317A.165 EFFECT OF LACK OF POWER; ULTRA VIRES.

Subdivision 1. **General.** Except as provided in this section, the doing, continuing, or performing by a corporation of an act, or an executed or wholly or partially executory contract, conveyance, or transfer to or by the corporation, if otherwise lawful, is not invalid because the corporation was without the power under this chapter or its articles or bylaws to do, continue, or perform the act, contract, conveyance, or transfer.

Subd. 2. **Action by member.** At least 50 members with voting rights or ten percent of the members with voting rights, whichever is less, may bring an action against the corporation to enjoin the doing, continuing, or performing of an unauthorized act, contract, conveyance, or transfer. If the unauthorized act, continuation, or performance sought to be enjoined is being, or to be, performed or made pursuant to a contract to which the corporation is a party, the court may, if just and reasonable in the circumstances, set aside and enjoin the performance of the contract and allow to the corporation or to the other parties to the contract compensation for the loss or damage sustained as a result of the action of the court in setting aside and enjoining the performance of the contract.

Subd. 3. **Action by corporation.** The corporation may bring an action, directly or through a director or member with voting rights in a representative or derivative suit, against the incumbent or former officers or directors of the corporation for exceeding or violating their authority.

History: *1989 c 304 s 24*