

HOUSE BILL NO. 577

INTRODUCED BY SIMON, HANNAH, DRISCOLL

IN THE HOUSE

FEBRUARY 4, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
FEBRUARY 14, 1989	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 15, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	SECOND READING, DO PASS.
FEBRUARY 20, 1989	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 97; NOES, 0.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LOCAL GOVERNMENT.
	FIRST READING.
MARCH 2, 1989	ON MOTION, REREFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
MARCH 15, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 17, 1989	SECOND READING, PASS CONSIDERATION.
MARCH 18, 1989	SECOND READING, PASS CONSIDERATION.
MARCH 20, 1989	ON MOTION, CONSIDERATION PASSED UNTIL THE 66TH LEGISLATIVE DAY.
MARCH 22, 1989	SECOND READING, CONCURRED IN AS

AMENDED.

MARCH 27, 1989

THIRD READING, CONCURRED IN.  
AYES, 49; NOES, 0.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 31, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

APRIL 1, 1989

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *HOUSE* BILL NO. *577*  
2 INTRODUCED BY *Samuel Hand*  
3 *Enrollment*  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW EXPANDED  
5 PARTICIPATION BY CERTAIN GOVERNMENT SUBDIVISIONS AND  
6 AUTHORITIES IN DEVELOPMENT CORPORATIONS; AND AMENDING  
7 SECTIONS 32-4-103, 32-4-201, AND 32-4-206, MCA."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 **Section 1.** Section 32-4-103, MCA, is amended to read:  
11 "32-4-103. Credit of state and local governments not  
12 pledged. Under no circumstances is the credit of the state,  
13 county, or municipal governments or their agencies or  
14 authorities pledged herein under this chapter."  
15 **Section 2.** Section 32-4-201, MCA, is amended to read:  
16 "32-4-201. Incorporators -- general powers -- capital  
17 stock -- articles of incorporation. Nine or more persons, a  
18 majority of whom shall be residents of this state, who  
19 desire to create a development corporation under the  
20 provisions of this chapter for the purpose of promoting,  
21 developing, and advancing the prosperity and economic  
22 welfare of the state and, to that end, to exercise the  
23 powers and privileges hereinafter provided may be  
24 incorporated in the following manner:  
25 (1) Such The persons shall by articles of

1 incorporation filed in the manner prescribed in Title 35,  
2 under their hands and seals, set forth:  
3 (a) the name of the corporation, which shall include  
4 the words "Development Corporation of Montana";  
5 (b) the location of the principal office of the  
6 corporation, but such the corporation may have offices in  
7 such other places within the state as may be fixed by the  
8 board of directors;  
9 (c) the purposes for which the corporation is founded,  
10 which shall include the following:  
11 (i) to elect, appoint, and employ officers, agents,  
12 and employees;  
13 (ii) to make contracts and incur liabilities for any of  
14 the purposes of the corporation, provided that the  
15 corporation may not incur any secondary liability by way of  
16 guaranty or endorsement of obligations of any person, firm,  
17 corporation, joint-stock company, association, or trust or  
18 in any other manner;  
19 (iii) to borrow money from members, nonmember persons,  
20 firms, or corporations and state, and federal, county, or  
21 municipal agencies or authorities for any of the purposes of  
22 the corporation; to issue therefor for the purposes of the  
23 corporation its bonds, debentures, convertible debentures,  
24 notes, or other evidences of indebtedness, whether secured  
25 or unsecured, and to secure the same indebtedness by

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HB 577

mortgage, pledge, deed of trust, or other lien on its property, franchises, rights, and privileges of every kind and nature or any part thereof or interest therein in its property, franchises, rights, and privilege, without securing stockholder or member approval; provided that no a loan to the corporation may not be secured in any manner unless all outstanding loans to the corporation are secured equally and ratably in proportion to the unpaid balance of such the loans and in the same manner;

(iv) to make loans to any person, firm, corporation, joint-stock company, association, or trust and establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith with the loans; provided, however, that the corporation may not approve any application for a loan unless the person applying for the loan shows that he has applied for the loan through ordinary banking channels and that the loan has been refused by at least one bank or other financial institution;

(v) to participate with any duly authorized private lending agency or city, county, state, or federal governmental lending agencies in the making of loans;

(vi) to purchase, receive, hold, lease, or otherwise acquire and to sell, convey, transfer, lease, or otherwise dispose of real and personal property, together with such

rights and privileges as may be incidental and appurtenant thereto to the property and the use thereof of the property, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations;

(vii) to acquire the good will, business, rights, real and personal property, and other assets or any part thereof or interest therein in the assets of any persons, firms, corporations, joint-stock companies, associations, or trusts and to assume, undertake, or pay the obligations, debts, and liabilities of any such person, firm, corporation, joint-stock company, association, or trust;

(viii) to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments;

(ix) to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments;

(x) to acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of the stock, shares, bonds, debentures, notes, or other securities and evidences of interest in or indebtedness of

any person, firm, corporation, joint-stock company, association, or trust and while the owner or holder thereof of interest for indebtedness exercise all the rights, powers, and privileges of ownership, including the right to vote thereon;

(xi) to mortgage, pledge, or otherwise encumber any property, right, or thing of value, acquired pursuant to the powers contained in subsections (1)(c)(vi) through (1)(c)(x) of this section, as security for the payment of any part of the purchase price thereof of the property, right, or thing of value;

(xii) to cooperate with and avail itself of the facilities of the state planning and economic development divisions of the department of commerce and any similar governmental agencies and to cooperate with, assist, and otherwise encourage organizations in the various communities of the state in the promotion, assistance, and development of the business prosperity and economic welfare of such the communities or of this state or of any part thereof of the state;

(xiii) to accept gifts, donations, bequests, devises, or grants from any person, corporation, association, or governmental agency or authority, whether state, federal, county, or municipal;

(xiv) to do all acts and things necessary or convenient

to carry out the powers expressly granted in this chapter;

(d) the amount of total authorized capital stock and the number of shares in which it is divided, the par value of each share, the amount of capital stock with which it will commence business and, if there is more than one class of stock, a description of the different classes, and the names and post-office addresses of the subscribers of stock and the number of shares subscribed by each. The aggregate of the subscription shall be the amount of capital with which the corporation will commence business.

(2) The articles of incorporation may also contain any provision consistent with the laws of this state for the regulation of the affairs of the corporation or creating, defining, limiting, and regulating its powers. The articles of incorporation shall be in accordance with the provisions of Title 35, so far as consistent with this chapter."

**Section 3.** Section 32-4-206, MCA, is amended to read:

"32-4-206. Board of directors. (1) The business and affairs of the corporation shall be managed and conducted by a board of directors, a president and treasurer, and such other officers and such agents as the corporation by its bylaws shall authorize.

(2) The board of directors shall consist of such a number, not less than nine, as ~~shall be~~ determined in the first instance by the incorporators and thereafter annually

1 by the stockholders of the corporation, provided that any  
 2 state, federal, county, or municipal agency or authority  
 3 that has made a grant or loan to the corporation shall have  
 4 at least one seat on the board of directors and additional  
 5 seats representative of its proportional investment in the  
 6 corporation.

7 (3) The directors need not be stockholders in the  
 8 corporation.

9 (4) The board of directors may exercise all the powers  
 10 of the corporation except ~~such~~ as are conferred by law or by  
 11 the bylaws of the corporation upon the stockholders and  
 12 shall choose and appoint all the agents and officers of the  
 13 corporation and fill all vacancies in the office of  
 14 director.

15 (5) The board of directors shall be elected in the  
 16 first instance by the incorporators and thereafter at each  
 17 annual meeting of the corporation or, if no annual meeting  
 18 ~~shall-be~~ is held in any year at the time fixed by the  
 19 bylaws, at a special meeting held in lieu of the annual  
 20 meeting. At each annual meeting or at each special meeting  
 21 held in lieu of the annual meeting, the stockholders shall  
 22 elect the directors. The directors shall hold office until  
 23 the next annual meeting of the corporation or special  
 24 meeting held in lieu of the annual meeting after their  
 25 election and until their successors are elected and

1 qualified, unless sooner removed in accordance with the  
 2 provisions of the bylaws.

3 (6) Directors and officers ~~shall~~ are not be  
 4 responsible for losses unless the ~~same--shall--have--been~~  
 5 losses were occasioned by the willful misconduct of ~~such the~~  
 6 directors and officers."

7 NEW SECTION. **Section 4. Severability.** If a part of  
 8 [this act] is invalid, all valid parts that are severable  
 9 from the invalid part remain in effect. If a part of [this  
 10 act] is invalid in one or more of its applications, the part  
 11 remains in effect in all valid applications that are  
 12 severable from the invalid applications.

APPROVED BY COMM. ON BUSINESS  
AND ECONOMIC DEVELOPMENT

## HOUSE BILL NO. 577

INTRODUCED BY SIMON, HANNAH, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW EXPANDED PARTICIPATION BY CERTAIN GOVERNMENT SUBDIVISIONS AND AUTHORITIES IN DEVELOPMENT CORPORATIONS; AND AMENDING SECTIONS 32-4-103, 32-4-201, AND 32-4-206, MCA."

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**Section 2.** Section 32-4-201, MCA, is amended to read:

"32-4-201. Incorporators -- general powers -- capital stock -- articles of incorporation. Nine or more persons, a majority of whom shall be residents of this state, who desire to create a development corporation under the provisions of this chapter for the purpose of promoting, developing, and advancing the prosperity and economic welfare of the state and, to that end, to exercise the powers and privileges hereinafter provided may be incorporated in the following manner:

(1) Such The persons shall by articles of

incorporation filed in the manner prescribed in Title 35, under their hands and seals, set forth:

(a) the name of the corporation, which shall include the words "Development Corporation of Montana";

(b) the location of the principal office of the corporation, but ~~such the~~ corporation may have offices in ~~such~~ other places within the state as may be fixed by the board of directors;

(c) the purposes for which the corporation is founded, which shall include the following:

(i) to elect, appoint, and employ officers, agents, and employees;

(ii) to make contracts and incur liabilities for any of the purposes of the corporation, provided that the corporation may not incur any secondary liability by way of guaranty or endorsement of obligations of any person, firm, corporation, joint-stock company, association, or trust or in any other manner;

(iii) to borrow money from members, nonmember persons, firms, or corporations and state, and federal, county, or municipal agencies or authorities for any of the purposes of the corporation; to issue ~~therefor~~ for the purposes of the corporation its bonds, debentures, convertible debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and to secure the ~~same~~ indebtedness by

mortgage, pledge, deed of trust, or other lien on its property, franchises, rights, and privileges of every kind and nature or any part thereof or interest therein in its property, franchises, rights, and privilege, without securing stockholder or member approval; provided that no a loan to the corporation may not be secured in any manner unless all outstanding loans to the corporation are secured equally and ratably in proportion to the unpaid balance of such the loans and in the same manner;

(iv) to make loans to any person, firm, corporation, joint-stock company, association, or trust and establish and regulate the terms and conditions with respect to any such loans and the charges for interest and service connected therewith with the loans; provided, however, that the corporation may not approve any application for a loan unless the person applying for the loan shows that he has applied for the loan through ordinary banking channels and that the loan has been refused by at least one bank or other financial institution;

(v) to participate with any duly authorized private lending agency or city, county, state, or federal governmental lending agencies in the making of loans;

(vi) to purchase, receive, hold, lease, or otherwise acquire and to sell, convey, transfer, lease, or otherwise dispose of real and personal property, together with such

rights and privileges as may be incidental and appurtenant thereto to the property and the use thereof of the property, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations;

(vii) to acquire the good will, business, rights, real and personal property, and other assets or any part thereof or interest therein in the assets of any persons, firms, corporations, joint-stock companies, associations, or trusts and to assume, undertake, or pay the obligations, debts, and liabilities of any such person, firm, corporation, joint-stock company, association, or trust;

(viii) to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments;

(ix) to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, convey, transfer, lease, or otherwise dispose of industrial plants or business establishments;

(x) to acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of the stock, shares, bonds, debentures, notes, or other securities and evidences of interest in or indebtedness of



1 any person, firm, corporation, joint-stock company,  
2 association, or trust and while the owner or holder thereof  
3 of interest for indebtedness exercise all the rights,  
4 powers, and privileges of ownership, including the right to  
5 vote thereon;

6 (xi) to mortgage, pledge, or otherwise encumber any  
7 property, right, or thing of value, acquired pursuant to the  
8 powers contained in subsections (1)(c)(vi) through (1)(c)(x)  
9 of this section, as security for the payment of any part of  
10 the purchase price thereof of the property, right, or thing  
11 of value;

12 (xii) to cooperate with and avail itself of the  
13 facilities of the state planning and economic development  
14 divisions of the department of commerce and any similar  
15 governmental agencies and to cooperate with, assist, and  
16 otherwise encourage organizations in the various communities  
17 of the state in the promotion, assistance, and development  
18 of the business prosperity and economic welfare of ~~such the~~  
19 communities or of this state or of any part thereof of the  
20 state;

21 (xiii) to accept gifts, donations, bequests, devises,  
22 or grants from any person, corporation, association, or  
23 governmental agency or authority, whether state, federal,  
24 county, or municipal;

25 (xiv) to do all acts and things necessary or convenient

1 to carry out the powers expressly granted in this chapter;  
2 (d) the amount of total authorized capital stock and  
3 the number of shares in which it is divided, the par value  
4 of each share, the amount of capital stock with which it  
5 will commence business and, if there is more than one class  
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 22 elect the directors. The directors shall hold office until  
 23 the next annual meeting of the corporation or special  
 24 meeting held in lieu of the annual meeting after their  
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22 welfare of the state and, to that end, to exercise the  
23 powers and privileges hereinafter provided may be  
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19 (iii) to borrow money from members, nonmember persons,  
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 11 remains in effect in all valid applications that are  
 12 severable from the invalid applications.

**SENATE COMMITTEE OF THE WHOLE AMENDMENT**

March 22, 1989 10:17 am

Mr. Chairman: I move to amend HB 577 (third reading copy -- blue)  
as follows:

1. Page 3, line 24.

Following: "acquire"

Insert: ", except by condemnation,"

**ADOPT**

**REJECT**

Signed: \_\_\_\_\_

  
**Senator Story**

**SENATE  
HB 577**

HOUSE BILL NO. 577

INTRODUCED BY SIMON, HANNAH, DRISCOLL

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW EXPANDED PARTICIPATION BY CERTAIN GOVERNMENT SUBDIVISIONS AND AUTHORITIES IN DEVELOPMENT CORPORATIONS; AND AMENDING SECTIONS 32-4-103, 32-4-201, AND 32-4-206, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 32-4-103, MCA, is amended to read:

"32-4-103. Credit of state and local governments not pledged. Under no circumstances is the credit of the state, county, or municipal governments or their agencies or authorities pledged herein under this chapter."

**Section 2.** Section 32-4-201, MCA, is amended to read:

"32-4-201. Incorporators -- general powers -- capital stock -- articles of incorporation. Nine or more persons, a majority of whom shall be residents of this state, who desire to create a development corporation under the provisions of this chapter for the purpose of promoting, developing, and advancing the prosperity and economic welfare of the state and, to that end, to exercise the powers and privileges hereinafter provided may be incorporated in the following manner:

(1) Such The persons shall by articles of

incorporation filed in the manner prescribed in Title 35, under their hands and seals, set forth:

(a) the name of the corporation, which shall include the words "Development Corporation of Montana";

(b) the location of the principal office of the corporation, but such the corporation may have offices in such other places within the state as may be fixed by the board of directors;

(c) the purposes for which the corporation is founded, which shall include the following:

(i) to elect, appoint, and employ officers, agents, and employees;

(ii) to make contracts and incur liabilities for any of the purposes of the corporation, provided that the corporation may not incur any secondary liability by way of guaranty or endorsement of obligations of any person, firm, corporation, joint-stock company, association, or trust or in any other manner;

(iii) to borrow money from members, nonmember persons, firms, or corporations and state, and federal, county, or municipal agencies or authorities for any of the purposes of the corporation; to issue therefor for the purposes of the corporation its bonds, debentures, convertible debentures, notes, or other evidences of indebtedness, whether secured or unsecured, and to secure the same indebtedness by



1 mortgage, pledge, deed of trust, or other lien on its  
 2 property, franchises, rights, and privileges of every kind  
 3 and nature or any part thereof or interest therein in its  
 4 property, franchises, rights, and privilege, without  
 5 securing stockholder or member approval; provided that no a  
 6 loan to the corporation may not be secured in any manner  
 7 unless all outstanding loans to the corporation are secured  
 8 equally and ratably in proportion to the unpaid balance of  
 9 such the loans and in the same manner;

10 (iv) to make loans to any person, firm, corporation,  
 11 joint-stock company, association, or trust and establish and  
 12 regulate the terms and conditions with respect to any such  
 13 loans and the charges for interest and service connected  
 14 therewith with the loans; provided, however, that the  
 15 corporation may not approve any application for a loan  
 16 unless the person applying for the loan shows that he has  
 17 applied for the loan through ordinary banking channels and  
 18 that the loan has been refused by at least one bank or other  
 19 financial institution;

20 (v) to participate with any duly authorized private  
 21 lending agency or city, county, state, or federal  
 22 governmental lending agencies in the making of loans;

23 (vi) to purchase, receive, hold, lease, or otherwise  
 24 acquire, EXCEPT BY CONDEMNATION, and to sell, convey,  
 25 transfer, lease, or otherwise dispose of real and personal

1 property, together with such rights and privileges as may be  
 2 incidental and appurtenant thereto to the property and the  
 3 use thereof of the property, including, but not restricted  
 4 to, any real or personal property acquired by the  
 5 corporation from time to time in the satisfaction of debts  
 6 or enforcement of obligations;

7 (vii) to acquire the good will, business, rights, real  
 8 and personal property, and other assets or any part thereof  
 9 or interest therein in the assets of any persons, firms,  
 10 corporations, joint-stock companies, associations, or trusts  
 11 and to assume, undertake, or pay the obligations, debts, and  
 12 liabilities of any such person, firm, corporation,  
 13 joint-stock company, association, or trust;

14 (viii) to acquire improved or unimproved real estate  
 15 for the purpose of constructing industrial plants or other  
 16 business establishments thereon or for the purpose of  
 17 disposing of such real estate to others for the construction  
 18 of industrial plants or other business establishments;

19 (ix) to acquire, construct or reconstruct, alter,  
 20 repair, maintain, operate, sell, convey, transfer, lease, or  
 21 otherwise dispose of industrial plants or business  
 22 establishments;

23 (x) to acquire, subscribe for, own, hold, sell,  
 24 assign, transfer, mortgage, pledge, or otherwise dispose of  
 25 the stock, shares, bonds, debentures, notes, or other

1 securities and evidences of interest in or indebtedness of  
 2 any person, firm, corporation, joint-stock company,  
 3 association, or trust and while the owner or holder thereof  
 4 of interest for indebtedness exercise all the rights,  
 5 powers, and privileges of ownership, including the right to  
 6 vote thereon;

7 (xi) to mortgage, pledge, or otherwise encumber any  
 8 property, right, or thing of value, acquired pursuant to the  
 9 powers contained in subsections (1)(c)(vi) through (1)(c)(x)  
 10 of this section, as security for the payment of any part of  
 11 the purchase price thereof of the property, right, or thing  
 12 of value;

13 (xii) to cooperate with and avail itself of the  
 14 facilities of the state planning and economic development  
 15 divisions of the department of commerce and any similar  
 16 governmental agencies and to cooperate with, assist, and  
 17 otherwise encourage organizations in the various communities  
 18 of the state in the promotion, assistance, and development  
 19 of the business prosperity and economic welfare of such the  
 20 communities or of this state or of any part thereof of the  
 21 state;

22 (xiii) to accept gifts, donations, bequests, devises,  
 23 or grants from any person, corporation, association, or  
 24 governmental agency or authority, whether state, federal,  
 25 county, or municipal;

1 (xiv) to do all acts and things necessary or convenient  
 2 to carry out the powers expressly granted in this chapter;  
 3 (d) the amount of total authorized capital stock and  
 4 the number of shares in which it is divided, the par value  
 5 of each share, the amount of capital stock with which it  
 6 will commence business and, if there is more than one class  
 7 of stock, a description of the different classes, and the  
 8 names and post-office addresses of the subscribers of stock  
 9 and the number of shares subscribed by each. The aggregate  
 10 of the subscription shall be the amount of capital with  
 11 which the corporation will commence business.

12 (2) The articles of incorporation may also contain any  
 13 provision consistent with the laws of this state for the  
 14 regulation of the affairs of the corporation or creating,  
 15 defining, limiting, and regulating its powers. The articles  
 16 of incorporation shall be in accordance with the provisions  
 17 of Title 35, so far as consistent with this chapter."

18 **Section 3.** Section 32-4-206, MCA, is amended to read:

19 "32-4-206. **Board of directors.** (1) The business and  
 20 affairs of the corporation shall be managed and conducted by  
 21 a board of directors, a president and treasurer, and such  
 22 other officers and such agents as the corporation by its  
 23 bylaws shall authorize.

24 (2) The board of directors shall consist of such a  
 25 number, not less than nine, as ~~shall be~~ determined in the

1 first instance by the incorporators and thereafter annually  
 2 by the stockholders of the corporation, provided that any  
 3 state, federal, county, or municipal agency or authority  
 4 that has made a grant or loan to the corporation shall have  
 5 at least one seat on the board of directors and additional  
 6 seats representative of its proportional investment in the  
 7 corporation.

8 (3) The directors need not be stockholders in the  
 9 corporation.

10 (4) The board of directors may exercise all the powers  
 11 of the corporation except ~~such~~ as are conferred by law or by  
 12 the bylaws of the corporation upon the stockholders and  
 13 shall choose and appoint all the agents and officers of the  
 14 corporation and fill all vacancies in the office of  
 15 director.

16 (5) The board of directors shall be elected in the  
 17 first instance by the incorporators and thereafter at each  
 18 annual meeting of the corporation or, if no annual meeting  
 19 ~~shall--be~~ is held in any year at the time fixed by the  
 20 bylaws, at a special meeting held in lieu of the annual  
 21 meeting. At each annual meeting or at each special meeting  
 22 held in lieu of the annual meeting, the stockholders shall  
 23 elect the directors. The directors shall hold office until  
 24 the next annual meeting of the corporation or special  
 25 meeting held in lieu of the annual meeting after their

1 election and until their successors are elected and  
 2 qualified, unless sooner removed in accordance with the  
 3 provisions of the bylaws.

4 (6) Directors and officers ~~shall~~ are not be  
 5 responsible for losses unless the ~~same--shall--have--been~~  
 6 losses were occasioned by the willful misconduct of ~~such the~~  
 7 directors and officers."

8 NEW SECTION. Section 4. Severability. If a part of  
 9 [this act] is invalid, all valid parts that are severable  
 10 from the invalid part remain in effect. If a part of [this  
 11 act] is invalid in one or more of its applications, the part  
 12 remains in effect in all valid applications that are  
 13 severable from the invalid applications.

-End-