

NONPROFIT CORPORATION ACT (EXCERPT)
Act 162 of 1982

450.2472 Transfer or registration of bond, share, or membership; written restriction.

Sec. 472.

(1) The articles of incorporation, the bylaws, or an agreement among any number of holders of bonds, shares, or memberships, or among the holders and the corporation, may contain a restriction on the transfer or registration of a bond, share, or membership of a corporation that is otherwise transferable. A restriction described in this subsection is not binding with respect to bonds, shares, or memberships that are issued before adoption of the restriction unless the holders are parties to an agreement or voted in favor of the restriction.

(2) A written restriction on the transfer or registration of a bond, share, or membership of a corporation that is otherwise transferable, if permitted under this section or section 473 and noted conspicuously on the face or back of the instrument or on the information statement required under section 336, may be enforced against the holder of the restricted instrument or a successor or transferee of the holder of the restricted instrument including, but not limited to, a personal representative, administrator, trustee, guardian, or other fiduciary entrusted with similar responsibility for the person or estate of the holder. If the existence of the restriction is not noted conspicuously on the face or back of the instrument or on the information statement required under section 336, the restriction, even if permitted under this section or section 473, is ineffective except against any person that has actual knowledge of the restriction.

History: Add. 2014, Act 557, Imd. Eff. Jan. 15, 2015