

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 810

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “clarifying” in line 19 down through “trustees” in line 21 and substitute “authorizing the declaration of trust or bylaws of a real estate investment trust to provide for certain committees of the board”; and in line 25, strike “application” and substitute “construction”.

AMENDMENT NO. 2

On page 2, after line 34, insert:

“2-203.

(a) Before the issuance of stock or convertible securities, the board of directors shall adopt a resolution which:

(1) Authorizes the issuance;

(2) Sets the minimum price or value of consideration for the stock or convertible securities or a formula for its determination; and

(3) Fairly describes any consideration other than money [and states:

(i) Its actual value as determined by the board of directors; or

(ii) That the board of directors has determined that the actual value is or will be not less than a certain sum].

(b) In the absence of actual fraud in the transaction, the value of consideration stated in

(Over)

the charter or determined by the board of directors in its resolution is conclusive for all purposes.

(c) For purposes of this section, the consideration for stock issued as a stock dividend is the resulting capitalization of surplus.

(d) This section does not apply to the issuance of stock or convertible securities as part of:

(1) A reclassification of stock effected by amendment of the charter; or

(2) A consolidation, merger, or share exchange.

(e) If its issuance is authorized in accordance with this subtitle, stock with par value and securities convertible into stock with par value may be issued as full paid and nonassessable even if the price or value of the consideration received is less than the par value of the stock issued or the stock into which the securities are convertible.”.

On page 14, in line 3, after “transferability” insert “OR OWNERSHIP”.

On pages 14 and 15, strike beginning with line 32 on page 14 through line 17 on page 15, inclusive.

AMENDMENT NO. 3

On page 5, in line 36, strike the brackets; and in the same line, strike “STOCKHOLDER:”.

On page 6, in line 1, strike “(I)”;

in the same line, strike the brackets; in the same line, strike “THE”;

in line 5, strike “; AND” and substitute a period; and strike in their entirety lines 6 through 11, inclusive, and substitute:

“(3) A PERSON IS NOT AN INTERESTED STOCKHOLDER IF, PRIOR TO THE MOST RECENT TIME AT WHICH THE PERSON WOULD OTHERWISE HAVE BECOME AN INTERESTED STOCKHOLDER, THE BOARD OF DIRECTORS OF THE CORPORATION APPROVED THE TRANSACTION WHICH OTHERWISE WOULD HAVE RESULTED IN THE PERSON BECOMING AN INTERESTED STOCKHOLDER.

(4) IN APPROVING A TRANSACTION IN ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION, THE BOARD OF DIRECTORS MAY PROVIDE

THAT ITS APPROVAL IS SUBJECT TO COMPLIANCE, AT OR AFTER THE TIME OF APPROVAL, WITH ANY TERMS AND CONDITIONS DETERMINED BY THE BOARD.”.

AMENDMENT NO. 4

On page 6, strike in their entirety lines 18 through 21, inclusive.

On page 17, after line 23, insert:

“8-206.

THE DECLARATION OF TRUST OF BYLAWS OF A REAL ESTATE INVESTMENT TRUST MAY PROVIDE FOR ONE OR MORE COMMITTEES OF THE BOARD OF TRUSTEES COMPOSED OF ONE OR MORE TRUSTEES AND FOR THE DELEGATION TO THOSE COMMITTEES OF ANY OF THE POWERS OF THE BOARD OF TRUSTEES.”.

AMENDMENT NO. 5

On page 17, strike beginning with “shall” in line 25 down through “Act” in line 26 and substitute “may not be construed to invalidate any action of a corporation, real estate investment trust, board of directors of a corporation, or board of trustees of a real estate investment trust taken before the effective date of this Act or to invalidate any provision contained in a charter or bylaws of a corporation or the declaration of trust or bylaws of a real estate investment trust before the effective date of this Act”.