§ 5004. Consideration and payment for shares. 1. Consideration for the issue of shares shall consist of money or (except as otherwise required by subdivision a of subdivision one of section four thousand four) other property tangible or intangible, or labor or services actually received by or performed for the corporation or for its benefit or in its formation or reorganization, or a combination thereof. In the absence of fraud in the transaction, the judgment of the board or stockholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

2. Neither obligations of the subscriber for future payments nor future services shall constitute payment or part payment for shares of a corporation.

3. Shares may be issued for such consideration, not less than the par value thereof, as is fixed from time to time by the board.

4. Treasury shares may be disposed of by a corporation on such terms and conditions as are fixed from time to time by the board.

5. Upon distribution of authorized but unissued shares to stockholders, that part of the undivided profits or surplus of a corporation which is concurrently transferred to capital stock shall be the consideration for the issue of such shares.

6. In the event of a conversion of capital notes, debentures or shares into shares, or in the event of an exchange of capital notes, debentures or shares for shares, the consideration for the shares so issued in exchange or conversion shall be the sum of (a) either the principal sum of, and accrued interest on, the capital notes or debentures so exchanged or converted, or the par value of the shares so exchanged or converted, plus (b) any additional consideration paid to the corporation for the new shares, plus (c) any undivided profits or surplus transferred to capital stock in respect of the new shares.

7. Certificates for shares may not be issued until the full amount of the consideration therefor has been paid.

8. When the consideration for shares has been paid in full, the subscriber shall be entitled to all the rights and privileges of a holder of such shares and to a certificate representing his shares, and such shares shall be fully paid and, subject to sections one hundred thirteen-a, one hundred thirteen-b, one hundred fourteen, three hundred five, three hundred five-a, three hundred six, three hundred twenty-two, three hundred twenty-two-a and three hundred twenty-three of this chapter, shall be nonassessable.