this Act.

D. Unless the articles of incorporation provide that a change in the number of directors shall be made only by amendment to the articles of incorporation, a change in the number of directors made by amendment to the by-laws shall be controlling. In all other cases, whenever a provision of the articles of incorporation is inconsistent with a by-law, the provision of the articles of incorporation shall be controlling.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 3.02. Amended by Acts 1965, 59th Leg., p. 1294, ch. 597, Sec. 1, eff. Aug. 30, 1965; Acts 1993, 73rd Leg., ch. 733, Sec. 17, eff. Jan. 1, 1994.

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Art. 1396-4.01. Right to Amend Articles of Incorporation

A. A corporation may amend its articles of incorporation from time to time, in any and as many respects as may be desired, so long as its articles of incorporation as amended contain only such provisions as are lawful under this Act.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 4.01.

Art. 1396-4.02. Procedure to Amend Articles of Incorporation

A. Amendments to the articles of incorporation may be made in the following manner:

(1) Except as provided in Section A(4) of this article, where there are members having voting rights, the board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members having voting rights, which may be either an annual or a special meeting. Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of meetings of members. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes which members present at such meeting in person or by proxy are entitled to cast, unless any class of members is entitled to vote as a class thereon by the terms of the articles of incorporation or of the by-laws, in which event the proposed amendment shall not be adopted unless it also receives at least two-thirds of the votes which the members of each such class who are present at such meeting in person or by proxy are entitled to cast.

(2) Where there are no members, no members having voting rights, or in the case of an amendment under Section A(4) of this article, **an amendment shall be adopted at a meeting of the board of directors upon receiving the vote of a majority of the directors in office.**

(3) Where the management of the affairs of the corporation is vested in the members pursuant to Article 2.14C of this Act, the proposed amendment shall be submitted to a vote at a meeting of members which may be an annual, a regular, or a special meeting. Except as otherwise provided in the articles of incorporation or the by-laws, notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to the members within the time and in the manner provided in this

Act for the giving of notice of meetings of members. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes of members present at such meeting.

(4) Unless the articles of incorporation provide otherwise, the board of directors of a corporation with members having voting rights may adopt one or more of the following amendments to the articles of incorporation without member approval:

(a) extend the duration of the corporation if it was incorporated when limited duration was required by law;

(b) delete the names and addresses of the initial directors;

(c) delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the Secretary of State; or

(d) change the corporate name by substituting the word "corporation," "incorporated," "company," "limited," or the abbreviation "corp.," "inc.," "co.," "ltd.," for a similar word or abbreviation in the name, or by adding, deleting, or changing a geographical attribution to the name.

B. Any number of amendments may be submitted and voted upon at any one meeting.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 4.02. Amended by Acts 1993, 73rd Leg., ch. 733, Sec. 19, eff. Jan. 1, 1994.

Art. 1396-4.03. Articles of Amendment

A. The articles of amendment shall be signed on behalf of the corporation by an officer and shall set forth:

(1) The name of the corporation.

(2) If the amendment alters any provision of the original or amended articles of incorporation, an identification by reference or description of the altered provision and a statement of its text as it is amended to read. If the amendment is an addition to the original or amended articles of incorporation, a statement of that fact and the full text of each provision added.

(3) Where there are members having voting rights, (1) a statement setting forth the date of the meeting of members at which the amendment was adopted, that a quorum was present at such meeting, and that such amendment received at least two-thirds of the votes which members present at such meeting in person or by proxy were entitled to cast, as well as, in the case of any class entitled to vote as a class thereon by the terms of the articles of incorporation or of the by-laws, at least two-thirds of the votes which members of any such class who were present at such meeting in person or by proxy were entitled to cast, or (2) a statement that such amendment was adopted by a consent in writing signed by all members entitled to vote with respect thereto.

(4) Where there are no members, or no members having voting rights, a statement of such fact, the date of the meeting of the board of directors at which the amendment was adopted, and a statement of the fact that such amendment received the vote of a majority of the directors in office.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 4.03. Amended by Acts 1979, 66th Leg., p. 214, ch. 120, Sec. 5, eff. May 9, 1979; Acts 1987, 70th Leg., ch. 93, Sec. 38, eff. Aug. 31, 1987.

Art. 1396-4.04. Filing of Articles of Amendment

A. The original and a copy of the articles of amendment shall be delivered to the Secretary of State. If the Secretary of State finds that the articles of amendment conform to law, he shall, when all fees have been paid as in this Act prescribed:

(1) Endorse on the original and the copy the word "Filed", and the month, day, and year of the filing thereof.

(2) File the original in his office.

(3) Issue a certificate of amendment to which he shall affix the copy.

B. The certificate of amendment, together with the copy of the articles of amendment affixed thereto by the Secretary of State, shall be delivered to the corporation or its representative.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 4.04. Amended by Acts 1979, 66th Leg., p. 215, ch. 120, Sec. 6, eff. May 9, 1979.

Art. 1396-4.05. Effect of Certificate of Amendment

A. Upon the issuance of the certificate of amendment by the Secretary of State, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

B. No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than members; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 4.05.

Art. 1396-4.06. Restated Articles of Incorporation

A. A corporation may, by following the procedure to amend the articles of incorporation provided by this Act, authorize, execute and file restated articles of incorporation, except that member approval, if the corporation has members with voting rights, is not required if no amendments are made. The restated articles of incorporation may restate either:

(1) The entire text of the articles of incorporation as amended or supplemented by all certificates of amendment previously issued by the Secretary of State; or

(2) The entire text of the articles of incorporation as amended or supplemented by all certificates of amendment previously issued by the Secretary of State, and as further amended by such restated articles of incorporation.

B. If the restated articles of incorporation restate the entire articles of incorporation as amended and supplemented by all certificates of amendment previously issued by the Secretary of State, without making any further amendment thereof, the introductory paragraph shall contain a statement that the instrument accurately copies the articles of incorporation and all amendments thereto that are in effect to date and that the instrument contains no change in the provisions thereof, provided that the number of directors then constituting the board of directors and the names and addresses of the persons then serving as directors may be inserted in lieu of similar information concerning the initial board of directors, and the name and address of each incorporator may be omitted; and provided further that, if the management of a church is vested in its members pursuant to Article 2.14C of this Act and if, under that Article, original articles of incorporation are not required to contain a statement to that effect, any restatement of the articles of incorporation shall contain a statement to that effect.

C. If the restated articles of incorporation restate the entire articles of incorporation as amended and supplemented by all certificates of amendment previously issued by the Secretary of State, and as further amended by such restated articles of incorporation, the instrument containing such articles shall:

(1) Set forth, for any amendment made by such restated articles of incorporation, a statement that each such amendment has been effected in conformity with the provisions of this Act, and shall further set forth the statements required by this act to be contained in articles of amendment, provided that the full text of such amendments need not be set forth except in the restated articles of incorporation as so amended.

(2) Contain a statement that the instrument accurately copies the articles of incorporation and all amendments thereto that are in effect to date and as further amended by such restated articles of incorporation and that the instrument contains no other change in any provision thereof; provided that the number of directors then constituting the board of directors and the names and addresses of the persons then serving as directors may be inserted in lieu of similar information concerning the initial board of directors, and the names and addresses of each incorporator may be omitted; and provided further that, if the management of a church is vested in its members pursuant to Article 2.14C of this Act, and if, under that Article, original articles of incorporation are not required to contain a statement to that effect, any restatement of the articles of incorporation shall contain a statement to that effect.

(3) Restate the text of the entire articles of incorporation as amended and supplemented by all certificates of amendment previously issued by the Secretary of State and as further amended by the restated articles of incorporation.

D. Such restated articles of incorporation shall be signed on behalf of the corporation by an officer. The original and a copy of the restated articles of incorporation shall be delivered to the Secretary of State. If

the Secretary of State finds that the restated articles of incorporation conform to law, he shall, when the appropriate filing fee is paid as required by law:

(1) Endorse on the original and the copy the word "Filed", and the month, day, and year of the filing thereof.

(2) File the original in his office.

(3) Issue a restated certificate of incorporation to which he shall affix the copy.

E. The restated certificate of incorporation, together with the copy of the restated articles of incorporation affixed thereto by the Secretary of State, shall be delivered to the corporation or its representative.

F. Upon the issuance of the restated certificate of incorporation by the Secretary of State, the original articles of incorporation and all amendments thereto shall be superseded and the restated articles of incorporation shall be deemed to be articles of incorporation of the corporation.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 4.06. Amended by Acts 1979, 66th Leg., p. 215, ch. 120, Sec. 7, eff. May 9, 1979; Acts 1981, 67th Leg., p. 832, ch. 297, Sec. 2, eff. Aug. 31, 1981; Acts 1987, 70th Leg., ch. 93, Sec. 39, eff. Aug. 31, 1987; Acts 1993, 73rd Leg., ch. 733, Sec. 20, eff. Jan. 1, 1994.

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Art. 1396-10.02. Reservation of Power

A. The Legislature shall at all times have power to prescribe such regulations, provisions, and limitations as it may deem advisable, which regulations, provisions, and limitations shall be binding upon any and all corporations subject to the provisions of this Act, and the Legislature shall have power to amend, repeal, or modify this Act.

Acts 1959, 56th Leg., p. 286, ch. 162, art. 10.02.

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Art. 1396-11.02. Applicability; Expiration

A. Except as provided by Title 8, Business Organizations Code, this Act does not apply to a corporation to which the Business Organizations Code applies.

B. This Act expires January 1, 2010.

Added by Acts 2003, 78th Leg., ch. 182, Sec. 4, eff. Jan. 1, 2006.