

16-6a-304 Ultra vires.

- (1) Except as provided in Subsection (2), the validity of corporate action may not be challenged on the ground that the nonprofit corporation lacks or lacked power to act.
- (2) A nonprofit corporation's power to act may be challenged:
 - (a) in a proceeding against the nonprofit corporation to enjoin the act brought by:
 - (i) a director; or
 - (ii) one or more voting members in a derivative proceeding;
 - (b) in a proceeding by or in the right of the nonprofit corporation, whether directly, derivatively, or through a receiver, trustee, or other legal representative, against an incumbent or former director, officer, employee, or agent of the nonprofit corporation; or
 - (c) in a proceeding by the attorney general under Section 16-6a-1414.
- (3) In a proceeding under Subsection (2)(a) to enjoin an unauthorized corporate act, the court may:
 - (a) enjoin or set aside the act, if:
 - (i) it would be equitable to do so; and
 - (ii) all affected persons are parties to the proceeding; and
 - (b) award damages for loss, including anticipated profits, suffered by the nonprofit corporation or another party because of an injunction issued under this section.

Enacted by Chapter 300, 2000 General Session