

16-6a-904 Advance of expenses for directors.

- (1) A nonprofit corporation may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:
 - (a) the director furnishes the nonprofit corporation a written affirmation of the director's good faith belief that the director has met the applicable standard of conduct described in Section 16-6a-902;
 - (b) the director furnishes the nonprofit corporation a written undertaking, executed personally or on the director's behalf, to repay the advance, if it is ultimately determined that the director did not meet the standard of conduct; and
 - (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under this part.
- (2) The undertaking required by Subsection (1)(b):
 - (a) shall be an unlimited general obligation of the director;
 - (b) need not be secured; and
 - (c) may be accepted without reference to financial ability to make repayment.
- (3) Determinations and authorizations of payments under this section shall be made in the manner specified in Section 16-6a-906.

Enacted by Chapter 300, 2000 General Session