

**16-6a-1602 Inspection of records by directors and members.**

- (1) A director or member is entitled to inspect and copy any of the records of the nonprofit corporation described in Subsection 16-6a-1601(5):
  - (a) during regular business hours;
  - (b) at the nonprofit corporation's principal office; and
  - (c) if the director or member gives the nonprofit corporation written demand, at least five business days before the date on which the member wishes to inspect and copy the records.
- (2) In addition to the rights set forth in Subsection (1), a director or member is entitled to inspect and copy any of the other records of the nonprofit corporation:
  - (a) during regular business hours;
  - (b) at a reasonable location specified by the nonprofit corporation; and
  - (c) at least five business days before the date on which the member wishes to inspect and copy the records, if the director or member:
    - (i) meets the requirements of Subsection (3); and
    - (ii) gives the nonprofit corporation written demand.
- (3) A director or member may inspect and copy the records described in Subsection (2) only if:
  - (a) the demand is made:
    - (i) in good faith; and
    - (ii) for a proper purpose;
  - (b) the director or member describes with reasonable particularity the purpose and the records the director or member desires to inspect; and
  - (c) the records are directly connected with the described purpose.
- (4) Notwithstanding Section 16-6a-102, for purposes of this section:
  - (a) "member" includes:
    - (i) a beneficial owner whose membership interest is held in a voting trust; and
    - (ii) any other beneficial owner of a membership interest who establishes beneficial ownership; and
  - (b) "proper purpose" means a purpose reasonably related to the demanding member's or director's interest as a member or director.
- (5) The right of inspection granted by this section may not be abolished or limited by the articles of incorporation or bylaws.
- (6) This section does not affect:
  - (a) the right of a director or member to inspect records under Section 16-6a-710;
  - (b) the right of a member to inspect records to the same extent as any other litigant if the member is in litigation with the nonprofit corporation; or
  - (c) the power of a court, independent of this chapter, to compel the production of corporate records for examination.
- (7) A director or member may not use any information obtained through the inspection or copying of records permitted by Subsection (2) for any purposes other than those set forth in a demand made under Subsection (3).

Enacted by Chapter 300, 2000 General Session