
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1273 Session of
2000

INTRODUCED BY GREENLEAF, O'PAKE, LEMMOND, KUKOVICH, HART, WHITE,
MURPHY, THOMPSON AND SLOCUM, JANUARY 31, 2000

REFERRED TO JUDICIARY, JANUARY 31, 2000

AN ACT

1 Amending Title 15 (Corporations and Unincorporated Associations)
2 of the Pennsylvania Consolidated Statutes, further providing
3 for nonprofit corporations and unincorporated nonprofit
4 associations; making revisions, corrections and additions
5 relating to such associations; making editorial corrections;
6 and repealing certain acts and parts of acts.

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13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Short title.

16 This act shall be known and may be cited as the Nonprofit
17 Associations Act.

18 Section 2. Amendment of Title 15.

19 As much of Title 15 as is hereinafter set forth is reenacted,

1 amended or added to read:

2 § 153. Fee schedule.

3 (a) General rule.--The fees of the Corporation Bureau of the
4 Department of State, including fees for the public acts and
5 transactions of the Secretary of the Commonwealth administered
6 through the bureau, and of county filing officers under Title 13
7 (relating to commercial code), shall be as follows:

8 * * *

9 (15) Unincorporated nonprofit

10 associations:

11 (i) Statement appointing an agent to
12 receive service of process..... 52

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15 * * *

16 § 5103. Definitions.

17 Subject to additional definitions contained in subsequent
18 provisions of this subpart that are applicable to specific
19 provisions of this subpart, the following words and phrases when
20 used in this subpart shall have the meanings given to them in
21 this section unless the context clearly indicates otherwise:

22 * * *

23 "Amendment." An amendment of the articles.

24 * * *

25 "Board of directors" or "board." The group of persons
26 [vested with the management of] under the direction of whom the
27 business and affairs of the corporation are managed irrespective
28 of the name by which [such] the group is designated in the
29 articles. The term does not include an other body. [The term,
30 when used in any provision of this subpart relating to the

1 organization or procedures of or the manner of taking action by
2 the board of directors, shall be construed to include and refer
3 to any executive or other committee of the board. Any provision
4 of this subpart relating or referring to action to be taken by
5 the board of directors or the procedure required therefor shall
6 be satisfied by the taking of corresponding action by a
7 committee of the board of directors to the extent authority to
8 take such action has been delegated to such committee pursuant
9 to section 5731 (relating to executive and other committees of
10 the board).] See section 5731(c) (relating to status of
11 committee action).

12 * * *

13 "Business corporation." A domestic corporation for profit
14 defined in section 1103 (relating to definitions).

15 "Bylaws." The code or codes of rules adopted for the
16 regulation or management of the business and affairs of the
17 corporation irrespective of the name or names by which [such]
18 the rules are designated. The term includes provisions of the
19 articles as provided by section 5504(c) (relating to bylaw
20 provisions in articles).

21 "Charitable purposes." The relief of poverty, the
22 advancement and provision of education, including without
23 limitation postsecondary education, the advancement of religion,
24 [the promotion of health,] the prevention and treatment of
25 disease or injury, including without limitation mental
26 retardation and mental disorders, governmental or municipal
27 purposes, and any other [purposes] purpose the accomplishment of
28 which is recognized as important and beneficial to the
29 [community] public and which advances social, moral or physical
30 objectives.

1 * * *

2 "Directors." [Persons] Individuals designated, elected or
3 appointed, by that or any other name or title, to act as
4 directors, and their successors. The term does not include a
5 member of an other body, as such. The term, when used in
6 relation to any power or duty requiring collective action, shall
7 be construed to mean "board of directors."

8 * * *

9 "Employee." Does not include members, officers, directors or
10 members of an other body, as such. See section 5730 (relating to
11 compensation of directors) as to acceptance by a director of
12 duties that make him also an employee.

13 * * *

14 "Fraternal benefit society." A domestic corporation not-for-
15 profit that is a society as defined in the [act of July 29, 1977
16 (P.L.105, No.38) known as the Fraternal Benefit Society Code]
17 act of December 14, 1992 (P.L.835, No.134), known as the
18 Fraternal Benefit Societies Code.

19 * * *

20 "Member." [One] A person having membership rights in a
21 corporation in accordance with the provisions of its bylaws. The
22 term, when used in relation to the taking of corporate action,
23 includes:

24 (1) [the] The proxy of a member, if action by proxy is
25 permitted under the bylaws of the corporation[; and].

26 (2) [a] A delegate to any convention or assembly of
27 delegates of members established pursuant to any provision of
28 this subpart.

29 If and to the extent the bylaws confer rights of members upon
30 holders of [securities evidencing indebtedness] obligations of

1 the corporation or governmental or other entities pursuant to
2 any provision of this subpart or other provision of law, the
3 term shall be construed to include [such security holders] those
4 holders and governmental or other entities. The term shall be
5 construed to include "shareholder" if the corporation issues
6 shares of stock.

7 "Nonprofit corporation" or "domestic nonprofit corporation."
8 A domestic corporation not-for-profit [which] that is not
9 excluded from the scope of this subpart by section 5102
10 (relating to application of subpart).

11 "Nonqualified foreign corporation" or "nonqualified foreign
12 nonprofit corporation." A foreign corporation not-for-profit
13 [which] that is not a qualified foreign corporation, as defined
14 in this section.

15 "Obligation." Includes a note or other form of indebtedness,
16 whether secured or unsecured.

17 * * *

18 "Officially publish." Publish in two newspapers of general
19 circulation in the English language in the county in which the
20 registered office of the corporation is located or, in the case
21 of a proposed corporation, is to be located, one of which shall
22 be the legal newspaper, if any, designated by the rules of court
23 for the publication of legal notices or, if there is no legal
24 newspaper, in two newspapers of general circulation in the
25 county. When there is but one newspaper of general circulation
26 in any county, advertisement in that newspaper shall be
27 sufficient. Where no other frequency is specified, the notice
28 shall be published one time in the appropriate newspaper or
29 newspapers. See section 109(a)(2) (relating to name of
30 commercial registered office provider in lieu of registered

1 address).

2 "Other body." A term employed in this subpart to denote a
3 person or group, other than the board of directors or a
4 committee thereof, who pursuant to authority expressly conferred
5 by this subpart may be vested by the bylaws of the corporation
6 with powers [which] that, if not vested by the bylaws in [such]
7 the person or group, would by this subpart be required to be
8 exercised by [either]:

9 (1) the [membership of a corporation taken as a whole]
10 members;

11 (2) a convention or assembly of delegates of members
12 established pursuant to any provision of this subpart; or

13 (3) the board of directors.

14 Except as otherwise provided in this subpart, a corporation may
15 establish distinct persons or groups to exercise different
16 powers [which] that this subpart authorizes a corporation to
17 vest in an other body.

18 "Plan." A plan of merger, consolidation, asset transfer,
19 division or conversion.

20 * * *

21 "Registered office." That office maintained by a corporation
22 in this Commonwealth, the address of which is filed [in] with
23 the Department of State or which was recorded in the office of
24 the recorder of deeds in the manner formerly required by
25 statute. See section 109 (relating to name of commercial
26 registered office provider in lieu of registered address).

27 * * *

28 "Representative." When used with respect to [a corporation,
29 partnership] an association, joint venture, trust or other
30 enterprise, means a person occupying the position or discharging

1 the functions of a director, member of an other body, officer,
2 employee or agent thereof, regardless of the name or title by
3 which the person may be designated. The term does not imply that
4 a director or member of an other body, as such, is an agent of a
5 corporation.

6 "Trust instrument." Any lawful deed of gift, grant, will or
7 other document by which the donor, grantor or testator [shall
8 give, grant or devise] gives, grants or devises any real or
9 personal property or the income therefrom in trust for any
10 charitable purpose.

11 "Unless otherwise provided" or "except as otherwise
12 provided." When used to introduce or modify a rule, implies
13 that the alternative provisions contemplated may either relax or
14 restrict the stated rule.

15 "Unless otherwise restricted" or "except as otherwise
16 restricted." When used to introduce or modify a rule, implies
17 that the alternative provisions contemplated may further
18 restrict, but may not relax, the stated rule.

19 "Voting" or "casting a vote." Includes the giving of written
20 consent. The term does not include either recording the fact of
21 abstention or failing to vote for a candidate or for approval or
22 disapproval of a matter, whether or not the person entitled to
23 vote characterizes the conduct as voting or casting a vote.

24 § 5105. [Saving clause and restriction] Restriction on
25 equitable relief.

26 [(a) General rule.--Except as otherwise provided in
27 subsection (b) of this section, this subpart and its amendments
28 shall not impair or affect any act done, offense committed, or
29 substantial right accruing, accrued, or acquired, or liability,
30 duty, obligation, penalty, judgment or punishment incurred prior

1 to the time this subpart or any amendment thereto takes effect,
2 but the same may be enjoyed, asserted, enforced, prosecuted, or
3 inflicted as fully and to the same extent as if this subpart or
4 any amendment thereto had not been enacted.

5 (b) Exception.--] A member of a nonprofit corporation shall
6 not have any right to claim the right to valuation [of] and
7 payment [for] of the fair value of his membership interest or
8 shares because of any proposed plan or amendment [of articles]
9 authorized under any provision of this subpart, or to obtain, in
10 the absence of fraud or fundamental unfairness, an injunction
11 against [any such] the plan or amendment.

12 § 5106. [Limited uniform] Uniform application of subpart.

13 (a) General rule.--Except as provided in subsection (b),
14 this subpart and its amendments are intended to provide uniform
15 rules for the government and regulation of the affairs of
16 nonprofit corporations and of their officers, directors and
17 members, regardless of the date or manner of incorporation or
18 qualification, or of the issuance of any evidences of membership
19 in or shares thereof.

20 (b) Exceptions.--

21 (1) Unless expressly provided otherwise in any amendment
22 to this subpart [any such], the amendment shall take effect
23 only prospectively.

24 (2) Any existing corporation lawfully using a name[,]
25 or, as a part of its name, a word[, which] that could not be
26 used as or included in the name of a corporation [hereafter]
27 subsequently incorporated or qualified under this subpart[,]
28 may continue to use [such] the name[, or word as part of its
29 name[, provided] if the use or inclusion of [such] the word
30 or name was lawful when first adopted by the corporation in

1 this Commonwealth.

2 (3) [Nothing in subsection] Subsection (a) shall not
3 adversely affect the rights specifically provided for or
4 saved [by the general terms of section 5105 (relating to
5 saving clause and restriction on equitable relief)] in this
6 subpart, including, without limiting the generality of the
7 foregoing, the provisions of section 5952(d) (relating to
8 proposal and adoption of plan of division).

9 § 5107. Subordination of subpart to canon law.

10 If and to the extent canon law applicable to a corporation
11 incorporated for religious purposes shall set forth provisions
12 relating to the government and regulation of the affairs of the
13 corporation [which] that are inconsistent with the provisions of
14 this subpart on the same subject, the provisions of canon law
15 shall control to the extent, and only to the extent, required by
16 the Constitution of the United States or the Constitution of
17 Pennsylvania, or both.

18 § 5108. Limitation on incorporation.

19 [No corporation which might] A corporation that can be
20 incorporated under this subpart shall [hereafter] not be
21 incorporated except under the provisions of this subpart.

22 § 5109. Execution of documents.

23 (a) General rule.--Any document filed in the Department of
24 State under this title by a domestic or foreign nonprofit
25 corporation [or a foreign corporation not-for-profit] subject to
26 this subpart may be executed on behalf of the corporation by any
27 one duly authorized officer thereof. The corporate seal may be
28 affixed and attested, but the affixation or attestation of the
29 corporate seal shall not be necessary for the due execution of
30 any filing by a corporation under this title.

(b) Cross reference.--See section 135 (relating to requirements to be met by filed documents).

[(c) Transitional provision.--This section supersedes any contrary provision of this subpart enacted prior to the enactment of the act of December 21, 1988 (P.L.1444, No.177), known as the General Association Act of 1988.]

§ 5302. Number and qualifications of incorporators.

One or more corporations for profit or not-for-profit or natural persons of full age may incorporate a nonprofit corporation under the provisions of this [article] subpart.

§ 5307. Advertisement.

The incorporators or the corporation shall officially publish a notice of intention to file or of the filing of articles of incorporation. The notice may appear prior to or after the day the articles of incorporation are filed in the Department of State[,] and shall set forth briefly:

(1) The name of the proposed corporation.

(2) A statement that the corporation is to be or has been incorporated under the provisions of [this article] the Nonprofit Corporation Law of 1988.

[(3) A brief summary of the purpose or purposes of the corporation.

(4) A date on or before which the articles will be filed in the Department of State or the date the articles were filed.]

§ 5308. Filing of articles.

(a) General rule.--The articles of incorporation shall be filed in the Department of State.

(b) Cross reference.--See section 134 (relating to docketing statement).

1 § 5309. Effect of filing of articles of incorporation.

2 (a) Corporate existence.--Upon the filing of the articles of
3 incorporation in the Department of State or upon the effective
4 date specified in the articles of incorporation, whichever is
5 later, the corporate existence shall begin.

6 (b) Evidence of incorporation.--Subject to the provisions of
7 section 503 (relating to actions to revoke corporate
8 franchises), the articles of incorporation filed in the
9 [Department of State, or approved by the court and] department,
10 or recorded in the office of the recorder of deeds under the
11 former provisions of law, shall be conclusive evidence of the
12 fact that the corporation has been incorporated.

13 § 5310. Organization meeting.

14 (a) General rule.--After the [filing of the articles of
15 incorporation] corporate existence begins, an organization
16 meeting of the initial directors[,] or, if directors are not
17 named in the articles, of the incorporator or incorporators[,]
18 shall be held, within or without this Commonwealth, for the
19 purpose of adopting bylaws[,] which they shall have authority to
20 do at [such] the meeting, of electing directors [to hold office
21 as provided in the bylaws], if directors are not named in the
22 articles, and the transaction of such other business as may come
23 before the meeting. A bylaw adopted at [such] the organization
24 meeting of directors or incorporators shall be deemed to be a
25 bylaw adopted by the members for the purposes of this [article]
26 subpart and of any other provision of law.

27 (b) Call of and action at meeting.--The meeting may be held
28 at the call of any director or, if directors are not named in
29 the articles, of any incorporator, who shall give at least five
30 days' written notice thereof to each other director or

1 incorporator, which notice shall set forth the time and place of
2 the meeting. For the purposes of this section [an], any
3 incorporator may act in person, by written consent or by proxy
4 signed by him or his [attorney in fact] attorney-in-fact.

5 (c) Death or incapacity of directors or incorporators.--If a
6 designated director or an incorporator dies or is for any reason
7 unable to act at the meeting, the other or others may act. If
8 there is no other designated director or incorporator able to
9 act, any person for whom an incorporator was acting as agent may
10 act or appoint another to act in his stead.

11 § 5331. [Unincorporated] Incorporation of unincorporated
12 associations.

13 In the case of the incorporation as a nonprofit corporation
14 under this [article] subpart of an unincorporated association
15 the articles of incorporation shall contain, in addition to the
16 provisions heretofore required in this chapter, a statement that
17 the incorporators constitute a majority of the members of the
18 committee authorized to incorporate [such] the association by
19 the requisite vote required by the organic law of the
20 association for the amendment of such organic law.

21 § 5501. Corporate capacity.

22 Except as provided in section 103 [of this title] (relating
23 to subordination of title to regulatory laws), a nonprofit
24 corporation shall have the legal capacity of natural persons to
25 act.

26 § 5504. Adoption, amendment and contents of bylaws.

27 * * *

28 (b) Exception.--Except as provided in section 5310(a)
29 (relating to organization meeting), the board of directors or
30 other body shall not have the authority to adopt or change a

1 bylaw on any subject that is committed expressly to the members
2 by any of the provisions of this subpart. See:

3 Subsection (d) (relating to amendment of voting
4 provisions).

5 Section 5713 (relating to personal liability of
6 directors).

7 Section 5721 (relating to board of directors).

8 Section 5725(b) (relating to selection of directors).

9 Section 5726(a) (relating to removal of directors by the
10 members).

11 Section 5726(b) (relating to removal of directors by the
12 board).

13 Section 5729 (relating to voting rights of directors).

14 Section 5751(a) (relating to classes and qualifications
15 of membership).

16 Section 5752(c) (relating to rights of shareholders).

17 Section 5754(a) (relating to members grouped in local
18 units).

19 Section 5755(a) (relating to regular meetings).

20 Section 5756 (relating to quorum).

21 Section 5757 (relating to action by members).

22 Section 5758 (relating to voting rights of members).

23 Section 5759(a) (relating to voting and other action by
24 proxy).

25 Section [5760(a)] 5762(a) (relating to voting in
26 nonprofit corporation matters).

27 Section [5762] 5765 (relating to judges of election).

28 Section [5766(a)] 5769(a) (relating to termination and
29 transfer of membership).

30 Section [5767] 5770 (relating to voting powers and other

rights of certain security holders and other entities).

Section 5975(c) (relating to winding up and distribution).

* * *

(d) Amendment of voting provisions.--

(1) Unless otherwise restricted in a bylaw adopted by the members, whenever the bylaws require for the taking of any action by the members or a class of members a specific number or percentage of votes, the provision of the bylaws setting forth that requirement shall not be amended or repealed by any lesser number or percentage of votes of the members or of the class of members.

(2) Paragraph (1) shall not apply to a bylaw setting forth the right of members to act by unanimous written consent as provided in section 5766(a) (relating to unanimous consent).

(e) Cross reference.--See section 6145 (relating to applicability of certain safeguards to foreign domiciliary corporations).

§ 5509. Bylaws and other powers in emergency.

(a) General rule.--[The] Except as otherwise restricted in the bylaws, the board of directors or other body of any nonprofit corporation may adopt emergency bylaws, subject to repeal or change by action of the members, which shall, notwithstanding any different provisions of law or of the articles or bylaws, be [operative] effective during any emergency resulting from [warlike damage or] an attack on the United States [or any], a nuclear [or atomic] disaster or another catastrophe as a result of which a quorum of the board cannot readily be assembled. The emergency bylaws may make any

1 provision that may be [practical and necessary] appropriate for
2 the circumstances of the emergency, including [provisions that]:

3 (1) [A meeting of the board of directors or other body
4 may be called by any officer or director or member of such
5 other body in such manner and under such conditions as shall
6 be prescribed in the emergency bylaws.] Procedures for
7 calling meetings of the board or other body.

8 (2) [The director or directors or the member or members
9 of such other body in attendance at the meeting, or any other
10 number fixed in the emergency bylaws, shall constitute a
11 quorum.] Quorum requirements for meetings.

12 (3) [The officers or other persons designated on a list
13 approved by the board of directors or other body before the
14 emergency, all in such order of priority and subject to such
15 conditions and for such period of time, not longer than
16 reasonably necessary after the termination of the emergency
17 as may be provided in the emergency bylaws or in the
18 resolution approving the list, shall, to the extent required
19 to provide a quorum at any meeting of the board of directors
20 or such other body, be deemed directors or members of such
21 other body for such meeting.] Procedures for designating
22 additional or substitute directors or members of an other
23 body.

24 (b) Lines of succession; head office.--The board of
25 directors or [such] other body, either before or during any
26 [such] emergency, may provide, and from time to time modify,
27 lines of succession in the event that during [such an] the
28 emergency any or all officers or agents of the corporation shall
29 for any reason be rendered incapable of discharging their
30 duties[,] and may, effective in the emergency, change the head

1 offices or designate several alternative head offices or
2 regional offices of the corporation[,] or authorize the officers
3 [so] to do so.

4 (c) Personnel not liable.--[No officer, director, member of
5 such other body, or employee acting in accordance with any
6 emergency bylaws shall be liable except for wilful misconduct.]

7 A representative of the corporation:

8 (1) Acting in accordance with any emergency bylaws shall
9 not be liable except for willful misconduct.

10 (2) Shall not be liable for any action taken by him in
11 good faith in an emergency in furtherance of the ordinary
12 business affairs of the corporation even though not
13 authorized by the emergency or other bylaws then in effect.

14 (d) Effect on regular bylaws.--To the extent not
15 inconsistent with any emergency bylaws so adopted, the bylaws of
16 the corporation shall remain in effect during any emergency[,]
17 and, upon its termination, the emergency bylaws shall cease to
18 be [operative] effective.

19 (e) Procedure in absence of emergency bylaws.--Unless
20 otherwise provided in emergency bylaws, notice of any meeting of
21 the board of directors or [such] an other body during [such] an
22 emergency shall be given only to [such of the] those directors
23 or members of [such] an other body [as it may be] it is feasible
24 to reach at the time and by such means as [may be] are feasible
25 at the time, including publication [or], radio or television. To
26 the extent required to constitute a quorum at any meeting of the
27 board of directors or [such] an other body during [such an] any
28 emergency, the officers of the corporation who are present
29 shall, unless otherwise provided in emergency bylaws, be deemed,
30 in order of rank and within the same rank in order of seniority,

1 directors or members of [such] the other body, as the case may
2 be, for [such] the meeting.

3 § 5511. Establishment of subordinate units.

4 A nonprofit corporation may establish and terminate local
5 branches, chapters, councils, clubs, churches, lodges, parishes
6 or other subordinate units regardless of their designation, form
7 of government, incorporated or unincorporated status or
8 relationship to the corporation or other supervising and
9 controlling organization of which the corporation is a member or
10 with which it is in allegiance and to which it is subordinate.

11 § 5541. Capital contributions of members.

12 (a) General rule.--A nonprofit corporation organized on a
13 nonstock basis may provide in its bylaws that members, upon or
14 subsequent to admission, shall make capital contributions. The
15 amount shall be specified in, or fixed by the board of directors
16 or other body pursuant to authority granted by, the bylaws. The
17 requirement of a capital contribution may apply to all members,
18 or to the members of a single class, or to members of different
19 classes in different amounts or proportions.

20 (b) Consideration receivable.--[The capital contribution of
21 a member shall consist of money or other property, tangible or
22 intangible, or labor or services actually received by or
23 performed for the corporation or for its benefit or in its
24 formation or reorganization, or a combination thereof. In the
25 absence of fraud in the transaction, the judgment of the board
26 of directors or other body as to the value of the consideration
27 received by the corporation shall be conclusive.] The capital
28 contribution of a member, unless otherwise provided in the
29 bylaws:

30 (1) May consist of money, obligations (including an

1 obligation of a member), services performed whether or not
2 contracted for, contracts for services to be performed,
3 memberships in or securities or obligations of the
4 corporation, or any other tangible or intangible property or
5 benefit to the corporation. If a capital contribution is made
6 in a form other than money, the value of the contribution
7 shall be determined by or in the manner provided by the board
8 of directors or other body.

9 (2) Shall be provided or paid to or as ordered by the
10 corporation.

11 (c) Evidence of contribution.--The capital contribution of a
12 member shall be recorded on the books of the corporation and may
13 be evidenced by a written instrument delivered to the member,
14 but [such] the instrument shall not be denominated a "share
15 certificate" or by any other word or term implying that the
16 instrument is a share certificate subject to section 5752
17 (relating to organization on a stock share basis).

18 (d) Transferability of interest.--Unless otherwise provided
19 in the bylaws, the capital contribution of a member shall not be
20 transferable.

21 (e) Repayment of contribution.--The capital contribution of
22 a member shall not be repaid by the corporation except upon
23 dissolution of the corporation or as provided in this [article]
24 subpart. A corporation may provide in its bylaws that its
25 capital contributions, or some of them, shall be repayable, in
26 whole or in part, at the option of the corporation only, [at] in
27 such amount or amounts (not to exceed the amount of the capital
28 contribution), within such period or periods[,] and on such
29 terms and conditions, not inconsistent with this [article]
30 subpart, as are stated in, or fixed by the board of directors or

1 other body pursuant to authority granted by, the bylaws.

2 § 5542. Subventions.

3 (a) General rule.--The bylaws of a nonprofit corporation may
4 provide that the corporation shall be authorized by resolution
5 of the board of directors or other body to accept subventions
6 from members or nonmembers on terms and conditions not
7 inconsistent with this [article, and to issue certificates
8 therefor] subpart. The resolution of the board or other body may
9 provide that [holders of] the maker of a subvention
10 [certificates] shall be entitled to a fixed or contingent
11 periodic payment out of the corporate assets equal to a
12 percentage of the original amount or value of the subvention.
13 The rights of [holders of subvention certificates] makers of
14 subventions shall at all times be subordinate to the rights of
15 creditors of the corporation.

16 (b) Consideration receivable.--[A subvention shall consist
17 of money or other property, tangible or intangible, actually
18 received by the corporation or expended for its benefit or in
19 its formation or reorganization, or a combination thereof. In
20 the absence of fraud in the transaction, the judgment of the
21 board of directors or other body as to the value of the
22 consideration received by the corporation shall be conclusive.

23 (c) Form of certificate.--Each subvention certificate shall
24 be signed by two duly authorized officers of the corporation,
25 and may be sealed with the seal of the corporation or a
26 facsimile thereof. The signatures of the officers upon a
27 certificate may be facsimiles if the certificate is
28 countersigned by a transfer agent or registered by a registrar
29 other than the corporation itself or its employees. In case any
30 officer who has signed or whose facsimile signature has been

1 placed upon a certificate shall have ceased to be such officer
2 before such certificate is issued, it may be issued by the
3 corporation with the same effect as if he were such officer at
4 the date of issue. The fact that the corporation is a nonprofit
5 corporation shall be noted conspicuously on the face or back of
6 each certificate.] Consideration for subventions, unless
7 otherwise provided in the bylaws:

8 (1) May consist of money, obligations (including an
9 obligation of a subventor), services performed whether or not
10 contracted for, contracts for services to be performed,
11 memberships in or securities or obligations of the
12 corporation, or any other tangible or intangible property. If
13 subventions are issued for other than money, the value of the
14 consideration shall be determined by or in the manner
15 provided by the board of directors or other body.

16 (2) Shall be provided or paid to or as ordered by the
17 corporation.

18 (c) Form of subventions.--Subventions shall be represented
19 by certificates or shall be uncertificated subventions. Each
20 subvention certificate shall be executed by or on behalf of the
21 corporation issuing the subvention in such manner as it may
22 determine. The fact that the corporation is a nonprofit
23 corporation shall be noted conspicuously on the face or back of
24 each certificate.

25 (d) Transferability of subvention.--[Subvention
26 certificates] Subventions shall be nontransferable unless the
27 resolution of the board of directors or other body [shall
28 provide] provides that they shall be transferable either at will
29 or subject to specified restrictions.

30 (e) Redemption at option of corporation.--The resolution of

1 the board of directors or other body may provide that a
2 subvention shall be redeemable, in whole or in part, at the
3 option of the corporation at such price or prices (not to exceed
4 the original amount or value of the subvention plus any periodic
5 payments due or accrued thereon), within such period or periods,
6 and on such terms and conditions, not inconsistent with this
7 [article] subpart, as are stated in the resolution.

8 (f) Redemption at option of holders.--The resolution of the
9 board of directors or other body may provide that makers or
10 holders of all or some [subvention certificates] subventions
11 shall have the right to require the corporation after a
12 specified period of time to redeem [such certificates] the
13 subventions, in whole or in part, at a price or prices that do
14 not exceed the original amount or value of the subvention plus
15 any periodic payments due or accrued thereon, upon an
16 affirmative showing that the financial condition of the
17 corporation will permit the required payment to be made without
18 impairment of its operations or injury to its creditors. The
19 right to require redemption may in addition be conditioned upon
20 the occurrence of a specified event. For the purpose of
21 enforcing their rights under this subsection, makers or holders
22 of [subvention certificates] subventions shall be entitled to
23 inspect the books and records of the corporation.

24 (g) Rights of makers or holders on dissolution.--[Holders]
25 Makers or holders of [subvention certificates] subventions, upon
26 dissolution of the corporation, shall be entitled, after the
27 claims of creditors have been satisfied, to repayment of the
28 original amount or value of the subvention plus any periodic
29 payments due or accrued thereon, unless a lesser sum is
30 specified in the resolution of the board of directors or other

1 body concerning [such] the subvention.

2 § 5543. Debt and security interests.

3 (a) General rule.--[No corporation shall issue bonds or
4 other evidences of indebtedness except for money or other
5 property, tangible or intangible, or labor or services actually
6 received by or performed for the corporation or for its benefit
7 or in its formation or reorganization, or a combination thereof.
8 In the absence of fraud in the transaction, the judgment of the
9 board of directors or other body as to the value of the
10 consideration received by the corporation shall be conclusive.]
11 Unless otherwise provided in the bylaws, a nonprofit corporation
12 may issue its bonds or other obligations for such amount and
13 form of consideration as may be determined by or in the manner
14 provided by the board of directors or other body.

15 (b) Creation of lien on real or personal property.--The
16 board of directors or other body may authorize any mortgage or
17 pledge of, or the creation of a security interest in, all or any
18 part of the real or personal property of the corporation, or any
19 interest therein. [Unless] No application to or confirmation by
20 a court shall be required and, unless otherwise restricted in
21 the bylaws, no vote or consent of the members shall be required
22 to make effective [such] the action by the board or other body.

23 § 5544. [Fees, dues] Dues and assessments.

24 (a) General rule.--A nonprofit corporation may levy dues or
25 assessments, or both, on its members, if authority to do so is
26 conferred by the bylaws, subject to any limitations therein
27 contained. [Such] The dues or assessments, or both, may be
28 imposed upon all members of the same class either alike or in
29 different amounts or proportions, and upon a different basis
30 upon different classes of members. Members of one or more

1 classes may be made exempt from either dues or assessments, or
2 both, in the manner or to the extent provided in the bylaws.

3 (b) Amount and method of collection.--The amount of the levy
4 and method of collection of [such] the dues or assessments, or
5 both, may be fixed in the bylaws, or the bylaws may authorize
6 the board of directors or other body to fix the amount thereof
7 from time to time, and make them payable at such time and by
8 such methods of collection as the board of directors or other
9 body may prescribe.

10 (c) Enforcement of payment.--A nonprofit corporation may
11 make bylaws necessary to enforce the collection of [such] dues
12 or assessments, including provisions for the termination of
13 membership, upon reasonable notice, for nonpayment of [such]
14 dues or assessments, and for reinstatement of membership.

15 § 5545. Income from corporate activities.

16 (a) General rule.--A nonprofit corporation whose lawful
17 activities involve among other things the charging of fees or
18 prices for its services or products, shall have the right to
19 receive [such] that income and, in so doing, may make [an
20 incidental] a profit. All [such incidental] profits shall be
21 applied to the advancement, maintenance [and] or operation of
22 the lawful purposes or activities of the corporation, or any of
23 its subordinate units or of any not-for-profit association to
24 which it is subordinate, and [in no case] shall otherwise not be
25 divided or distributed in any manner whatsoever among the
26 members, directors, members of another body or officers of the
27 corporation. [As used in this section the terms fees or prices
28 do not include rates of contribution, fees or dues levied under
29 an insurance certificate issued by a fraternal benefit society,
30 so long as the distribution of profits arising from said fees or

1 prices is limited to the purposes set forth in this section and
2 section 5551 (relating to dividends prohibited; compensation and
3 certain payments authorized).]

4 (b) Cross references.--See sections 5511 (relating to
5 establishment of subordinate units) and 5551 (relating to
6 dividends prohibited; compensation and certain payments
7 authorized).

8 § 5546. Purchase, sale, mortgage and lease of real property.

9 [Except for an industrial development corporation whose
10 articles or bylaws otherwise provide, no purchase of real
11 property shall be made by a nonprofit corporation and no
12 corporation shall sell, mortgage, lease away or otherwise
13 dispose of its real property, unless authorized by the vote of
14 two-thirds of the members in office of the board of directors or
15 other body, except that if there are 21 or more directors or
16 members of such other body, the vote of a majority of the
17 members in office shall be sufficient. No application to or
18 confirmation of any court shall be required and, unless
19 otherwise restricted in the bylaws, no vote or consent of the
20 members shall be required to make effective such action by the
21 board or other body. If the real property is subject to a trust
22 the conveyance away shall be free of trust and the trust shall
23 be impinged upon the proceeds of such conveyance.] Except as
24 otherwise provided in this subpart and unless otherwise provided
25 in the bylaws, no application to or confirmation of any court
26 shall be required for the purchase by or the sale, lease or
27 other disposition of the real or personal property, or any part
28 thereof, of a nonprofit corporation, and, unless otherwise
29 restricted in section 5930 (relating to voluntary transfer of
30 corporate assets) or in the bylaws, no vote or consent of the

1 members shall be required to make effective such action by the
2 board or other body. If the property is subject to a trust, the
3 conveyance away shall be free of trust, and the trust shall be
4 impinged upon the proceeds of the conveyance.

5 § 5547. Authority to take and hold trust property.

6 (a) General rule.--Every nonprofit corporation incorporated
7 for a charitable purpose or purposes may take, receive and hold
8 such real and personal property as may be given, devised to[,]
9 or otherwise vested in [such] the corporation, in trust or
10 otherwise, for the purpose or purposes set forth in its
11 articles.

12 (b) Standard of conduct.--The board of directors or other
13 body of the corporation shall, as trustees of [such] trust
14 property, be held to the same degree of responsibility and
15 accountability as if not incorporated, unless:

16 (1) a less degree or a particular degree of
17 responsibility and accountability is prescribed in the trust
18 instrument[,]; or

19 (2) [unless] the board of directors or [such] other body
20 [remain] remains under the control of the members of the
21 corporation or third persons who retain the right to direct,
22 and do direct, the actions of the board or other body as to
23 the use of the trust property from time to time.

24 [(b)] (c) Nondiversion of certain property.--[Property
25 committed to charitable purposes] Trust property shall not, by
26 any proceeding under Chapter 59 (relating to fundamental
27 changes) or otherwise, be diverted from the objects to which it
28 was donated, granted or devised, unless and until the [board of
29 directors or other body] corporation obtains from the court an
30 order under 20 Pa.C.S. Ch. 61 (relating to estates) specifying

1 the disposition of the property.

2 § 5549. Transfer of trust or other assets to institutional
3 trustee.

4 (a) General rule.--Any nonprofit corporation holding or
5 receiving [assets] trust property under section 5547 (relating
6 to authority to take and hold trust property) may[, by
7 appropriate action of its board of directors or other body,]
8 transfer, [which transfer may be] either [revocable or
9 irrevocable] revocably or irrevocably, any [such] of the assets
10 to a corporate trustee, which shall be a bank and trust company
11 or a trust company incorporated under the laws of this
12 Commonwealth or a national banking association having fiduciary
13 powers and having its principal office in this Commonwealth, as
14 trustee and with like investment restrictions. In like manner
15 the corporation may transfer, which transfer shall be revocable,
16 any other part of its assets to such a corporate trustee,
17 subject to the same powers, restrictions and obligations with
18 respect to investment as are applicable to the corporation
19 itself.

20 (b) Relief from liability.--Upon [such] the transfer, the
21 board of directors or other body of the corporation shall be
22 relieved of all liability for the administration of [such] the
23 assets for as long as [such] the assets are administered by the
24 corporate trustee.

25 * * *

26 § 5550. Devises, bequests and gifts after certain fundamental
27 changes.

28 A devise, bequest or gift to be effective in the future, in
29 trust or otherwise, to or for a nonprofit corporation which has:

30 (1) changed its purposes;

- 1 (2) sold, leased away or exchanged all or substantially
2 all its property and assets;
3 (3) been converted into a business corporation;
4 (4) become a party to a consolidation or a division;
5 (5) become a party to a merger which it did not survive;
6 or
7 (6) been dissolved;

8 after the execution of the document containing [such] the
9 devise, bequest or gift and before the nonprofit corporation
10 acquires a vested interest in the devise, bequest or gift shall
11 be effective only as a court having jurisdiction over the assets
12 may order under [the Estates Act of 1947] 20 Pa.C.S. Ch. 61
13 (relating to estates) or other applicable provisions of law.

14 § 5551. Dividends prohibited; compensation and certain payments
15 authorized.

16 (a) General rule.--[A] Except as provided in section 5545
17 (relating to income from corporate activities, a nonprofit
18 corporation shall not pay dividends or distribute any part of
19 its net income or profits to its members, directors, members of
20 an other body or officers. [Nothing herein contained shall
21 prohibit a fraternal benefit society operating under the
22 insurance laws of Pennsylvania from paying dividends or refunds
23 by whatever name known pursuant to the terms of its insurance
24 contracts.] A contribution by a corporation to a not-for-profit
25 association made on or after February 13, 1973, shall not be
26 deemed a dividend or distribution for purposes of this subpart.

27 (b) Reasonable compensation for services.--A [nonprofit]
28 corporation may pay compensation in a reasonable amount to
29 members, directors, members of an other body or officers for
30 services rendered.

1 (c) Certain payments authorized.--A [nonprofit] corporation
2 may confer monetary or other benefits upon members or nonmembers
3 in conformity with its purposes, may repay capital
4 contributions, and may redeem its [subvention certificates or
5 evidences of indebtedness] subventions, as authorized by this
6 [article, except when the corporation is currently insolvent or
7 would thereby be made insolvent or rendered unable to carry on
8 its corporate purposes, or when the fair value of the assets of
9 the corporation remaining after such conferring of benefits,
10 payment or redemption would be insufficient to meet its
11 liabilities] subpart unless, after giving effect thereto, the
12 corporation would be unable to pay its debts as they become due
13 in the usual course of its business. A [nonprofit] corporation
14 may make distributions of cash or property to members upon
15 dissolution or final liquidation as permitted by this article.
16 § 5552. (Reserved).

17 § [5552] 5553. Liabilities of members.

18 * * *

19 § [5553] 5554. Annual report of directors or other body.

20 (a) Contents.--The board of directors or other body of a
21 nonprofit corporation shall present annually to the members a
22 report, verified by the president and treasurer or by a majority
23 of the directors or members of [such] the other body, showing in
24 appropriate detail the following:

25 (1) The assets and liabilities, including [the] trust
26 funds, of the corporation as of the end of the fiscal year
27 immediately preceding the date of the report.

28 (2) The principal changes in assets and liabilities,
29 including trust funds, during the fiscal year immediately
30 preceding the date of the report.

1 (3) The revenue or receipts of the corporation, both
2 unrestricted and restricted to particular purposes, for the
3 fiscal year immediately preceding the date of the report,
4 including separate data with respect to each trust fund held
5 by or for the corporation.

6 (4) The expenses or disbursements of the corporation,
7 for both general and restricted purposes, during the fiscal
8 year immediately preceding the date of the report, including
9 separate data with respect to each trust fund held by or for
10 the corporation.

11 (5) The number of members of the corporation as of the
12 date of the report, together with a statement of increase or
13 decrease in [such] their number during the year immediately
14 preceding the date of the report, and a statement of the
15 place where the names and addresses of the current members
16 may be found.

17 (b) Place of filing.--The annual report of the board of
18 directors or other body shall be filed with the minutes of the
19 meetings of members.

20 (c) Report in absence of meeting of members.--The board of
21 directors or other body of a corporation having no members shall
22 direct the president and treasurer to present at the annual
23 meeting of the board or [of such] other body a report in
24 accordance with subsection (a) [of this section], but omitting
25 the requirement of paragraph (5) [thereof]. [Such] The report
26 shall be filed with the minutes of the annual meeting of the
27 board or [of such] other body.

28 (d) Cross reference.--See section 6145 (relating to
29 applicability of certain safeguards to foreign domiciliary
30 corporations).

1 § 5585. Establishment or use of common trust funds authorized.

2 (a) General rule.--Every nonprofit corporation may establish
3 and maintain one or more common trust funds, the assets of which
4 shall be held, invested and reinvested by the corporation itself
5 or by a corporate trustee to which the assets have been
6 transferred pursuant to section 5549 (relating to transfer of
7 trust or other assets to institutional trustee). Upon the
8 payment by the corporate trustee to the nonprofit corporation of
9 the net income from [such] the assets, which income may be
10 determined under section 5548(c) (relating to investment of
11 trust funds) if such election is properly made by the board of
12 directors or other body of the corporation, for use and
13 application to the several participating interests in [such] the
14 common trust fund, the proportionate participation of each
15 interest in [such] the net income shall be designated by the
16 corporate trustee. The nonprofit corporation may, at any time,
17 withdraw the whole or part of any participating interest in
18 [such] the common trust fund for distribution by it as provided
19 in this subchapter.

20 (b) Limitations in trust instrument.--Nothing contained in
21 this section shall be construed to authorize the corporation to
22 invest assets of a trust or fund in any [such] common trust fund
23 contrary to any specific limitation or restriction contained in
24 the trust instrument[,] nor to limit or restrict the authority
25 conferred upon the corporation with respect to investments by
26 [any such] the trust instrument.

27 (c) Effect of good faith mistakes.--[No mistakes] Mistakes
28 made in good faith[,] and in the exercise of due care and
29 prudence[,] in connection with the administration of any [such]
30 common trust fund[,] shall not be held to exceed any power

1 granted to or violate any duty imposed upon the corporation[,]
2 if, promptly after the discovery of the mistake, the corporation
3 takes such action as may be practicable under the circumstances
4 to remedy the mistake.

5 § 5586. Restrictions on investments.

6 (a) Legal investments.--If the trust instrument [shall limit
7 or restrict] limits or restricts the investment of [such] the
8 assets to investments of the class authorized by law as legal
9 investments, [the] a nonprofit corporation may invest and
10 reinvest the assets of the trust or fund in any [such] common
11 trust fund maintained by the corporation[, provided] if the
12 investments composing [such] the fund consist solely of
13 investments of the class authorized by [the Fiduciaries
14 Investment Act of 1949] 20 Pa.C.S. Ch. 72 (relating to prudent
15 investor rule) to be held by fiduciaries.

16 (b) Other than legal investments.--If the trust instrument
17 [shall] does not limit or restrict the investment of [such] the
18 assets to investments of the class authorized by law as legal
19 investments, the corporation may invest and reinvest the assets
20 of the trust or fund in any [such] common trust fund maintained
21 by the corporation[,] composed of such investments as in the
22 honest exercise of the judgment of the directors or other body
23 of the corporation they may, after investigation, determine to
24 be safe and proper investments.

25 § 5587. Determination of interests.

26 A nonprofit corporation shall invest the assets of a trust or
27 fund in a common trust fund authorized by this subchapter by
28 adding [such] those assets thereto, and by apportioning a
29 participation therein to [such] the trust or fund in the
30 proportion that the assets of the trust or fund added thereto

1 bears to the aggregate value of all the assets of [such] the
2 common trust fund at the time of [such] the investment,
3 including in [such] those assets the assets of the trust or fund
4 so added. The withdrawal of a participation from [such] the
5 common trust fund shall be on a basis of its proportionate
6 interest in the aggregate value of all the assets of [such] the
7 common trust fund at the time of [such] the withdrawal. The
8 participating interest of any trust or fund in [such] the common
9 trust fund may from time to time be withdrawn, in whole or in
10 part, by the corporation. Upon such withdrawals, the corporation
11 may make distribution in cash, or ratably in kind, or partly in
12 cash and partly in kind. Participations in such common trust
13 funds shall not be sold by the corporation to any other
14 corporation or person, but this sentence shall not prevent a
15 corporate trustee designated under section 5585 (relating to
16 establishment or use of common trust funds authorized) from
17 investing the assets of [such a] the common trust fund in any
18 collective investment fund established and maintained by it in
19 accordance with law and to which the assets comprising [such a]
20 the common trust fund are eligible contributions.

21 § 5588. Amortization of premiums on securities held.

22 If a bond or other obligation for the payment of money is
23 acquired as an investment for any common trust fund at a cost in
24 excess of the par or maturity value thereof, the nonprofit
25 corporation may, during (but not beyond) the period that [such]
26 the obligation is held as an investment in [such] the fund,
27 amortize [such] the excess cost out of the income on [such] the
28 obligation, by deducting from each payment of income and adding
29 to principal an amount equal to the sum obtained by dividing
30 [such] the excess cost by the number of periodic payments of

1 income to accrue on [such] the obligation from the date of
2 [such] the acquisition until its maturity date.

3 § 5589. Records; ownership of assets.

4 The nonprofit corporation shall designate clearly upon its
5 records the names of the trusts or funds on behalf of which
6 [such] the corporation, as fiduciary or otherwise, owns a
7 participation in any common trust fund and the extent of the
8 interest of the trust or fund therein. No such trust or fund
9 shall be deemed to have individual ownership of any asset in
10 [such] the common trust fund, but shall be deemed to have a
11 proportionate undivided interest in the common trust fund. The
12 ownership of the individual assets comprising any common trust
13 fund shall be solely in the nonprofit corporation as fiduciary
14 or otherwise.

15 § 5722. Qualifications of directors.

16 Each director of a nonprofit corporation shall be a natural
17 person of full age who, unless otherwise restricted in the
18 bylaws, need not be a resident of this Commonwealth or a member
19 of the corporation. Except as otherwise provided in this
20 section, the qualifications of directors may be prescribed in
21 the bylaws.

22 § 5723. Number of directors.

23 The board of directors of a nonprofit corporation shall
24 consist of one or more members. [Except as otherwise provided in
25 this section, the] The number of directors shall be fixed by[,]
26 or in the manner provided in[,] the bylaws[; or if]. If not so
27 fixed, the number of directors shall be the same as that stated
28 in the articles or three if no number is so stated.

29 § 5724. Term of office of directors.

30 Each director of a nonprofit corporation shall hold office

1 until the expiration of the term for which he was selected and
2 until his successor has been selected and qualified or until his
3 earlier death, resignation or removal. [Directors, other than
4 those selected by virtue of their office or former office in the
5 corporation or in any other entity or organization, shall be
6 selected for the term of office provided in the bylaws. In the
7 absence of a provision fixing the term, it shall be one year.]
8 Any director may resign at any time upon written notice to the
9 corporation. The resignation shall be effective upon receipt
10 thereof by the corporation or at such subsequent time as shall
11 be specified in the notice of resignation. A decrease in the
12 number of directors shall not have the effect of shortening the
13 term of any incumbent director.

14 § 5725. Selection of directors.

15 (a) General rule.--Except as otherwise provided in this
16 section, directors of a nonprofit corporation, other than those
17 [named in the articles, if any,] constituting the first board of
18 directors, shall be elected by the members.

19 (b) Other methods.--If a bylaw adopted by the members so
20 provides, directors may be elected, appointed, designated or
21 otherwise selected by such person or persons or by such method
22 or methods as shall be fixed by, or in the manner provided in,
23 [such] the bylaw, and the directors may be classified as to the
24 members who exercise the power to select directors.

25 (c) Vacancies.--Except as otherwise provided in the
26 bylaws[,]:

27 (1) [vacancies] Vacancies in the board of directors,
28 including vacancies resulting from an increase in the number
29 of directors, [shall] may be filled by a majority of the
30 remaining members of the board though less than a quorum, or

1 by a sole remaining director, and each person so [elected]
2 selected shall be a director to serve for the balance of the
3 unexpired term unless otherwise restricted in the bylaws.

4 (2) When one or more directors resign from the board
5 effective at a future date, the directors then in office,
6 including those who have so resigned, shall have power by the
7 applicable vote to fill the vacancies, the vote thereon to
8 take effect when the resignations become effective.

9 (3) In the case of a corporation having a board of
10 directors classified in respect of the time for which
11 directors shall severally hold office, any director chosen to
12 fill a vacancy, including a vacancy resulting from an
13 increase in the number of directors, shall hold office until
14 the next election of the class for which such director has
15 been chosen and until his successor has been selected and
16 qualified or until his earlier death, resignation or removal.

17 (d) Alternate directors.--If the bylaws so provide, a person
18 or group of persons entitled to elect, appoint, designate or
19 otherwise select one or more directors may select [one or more
20 alternates] an alternate for each [such] director. In the
21 absence of a director from a meeting of the board [one of], his
22 [alternates] alternate may, in the manner and upon such notice,
23 if any, as may be provided in the bylaws, attend [such] the
24 meeting or execute a written consent and exercise at the meeting
25 or in such consent such of the powers of the absent director as
26 may be specified by, or in the manner provided in, the bylaws.
27 When so exercising the powers of the absent director, [such] the
28 alternate shall be subject in all respects to the provisions of
29 this [article] subpart relating to directors.

30 (e) Nomination of directors.--Unless otherwise provided in

1 the bylaws [provide otherwise], directors shall be nominated by
2 a nominating committee or from the floor.

3 (f) Cross references.--See the definition of "member" in
4 section 5103 (relating to definitions) and section 5758(c)
5 (relating to cumulative voting).

6 § 5726. Removal of directors.

7 (a) [By] Removal by the members.--

8 (1) Unless otherwise provided in a bylaw adopted by the
9 members, the entire board of directors, or a class of the
10 board[,] where the board is classified with respect to the
11 power to select directors, or any individual director[,] of a
12 nonprofit corporation may be removed from office without
13 assigning any cause by the vote of members, or a class of
14 members, entitled to [cast at least a majority of the votes
15 which all members present would be entitled to cast at any
16 annual or other regular election of the directors or of such
17 class of directors] elect directors, or the class of
18 directors. In case the board or [such] a class of the board
19 or any one or more directors are so removed, new directors
20 may be elected at the same meeting. [If members are entitled
21 to vote cumulatively for the board or a class of the board,
22 no individual director shall be removed unless the entire
23 board or class of the board is removed in case sufficient
24 votes are cast against the resolution for his removal, which,
25 if cumulatively voted at an annual or other regular election
26 of directors, would be sufficient to elect one or more
27 directors to the board or to the class.]

28 (2) An individual director shall not be removed (unless
29 the entire board or class of the board is removed) from the
30 board of a corporation in which members are entitled to vote

1 cumulatively for the board or a class of the board if
2 sufficient votes are cast against the resolution for his
3 removal which, if cumulatively voted at an annual or other
4 regular election of directors, would be sufficient to elect
5 one or more directors to the board or to the class.

6 (b) [By] Removal by the board.--Unless otherwise provided in
7 a bylaw adopted by the members, the board of directors may
8 declare vacant the office of a director [if he is declared] who
9 has been judicially declared of unsound mind [by an order of
10 court or is convicted of felony] or who has been convicted of an
11 offense punishable by imprisonment for a term of more than one
12 year, or for any other proper cause which the bylaws may
13 specify, or if, within 60 days, or such other time as the bylaws
14 may specify, after notice of his selection, he does not accept
15 [such] the office either in writing or by attending a meeting of
16 the board of directors[,] and fulfill such other requirements of
17 qualification as the bylaws may specify.

18 (c) [By] Removal by the court.--[The court may, upon
19 petition of any member or director, remove from office any
20 director in case of fraudulent or dishonest acts, or gross abuse
21 of authority or discretion with reference to the corporation, or
22 for any other proper cause, and may bar from office any director
23 so removed for a period prescribed by the court. The corporation
24 shall be made a party to such action.] Upon application of any
25 member or director, the court may remove from office any
26 director in case of fraudulent or dishonest acts, or gross abuse
27 of authority or discretion with reference to the corporation, or
28 for any other proper cause, and may bar from office any director
29 so removed for a period prescribed by the court. The corporation
30 shall be made a party to the action and as a prerequisite to the

1 maintenance of an action under this subsection a member shall
2 comply with Subchapter G (relating to judicial supervision of
3 corporate action).

4 (d) Effect of reinstatement.--An act of the board done
5 during the period when a director has been suspended or removed
6 for cause shall not be impugned or invalidated if the suspension
7 or removal is thereafter rescinded by the members or by the
8 board or by the final judgment of a court.

9 § 5727. Quorum of and action by directors.

10 (a) General rule.--Unless otherwise provided in the bylaws,
11 a majority of the directors in office of a nonprofit corporation
12 shall be necessary to constitute a quorum for the transaction of
13 business, and the acts of a majority of the directors present
14 and voting at a meeting at which a quorum is present shall be
15 the acts of the board of directors.

16 (b) Action by written consent.--Unless otherwise restricted
17 in the bylaws, any action [which may] required or permitted to
18 be taken at a meeting of the directors may be taken without a
19 meeting[, if] if, prior or subsequent to the action, a consent
20 or consents [in writing setting forth the action so taken shall
21 be signed] thereto by all of the directors in office [and shall
22 be] is filed with the secretary of the corporation.

23 § 5728. Interested [members,] directors or officers; quorum.

24 (a) General rule.--[No] A contract or transaction between a
25 nonprofit corporation and one or more of its [members,]
26 directors or officers or between a nonprofit corporation and
27 [any other corporation, partnership, association, or other
28 organization] another domestic or foreign corporation for profit
29 or not-for-profit, partnership, joint venture, trust or other
30 enterprise in which one or more of its directors or officers are

1 directors or officers[,] or have a financial or other interest,
2 shall not be void or voidable solely for [such] that reason, or
3 solely because the [member,] director or officer is present at
4 or participates in the meeting of the board of directors [which]
5 that authorizes the contract or transaction, or solely because
6 his or their votes are counted for [such] that purpose, if:

7 (1) the material facts as to the relationship or
8 interest and as to the contract or transaction are disclosed
9 or are known to the board of directors and the board [in good
10 faith] authorizes the contract or transaction by the
11 affirmative votes of a majority of the disinterested
12 directors even though the disinterested directors are less
13 than a quorum;

14 (2) the material facts as to his relationship or
15 interest and as to the contract or transaction are disclosed
16 or are known to the members entitled to vote thereon, if any,
17 and the contract or transaction is specifically approved in
18 good faith by vote of [such] those members; or

19 (3) the contract or transaction is fair as to the
20 corporation as of the time it is authorized, approved or
21 ratified by the board of directors or the members.

22 (b) Quorum.--Common or interested directors may be counted
23 in determining the presence of a quorum at a meeting of the
24 board [which] that authorizes a contract or transaction
25 specified in subsection (a) [of this section].

26 (c) Applicability.--The provisions of this section shall be
27 applicable except as otherwise restricted in the bylaws.

28 § 5730. Compensation of directors.

29 Except as otherwise restricted in the bylaws, the board of
30 directors of a nonprofit corporation shall have the authority to

1 fix the compensation of directors for their services as [such]
2 directors, and a director may be a salaried officer of the
3 corporation.

4 § 5731. Executive and other committees of the board.

5 * * *

6 (c) Status of committee action.--The term "board of
7 directors" or "board," when used in any provision of this
8 subpart relating to the organization or procedures of or the
9 manner of taking action by the board of directors, shall be
10 construed to include and refer to any executive or other
11 committee of the board. Any provision of this subpart relating
12 or referring to action to be taken by the board of directors or
13 the procedure required therefor shall be satisfied by the taking
14 of corresponding action by a committee of the board of directors
15 to the extent authority to take the action has been delegated to
16 the committee under this section.

17 § 5733. Removal of officers and agents.

18 Unless otherwise provided in the bylaws, any officer or agent
19 of a nonprofit corporation may be removed by the board of
20 directors or other body [whenever in its judgment the best
21 interests of the corporation will be served thereby, but such]
22 with or without cause. The removal shall be without prejudice to
23 the contract rights, if any, of any person so removed. Election
24 or appointment of an officer or agent shall not of itself create
25 contract rights.

26 § 5746. Supplementary coverage.

27 (a) General rule.--The indemnification and advancement of
28 expenses provided by or granted pursuant to the other sections
29 of this subchapter shall not be deemed exclusive of any other
30 rights to which a person seeking indemnification or advancement

1 of expenses may be entitled under any bylaw, agreement, vote of
2 members or disinterested directors or otherwise, both as to
3 action in his official capacity and as to action in another
4 capacity while holding that office. Section 5728 (relating to
5 interested [members,] directors or officers; quorum) shall be
6 applicable to any bylaw, contract or transaction authorized by
7 the directors under this section. A corporation may create a
8 fund of any nature, which may, but need not, be under the
9 control of a trustee, or otherwise secure or insure in any
10 manner its indemnification obligations, whether arising under or
11 pursuant to this section or otherwise.

12 * * *

13 § 5751. Classes and qualifications of membership.

14 (a) General rule.--Membership in a nonprofit corporation
15 shall be of such classes, and shall be governed by such rules of
16 admission, retention, suspension and expulsion, as bylaws
17 adopted by the members shall prescribe, except that [all such]
18 the rules shall be reasonable, germane to the purpose or
19 purposes of the corporation[, and equally enforced as to all
20 members of the same class. Unless otherwise provided by a bylaw
21 adopted by the members[, there]:

22 (1) There shall be one class of members whose voting and
23 other rights and interests shall be equal.

24 (2) If there is only one class of members, the members
25 shall have all the rights of members generally in a nonprofit
26 corporation.

27 (b) Corporations without voting members.--Where the articles
28 provide that the corporation shall have no members, as such, or
29 where a nonprofit corporation has under its bylaws or in fact no
30 members entitled to vote on a matter, any provision of this

1 [article] subpart or any other provision of law requiring notice
2 to, the presence of, or the vote, consent or other action by
3 members of the corporation in connection with [such] the matter
4 shall be satisfied by notice to, the presence of, or the vote,
5 consent or other action by the board of directors or other body
6 of the corporation.

7 § 5752. Organization on a stock share basis.

8 (a) General rule.--A nonprofit corporation may be organized
9 upon either a nonstock basis or, if so provided in its articles,
10 upon a stock share basis[, as set forth in its articles].

11 (b) Form of certificates; uncertificated shares.--The shares
12 of nonprofit corporations organized upon a stock share basis
13 shall be of such denominations as the bylaws shall provide and
14 shall be represented by share certificates unless the articles
15 provide that any or all classes and series of shares, or any
16 part thereof, shall be uncertificated shares. A provision of the
17 articles providing for uncertificated shares shall not apply to
18 shares represented by a certificate until the certificate is
19 surrendered to the corporation. Except as otherwise expressly
20 provided by law, the rights and obligations of the holders of
21 shares represented by certificates and the rights and
22 obligations of the holders of uncertificated shares of the same
23 class and series shall be identical. The fact that the
24 corporation is a nonprofit corporation shall be noted
25 conspicuously on the face of each certificate. Within a
26 reasonable time after the issuance or transfer of uncertificated
27 shares, the corporation shall send to the registered owner
28 thereof a written notice stating:

29 (1) That the corporation is a nonprofit corporation
30 incorporated under the laws of this Commonwealth.

1 (2) The name of the registered owner.

2 (3) The denomination and class of shares and the
3 designation of the series, if any, of the shares issued or
4 transferred.

5 (c) Rights of shareholders.--Unless otherwise provided in a
6 bylaw adopted by the members, each share shall entitle the
7 holder thereof to one vote. No dividends shall be directly or
8 indirectly paid on [any such] the shares, nor shall the
9 shareholders be entitled to any portion of the earnings of
10 [such] the corporation derived through increment of value upon
11 its property, or otherwise incidentally made, until the
12 dissolution of [any such] the corporation.

13 (d) Transferability of shares.--Unless otherwise provided in
14 the bylaws, [such] the shares shall not be transferable by
15 operation of law or otherwise.

16 (e) Power to cancel shares.--A nonprofit corporation shall
17 have power to exclude from further membership any shareholder
18 who fails to comply with the reasonable and lawful bylaws of the
19 corporation, and may cancel the shares of any [such] offending
20 member without liability for an accounting[,] except as may be
21 provided in the bylaws.

22 (f) Applicability of the Uniform Commercial Code.--The
23 provisions of [Division 8 of Title 13] 13 Pa.C.S. Div. 8
24 (relating to investment securities) shall not apply in any
25 manner to the shares of a nonprofit corporation.

26 (g) Cross reference.--See the definition of "member" in
27 section 5103 (relating to definitions).

28 § 5753. Membership certificates.

29 A nonprofit corporation organized upon a nonstock basis shall
30 not issue shares of stock, but membership in [such] the

1 corporation may be evidenced by certificates of membership. The
2 fact that the corporation is a nonprofit corporation shall be
3 noted conspicuously on the face of each certificate.

4 § 5754. Members grouped in local units.

5 (a) General rule.--The bylaws of a nonprofit corporation may
6 provide that the members of the corporation shall be grouped in
7 incorporated or unincorporated local units formed upon the basis
8 of territorial areas, or such other basis as may be determined
9 in the bylaws, for the purpose of election of delegates or
10 representatives to represent the members of such local units at
11 any regular or special meetings of [such] the corporation.
12 Unless otherwise provided in a bylaw adopted by the members,
13 each local unit participating in a representative capacity by
14 means of one or more delegates or otherwise at a meeting of the
15 corporation shall have a number of votes equal to the total
16 membership of the local unit.

17 (b) Voting at meetings of delegates.--The requirements of
18 this [article] subpart for action by or the consent of a
19 specified number or percentage of the members shall be satisfied
20 by action by or the consent of [such] that number or percentage
21 of votes of delegates or representatives of members selected
22 pursuant to this section.

23 (c) Calling and holding meetings of delegates.--The
24 provisions of this [article] subpart relating to the manner of
25 the calling and holding of and the taking of action at meetings
26 of members shall be applicable to meetings of delegates or
27 representatives of members.

28 (d) Incorporation of local units.--A local unit of an
29 incorporated or unincorporated parent body [which] that is
30 incorporated or organized for a purpose or purposes not

1 involving pecuniary profit, incidental or otherwise, to its
2 members[,] may be incorporated under this [article] subpart by
3 an incorporated parent body or by the members of [such] the
4 local unit.

5 § 5755. Time of holding meetings of members.

6 (a) Regular meetings.--The bylaws of a nonprofit corporation
7 may provide for the number and the time of meetings of members,
8 but unless otherwise provided in a bylaw adopted by the members
9 at least one meeting of the members of a corporation [which]
10 that has members, as such, entitled to vote, shall be held in
11 each calendar year for the election of directors[,] at such time
12 as shall be provided in or fixed pursuant to authority granted
13 by the bylaws. Failure to hold the annual or other regular
14 meeting at the designated time shall not work a dissolution of
15 the corporation or affect otherwise valid corporate acts. If the
16 annual or other regular meeting [shall not be] is not called and
17 held within six months after the designated time, any member may
18 call [such] the meeting at any time thereafter.

19 (b) Special meetings.--Special meetings of the members may
20 be called at any time by:

21 (1) [by] the board of directors[, or];

22 (2) members entitled to cast at least 10% of the votes
23 [which] that all members are entitled to cast at the
24 particular meeting[, by]; or

25 (3) such other officers or persons as may be provided in
26 the bylaws.

27 At any time, upon written request of any person who has called a
28 special meeting, it shall be the duty of the secretary to fix
29 the time of the meeting[,] which, if the meeting is called
30 pursuant to a statutory right, shall be held not more than 60

1 days after the receipt of the request. If the secretary [shall
2 neglect or refuse] neglects or refuses to fix the time of the
3 meeting, the person or persons calling the meeting may do so.

4 (c) Adjournments.--Adjournments of any regular or special
5 meeting may be taken[,] but any meeting at which directors are
6 to be elected shall be adjourned only from day to day, or for
7 such longer periods not exceeding 15 days each, as the members
8 present and entitled to [cast at least a majority of the votes
9 which all members present and voting are entitled to cast] vote
10 shall direct, until [such] the directors have been elected.

11 (d) Cross reference.--See section 6145 (relating to
12 applicability of certain safeguards to foreign domiciliary
13 corporations).

14 § 5756. Quorum.

15 (a) General rule.--A meeting of members of a nonprofit
16 corporation duly called shall not be organized for the
17 transaction of business unless a quorum is present. Unless
18 otherwise provided in a bylaw adopted by the members:

19 (1) The presence of members entitled to cast at least a
20 majority of the votes [which] that all members are entitled
21 to cast on [the matters] a particular matter to be acted upon
22 at the meeting shall constitute a quorum for the purposes of
23 consideration and action on the matter.

24 (2) The members present at a duly organized meeting can
25 continue to do business until adjournment, notwithstanding
26 the withdrawal of enough members to leave less than a quorum.

27 (3) If a meeting cannot be organized because a quorum
28 has not attended, those present may, except as otherwise
29 provided in this [article] subpart, adjourn the meeting to
30 such time and place as they may determine.

1 (b) Exceptions.--Notwithstanding any contrary provision in
2 the articles or bylaws, those members entitled to vote who
3 attend a meeting of members:

4 (1) [In the case of any meeting called for the election
5 of directors those who attend the second of such adjourned
6 meetings] at which directors are to be elected that has been
7 previously adjourned for lack of a quorum, although less than
8 a quorum as fixed in this section[,] or in the [articles or]
9 bylaws, shall nevertheless constitute a quorum for the
10 purpose of election of directors[.];

11 (2) [In the case of any meeting called for any other
12 purpose those who attend the second of such adjourned
13 meetings] that has been previously adjourned for one or more
14 periods aggregating at least 15 days because of an absence of
15 a quorum, although less than a quorum as fixed in this
16 section[,] or in the [articles or] bylaws, shall nevertheless
17 constitute a quorum for the purpose of acting upon any
18 [resolution or other] matter set forth in the notice of the
19 meeting[, if written notice of such second adjourned meeting,
20 stating] if the notice states that those members who attend
21 the adjourned meeting shall nevertheless constitute a quorum
22 for the purpose of acting upon [such resolution or other] the
23 matter[, is given to each member of record entitled to vote
24 at such second adjourned meeting at least ten days prior to
25 the day named for the second adjourned meeting].

26 § 5757. Action by members.

27 (a) General rule.--[Except as otherwise provided in this
28 article or in a bylaw adopted by the members, the acts at a duly
29 organized meeting of members present entitled to cast at least a
30 majority of the votes which all members present and voting are

1 entitled to cast shall be the acts of the members.

2 (b) Increased minimum vote.--Whenever in this article a
3 specified number or percentage of votes of members or of a class
4 of members is required for the taking of any action, a nonprofit
5 corporation may prescribe in a bylaw adopted by the members that
6 a higher number or percentage of votes shall be required for
7 such action.] Except as otherwise provided in this subpart or in
8 a bylaw adopted by the members, whenever any corporate action is
9 to be taken by vote of the members of a nonprofit corporation,
10 it shall be authorized upon receiving the affirmative vote of a
11 majority of the votes cast by the members entitled to vote
12 thereon and, if any members are entitled to vote thereon as a
13 class, upon receiving the affirmative vote of a majority of the
14 votes cast by the members entitled to vote as a class.

15 (b) Changes in required vote.--Whenever a provision of this
16 subpart requires a specified number or percentage of votes of
17 members or of a class of members for the taking of any action, a
18 nonprofit corporation may prescribe in a bylaw adopted by the
19 members that a higher number or percentage of votes shall be
20 required for the action. The number or percentage of members
21 necessary to call a special meeting of members or to petition
22 for the proposal of an amendment of articles under this subpart
23 may not be increased under this subsection. See sections 5504(d)
24 (relating to amendment of voting provisions) and 5914(e)
25 (relating to amendment of voting provisions).

26 (c) Expenses.--Unless otherwise restricted in the articles,
27 the corporation shall pay the reasonable expenses of
28 solicitation of votes, proxies or consents of members by or on
29 behalf of the board of directors or its nominees for election to
30 the board, including solicitation by professional proxy

solicitors and otherwise, and may pay the reasonable expenses of a solicitation by or on behalf of other persons.

§ 5758. Voting rights of members.

* * *

(e) Voting lists.--

(1) Upon request of a member, the books or records of membership shall be produced at any regular or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members entitled to vote may vote.

(2) See section 6145 (relating to applicability of certain safeguards to foreign domiciliary corporations).

§ 5759. Voting and other action by proxy.

(a) General rule.--Voting by members of a nonprofit corporation shall be only in person unless a bylaw adopted by the members provides for voting by proxy. [The presence of or vote or other action at a meeting of members, or the expression of consent or dissent to corporate action in writing, by a proxy of a member pursuant to such a bylaw shall constitute the presence of, or vote or action by, or written consent or dissent of such member for the purposes of this article.] Unless otherwise restricted by a bylaw adopted by the members:

(1) The presence of, or vote or other action at a meeting of members, or the expression of consent or dissent to corporate action in writing, by a proxy of a member pursuant to a bylaw shall constitute the presence of, or vote or action by, or written consent or dissent of the member for

1 the purposes of this subpart.

2 (2) Where two or more proxies of a member are present,
3 the corporation shall, unless otherwise expressly provided in
4 the proxy, accept as the vote of all the members or shares
5 represented thereby the vote cast by a majority of them, and,
6 if a majority of the proxies cannot agree whether the
7 memberships or shares represented shall be voted or upon the
8 manner of voting the memberships or shares, the voting of the
9 memberships or shares shall be divided equally among those
10 persons.

11 (b) [Minimum requirements] Execution and filing.--Every
12 proxy shall be executed [in writing] or authenticated by the
13 member or by his duly authorized [attorney in fact] attorney-in-
14 fact and filed with or transmitted to the secretary of the
15 corporation[.] or its designated agent. A member or his duly
16 authorized attorney-in-fact may execute or authenticate a
17 writing or transmit an electronic message authorizing another
18 person to act for him by proxy. A telegram, telex, cablegram,
19 datagram, e-mail, Internet communication or other means of
20 electronic transmission from a member or attorney-in-fact, or a
21 photographic, facsimile or similar reproduction of a writing
22 executed by a member or attorney-in-fact:

23 (1) may be treated as properly executed or authenticated
24 for purposes of this subsection; and

25 (2) shall be so treated if it sets forth or utilizes a
26 confidential and unique identification number or other mark
27 furnished by the corporation to the member for the purposes
28 of a particular meeting or transaction.

29 (c) Revocation.--A proxy shall be revocable at will,
30 notwithstanding any other agreement or any provision in the

1 proxy to the contrary, but the revocation of a proxy shall not
2 be effective until notice thereof has been given to the
3 secretary of the corporation[. No] or its designated agent in
4 writing or by electronic transmission. An unrevoked proxy shall
5 not be valid after 11 months from the date of its execution,
6 authentication or transmission unless a longer time is expressly
7 provided therein[, but in no event shall a proxy be voted on
8 after three years from the date of its execution]. A proxy shall
9 not be revoked by the death or incapacity of the maker unless,
10 before the vote is counted or the authority is exercised,
11 written notice of [such] the death or incapacity is given to the
12 secretary of the corporation[.] or its designated agent. See
13 section 6145 (relating to applicability of certain safeguards to
14 foreign domiciliary corporations).

15 § 5760. (Reserved).

16 § 5761. (Reserved).

17 § [5760] 5762. Voting by corporations.

18 (a) Voting in nonprofit corporation matters.--Unless
19 otherwise provided in a bylaw of a nonprofit corporation adopted
20 by the members, any other [corporation which is a member of such
21 a nonprofit corporation may vote therein by any of its
22 officers,] domestic or foreign corporation for profit or not-
23 for-profit that is a member of a nonprofit corporation may vote
24 by any of its officers or agents, or by proxy appointed by any
25 officer or agent, unless some other person, by resolution of the
26 board of directors of [such] the other corporation[,] or a
27 provision of its articles or bylaws, a copy of which resolution
28 or provision certified to be correct by one of its officers
29 [shall have] has been filed with the secretary of the nonprofit
30 corporation, [shall be] is appointed its general or special

1 proxy[,] in which case [such] that person shall be entitled to
2 vote [therein] as such proxy.

3 (b) Voting by nonprofit corporations.--Shares of or
4 memberships in a domestic or foreign corporation for profit or
5 not-for-profit other than a nonprofit corporation, standing in
6 the name of a shareholder or member [which] that is a nonprofit
7 corporation, may be voted by the persons and in the manner
8 provided for in the case of nonprofit corporations by subsection
9 (a) [of this section] unless the laws of the jurisdiction in
10 which the issuer of [any such] the shares or memberships is
11 incorporated [shall] require the shares or memberships to be
12 voted by some other person or persons or in some other manner[,]
13 in which case, to the extent that [such] those laws are
14 inconsistent herewith, this subsection shall not apply.

15 § [5761] 5763. Determination of members of record.

16 (a) Fixing record date.--Unless otherwise restricted in the
17 bylaws, the board of directors of a nonprofit corporation may
18 fix a time[, not more than 70 days] prior to the date of any
19 meeting of members [or any adjournment thereof,] as a record
20 date for the determination of the members entitled to notice of,
21 or to vote at, [such] the meeting[. In such case only], which
22 time, except in the case of an adjourned meeting, shall not be
23 more than 90 days prior to the date of the meeting of members.
24 Only members of record on the date [so] fixed shall [so] be so
25 entitled notwithstanding any increase or other change in
26 membership on the books of the corporation after any record date
27 fixed as [aforesaid] provided in this subsection. Unless
28 otherwise [restricted] provided in the bylaws, the board of
29 directors may similarly fix a record date for the determination
30 of members of record for any other purpose. When a determination

1 of members of record has been made as provided in this section
2 for purposes of a meeting, the determination shall apply to any
3 adjournment thereof unless otherwise restricted in the bylaws or
4 unless the board fixes a new record date for the adjourned
5 meeting.

6 (b) Determination when no record date fixed.--Unless
7 otherwise [restricted] provided in the bylaws, if [no] a record
8 date is not fixed:

9 (1) The record date for determining members entitled to
10 notice of or to vote at a meeting of members shall be at the
11 close of business on the day next preceding the day on which
12 notice is given, or, if notice is waived, at the close of
13 business on the day [next] immediately preceding the day on
14 which the meeting is held.

15 (2) The record date for determining members entitled to:

16 (i) express consent or dissent to corporate action
17 in writing without a meeting, when [no] prior action by
18 the board of directors or other body is not necessary[,];

19 (ii) call a special meeting of the members; or

20 (iii) propose an amendment of the articles;

21 shall be the close of business on the day on which the first
22 written consent or dissent, request for a special meeting or
23 petition proposing an amendment of the articles is
24 [expressed] filed with the secretary of the corporation.

25 (3) The record date for determining members for any
26 other purpose shall be at the close of business on the day on
27 which the board of directors or other body adopts the
28 resolution relating thereto.

29 § 5764. (Reserved).

30 § [5762] 5765. Judges of election.

1 (a) General rule.--Unless otherwise provided in a bylaw
2 adopted by the members:

3 (1) In advance of any meeting of members of a nonprofit
4 corporation, the board of directors or other body may appoint
5 judges of election, who need not be members, to act at [such]
6 the meeting or any adjournment thereof. If judges of election
7 are not so appointed, the presiding officer of [any such] the
8 meeting may, and on the request of any member shall, [make
9 such appointment] appoint judges of election at the meeting.

10 The number of judges shall be one or three. [No] A person who
11 is a candidate for office to be filled at the meeting shall
12 not act as a judge.

13 (2) In case any person appointed as judge fails to
14 appear or fails or refuses to act, the vacancy may be filled
15 by appointment made by the board of directors or other body
16 in advance of the convening of the meeting, or at the meeting
17 by the presiding officer thereof.

18 (3) The judges of election shall determine the number of
19 members of record and the voting power of each, the members
20 present at the meeting, the existence of a quorum, the
21 authenticity, validity[,] and effect of proxies, if voting by
22 proxy is permitted under the bylaws, receive votes or
23 ballots, hear and determine all challenges and questions in
24 any way arising in connection with the right to vote, count
25 and tabulate all votes, determine the result[,] and do such
26 acts as may be proper to conduct the election or vote with
27 fairness to all members. The judges of election shall perform
28 their duties impartially, in good faith, to the best of their
29 ability[,] and as expeditiously as is practical. If there are
30 three judges of election, the decision, act or certificate of

1 a majority shall be effective in all respects as the
2 decision, act or certificate of all.

3 (4) On request of the presiding officer of the meeting,
4 or of any member, the judges shall make a report in writing
5 of any challenge or question or matter determined by them,
6 and execute a certificate of any fact found by them. Any
7 report or certificate made by them shall be prima facie
8 evidence of the facts stated therein.

9 (b) Cross reference.--See section 6145 (relating to
10 applicability of certain safeguards to foreign domiciliary
11 corporations).

12 § [5763] 5766. Consent of members in lieu of meeting.

13 (a) Unanimous consent.--Unless otherwise restricted in the
14 bylaws, any action [which may] required or permitted to be taken
15 at a meeting of the members or of a class of members of a
16 nonprofit corporation may be taken without a meeting[,] if,
17 prior or subsequent to the action, a consent or consents [in
18 writing, setting forth the action so taken, shall be signed]
19 thereto by all of the members who would be entitled to vote at a
20 meeting for such purpose [and] shall be filed with the secretary
21 of the corporation.

22 (b) Partial written consent.--If the bylaws so provide, any
23 action required or permitted to be taken at a meeting of the
24 members or of a class of members may be taken without a meeting
25 upon the written consent of members who would have been entitled
26 to cast the minimum number of votes that would be necessary to
27 authorize the action at a meeting at which all members entitled
28 to vote thereon were present and voting. The consents shall be
29 filed with the secretary of the corporation.

30 (c) Effectiveness of action by partial written consent.--An

1 action taken pursuant to subsection (b) shall not become
2 effective until after at least ten days' written notice of the
3 action has been given to each member entitled to vote thereon
4 who has not consented thereto.

5 § [5764] 5767. Appointment of custodian of corporation on
6 deadlock or other cause.

7 (a) General rule.--[The court, upon] Upon application of any
8 member, the court may appoint one or more persons to be
9 custodians of and for any nonprofit corporation when it is made
10 to appear that:

11 (1) [that] at any meeting for the election of directors
12 or members of an other body, the members are so divided that
13 they have failed to elect successors to [directors] those
14 whose terms have expired or would have expired upon the
15 qualification of their successors; or

16 (2) [that] any of the conditions specified in section
17 5981 (relating to proceedings upon [petition of member, etc.]
18 exists] application of member or director), other than it is
19 beneficial to the interest of the members that the
20 corporation be wound up and dissolved, exist with respect to
21 the corporation.

22 (b) Exception.--The court shall not appoint a custodian to
23 resolve a deadlock if the members by agreement or otherwise have
24 provided for the appointment of a provisional director or member
25 of an other body or other means for the resolution of the
26 deadlock, but the court shall enforce the remedy so provided if
27 appropriate.

28 [(b)] (c) Power and title of custodian.--A custodian
29 appointed under this section shall have all the power and title
30 of a receiver appointed under Subchapter G of Chapter 59

1 (relating to involuntary liquidation and dissolution), but the
2 authority of the custodian shall be to continue the business of
3 the corporation and not to liquidate its affairs and distribute
4 its assets[,] except when the court shall otherwise order [and
5 except in cases arising under section 5981(1), (2) and (3)
6 (relating to proceedings upon petition of member, etc.)].

7 (d) Cross reference.--See section 6145 (relating to
8 applicability of certain safeguards to foreign domiciliary
9 corporations).

10 § [5765] 5768. Reduction of membership below stated number.

11 Whenever the membership of a nonprofit corporation having a
12 stated number of members [shall be] is reduced below [such] that
13 number by death, withdrawal[,] or otherwise, the corporation
14 shall not on that account be dissolved, but it shall be lawful
15 for the surviving or continuing members to continue the
16 corporate existence[,] unless otherwise restricted in the
17 bylaws.

18 § [5766] 5769. Termination and transfer of membership.

19 (a) General rule.--Membership in a nonprofit corporation
20 shall be terminated in the manner provided in a bylaw adopted by
21 the members. If [the] membership in any such corporation is
22 limited to persons who are members in good standing in another
23 corporation, or in any lodge, church, club, society or other
24 entity or organization, the bylaws shall in each case define
25 [such] the limitations, and may provide that failure on the part
26 of [any such] a member to keep himself in good standing in
27 [such] the other entity or organization shall be sufficient
28 cause for expelling the member from the corporation requiring
29 such eligibility.

30 (b) Expulsion.--

1 (1) [No] A member shall not be expelled from any
2 nonprofit corporation without notice, trial and conviction,
3 the form of which shall be prescribed by the bylaws.

4 (2) Paragraph (1) [of this subsection] shall not apply
5 to termination of membership pursuant to section 5544[(c)]
6 (relating to [enforcement of payment of fees,] dues and
7 assessments).

8 (3) See section 6145 (relating to applicability of
9 certain safeguards to foreign domiciliary corporations).

10 (c) Effect of termination of membership.--Unless otherwise
11 provided in the bylaws, the right of a member of a nonprofit
12 corporation to vote, and his right, title and interest in or to
13 the corporation or its property, shall cease on the termination
14 of his membership.

15 (d) Transfer of membership.--Unless otherwise provided in
16 the bylaws, [no] a member may not transfer his membership or any
17 right arising therefrom. The adoption of an amendment to the
18 articles or bylaws of a nonprofit corporation that changes the
19 identity of some or all of the members or the criteria for
20 membership does not constitute a transfer for purposes of this
21 subsection.

22 § [5767] 5770. Voting powers and other rights of certain
23 securityholders and other entities.

24 [Such] The power to vote in respect to the corporate affairs
25 and management of a nonprofit corporation and other membership
26 rights as may be provided in a bylaw adopted by the members may
27 be conferred upon:

28 (1) Registered holders of [securities evidencing
29 indebtedness] obligations issued or to be issued by the
30 corporation.

1 (2) The United States of America, the Commonwealth, a
2 state, or any political subdivision [thereof or other] of any
3 of the foregoing, or any entity prohibited by law from
4 becoming a member of a corporation.

5 § 5791. Corporate action subject to subchapter.

6 (a) General rule.--This subchapter shall apply to, and the
7 term "corporate action" in this subchapter shall mean any of the
8 following actions:

9 (1) The election, appointment, designation or other
10 selection and the suspension, removal or expulsion of
11 members, directors, members of an other body or officers of a
12 nonprofit corporation.

13 (2) The taking of any action on any matter [which] that
14 is required under this [article] subpart or under any other
15 provision of law to be, or [which] that under the bylaws may
16 be, submitted for action to the members, directors, members
17 of an other body or officers of a nonprofit corporation.

18 (b) Cross reference.--See Section 6145 (relating to
19 applicability of certain safeguards to foreign domiciliary
20 corporations).

21 § 5792. Proceedings prior to corporate action.

22 (a) General rule.--Where under applicable law or the bylaws
23 of a nonprofit corporation there has been a failure to hold a
24 meeting to take corporate action and [such] the failure has
25 continued for 30 days after the date designated or appropriate
26 therefor, the court may summarily order a meeting to be held
27 upon the application of any person entitled, either alone or in
28 conjunction with other persons similarly seeking relief under
29 this section, to call a meeting to consider the corporate action
30 in issue.

1 (b) Conduct of meeting.--The court may determine the right
2 to vote at [such] the meeting of persons claiming [such] that
3 right, may appoint a master to hold [such] the meeting under
4 such orders and powers as the court [may deem proper,] deems
5 proper and may take such action as may be required to give due
6 notice of the meeting and to convene and conduct the meeting in
7 the interests of justice.

8 (c) Cross reference.--See section 6145 (relating to
9 applicability of certain safeguards to foreign domiciliary
10 corporations).

11 § 5793. Review of contested corporate action.

12 (a) General rule.--Upon [petition] application of any person
13 [whose status as, or whose rights or duties as, a member,
14 director, member of an other body, officer or otherwise of a
15 nonprofit corporation are or may be affected] aggrieved by any
16 corporate action, the court may hear and determine the validity
17 of [such] the corporate action.

18 (b) Powers and procedures.--The court may make such orders
19 in any such case as may be just and proper, with power to
20 enforce the production of any books, papers and records of the
21 corporation and other relevant evidence [which] that may relate
22 to the issue. The court shall provide for notice of the pendency
23 of the proceedings under this section to all persons affected
24 thereby. If it is determined that no valid corporate action has
25 been taken, the court may order a meeting to be held in
26 accordance with section 5792 (relating to proceedings prior to
27 corporate action).

28 (c) Cross reference.--See section 6145 (relating to
29 applicability of certain safeguards to foreign domiciliary
30 corporations).

1 § 5911. Amendment of articles authorized.

2 (a) General rule.--A nonprofit corporation, in the manner
3 [hereinafter] provided in this subchapter, may from time to time
4 amend its articles for one or more of the following purposes:

5 (1) To adopt a new name, subject to the restrictions
6 [heretofore] provided in this [article] subpart.

7 (2) To modify any provision of the articles relating to
8 its term of existence.

9 (3) To change, add to[,] or diminish its purposes[,] or
10 to set forth different or additional purposes.

11 (4) To restate the articles in their entirety.

12 (5) In any and as many other respects as desired.

13 (b) Exceptions.--[No] An amendment adopted under this
14 section shall not amend articles in such a way that as so
15 amended they would not be authorized by this [article] subpart
16 as original articles of incorporation[,] except that:

17 (1) Restated articles shall, subject to section 109
18 (relating to name of commercial registered office provider in
19 lieu of registered address), state the address of the current
20 instead of the initial registered office of the corporation
21 in this Commonwealth[,] and need not state the names and
22 addresses [of the first directors or] of the incorporators.

23 (2) The corporation shall not be required to revise any
24 other provision of its articles if [such] the provision is
25 valid and operative immediately prior to the filing of [such]
26 the amendment in the Department of State.

27 § 5913. Notice of meeting of members.

28 (a) General rule.--Written notice [shall, not less than ten
29 days before the meeting of members called for the purpose of
30 considering the proposed amendment,] of the meeting of members

1 of a nonprofit corporation that will act on the proposed
2 amendment shall be given to each member of record entitled to
3 vote thereon. There shall be included in[,] or enclosed with[,
4 such] the notice a copy of the proposed amendment or a summary
5 of the changes to be effected thereby.

6 (b) Cross reference.--See Subchapter A of Chapter 57
7 (relating to notice and meetings generally).

8 § 5914. Adoption of amendments.

9 (a) General rule.--[The] Unless a bylaw adopted by the
10 members or a specific provision of this subpart requires a
11 greater vote, a proposed amendment of the articles of a
12 nonprofit corporation shall be adopted upon receiving the
13 affirmative vote of the members present entitled to cast at
14 least a majority of the votes [which] that all members present
15 are entitled to cast thereon, and if any class of members is
16 entitled to vote thereon as a class, the affirmative vote of the
17 members present of such class entitled to cast at least a
18 majority of the votes [which] that all members present of such
19 class are entitled to cast thereon. Any number of amendments may
20 be submitted to the members and voted upon by them at one
21 meeting.

22 (b) Adoption by board of directors or other body.--Unless
23 otherwise restricted in the bylaws, an amendment of articles
24 shall not require the approval of the members of the corporation
25 if:

26 (1) the amendment is to provide for perpetual existence;
27 (2) to the extent the amendment has not been approved by
28 the members, it restates without change all of the operative
29 provisions of the articles as theretofore amended or as
30 amended thereby; or

1 (3) the amendment accomplishes any combination of
2 purposes specified in this subsection.

3 Whenever a provision of this subpart authorizes the board of
4 directors or other body to take any action without the approval
5 of the members and provides that a statement, certificate, plan
6 or other document relating to such action shall be filed in the
7 Department of State and shall operate as an amendment of the
8 articles, the board upon taking such action may, in lieu of
9 filing the statement, certificate, plan or other document, amend
10 the articles under this subsection without the approval of the
11 members to reflect the taking of such action. The amendment of
12 articles shall be deemed adopted by the corporation when it has
13 been adopted by the board of directors or other body in the
14 manner provided by subsection (c).

15 ~~[(b)]~~ (c) Adoption in absence of voting members.--If the
16 corporation has no members entitled to vote thereon, or no
17 members entitled to vote thereon other than persons who also
18 constitute the board of directors or other body, the amendment
19 shall be deemed adopted by the corporation when it has been
20 adopted by the board of directors or other body pursuant to
21 section 5912 [(relating to proposal of amendments)].

22 ~~[(c)]~~ (d) Termination of proposal.--[The resolution or
23 petition may contain a provision that at any time prior to the
24 filing of articles of amendment in the Department of State the
25 proposal may be terminated by the board of directors or other
26 body notwithstanding the adoption of the amendment by the
27 corporation.] Prior to the time when an amendment becomes
28 effective, the amendment may be terminated pursuant to
29 provisions therefor, if any, set forth in the resolution or
30 petition. If articles of amendment have been filed in the

1 department prior to the termination, a statement under section
2 5902 (relating to statement of termination) shall be filed in
3 the department.

4 ~~[(d)]~~ (e) Amendment of voting provisions.--[Notwithstanding
5 any contrary provision of the articles or bylaws,] Unless
6 otherwise provided in the articles, whenever the articles
7 [shall] require for the taking of any action by the members or a
8 class of members a specific number or percentage of votes, the
9 provision of the articles setting forth [such] that requirement
10 shall not be amended or repealed by any lesser number or
11 percentage of votes of the members or of [such] the class of
12 members.

13 § 5921. Merger and consolidation authorized.

14 (a) Domestic surviving or new corporation.--Any two or more
15 domestic nonprofit corporations, or any two or more foreign
16 nonprofit corporations [not-for-profit], or any one or more
17 domestic nonprofit corporations[,] and any one or more foreign
18 nonprofit corporations [not-for-profit], may, in the manner
19 provided in this subchapter, be merged into one of [such] the
20 domestic nonprofit corporations, [hereinafter] designated in
21 this subchapter as the surviving corporation, or consolidated
22 into a new corporation to be formed under this [article]
23 subpart, if [such] the foreign corporations [not-for-profit] are
24 authorized by the [law or] laws of the jurisdiction under which
25 they are incorporated to effect [such] a merger or consolidation
26 with a corporation of another jurisdiction.

27 (b) Foreign surviving or new corporation.--Any one or more
28 domestic nonprofit corporations, and any one or more foreign
29 nonprofit corporations [not-for-profit], may, in the manner
30 [hereinafter] provided in this subchapter, be merged into one of

1 [such foreign corporations not-for-profit, hereinafter] the
2 foreign nonprofit corporations, designated in this subchapter as
3 the surviving corporation, or consolidated into a new
4 corporation to be incorporated under the [law or] laws of the
5 jurisdiction under which one of the foreign nonprofit
6 corporations [not-for-profit] is incorporated, if the laws of
7 [such] that jurisdiction authorize [such] a merger with or
8 consolidation into a corporation of another jurisdiction.

9 § 5924. Adoption of plan.

10 (a) General rule.--The plan of merger or consolidation shall
11 be adopted upon receiving the affirmative vote of the members
12 present entitled to cast at least a majority of the votes
13 [which] that all members present are entitled to cast thereon of
14 each of the [merging or consolidating] domestic nonprofit
15 corporations[,], that is a party to the merger or consolidation
16 and, if any class of members is entitled to vote thereon as a
17 class, the affirmative vote of the members present of such class
18 entitled to cast at least a majority of the votes [which] that
19 all members present of such class are entitled to cast thereon.

20 (b) Adoption in absence of voting members.--If [the] a
21 merging or consolidating corporation has no members entitled to
22 vote thereon, or no members entitled to vote thereon other than
23 persons who also constitute the board of directors or other
24 body, a plan of merger or consolidation shall be deemed adopted
25 by the corporation when it has been adopted by the board of
26 directors or other body pursuant to section 5922 [(relating to
27 plan of merger or consolidation)].

28 (c) Termination of plan.--[Any plan of merger or
29 consolidation may contain a provision that at any time prior to
30 the filing of articles of merger or consolidation in the

1 Department of State the plan may be terminated by the board of
2 directors or other body of any corporation which is a party to
3 the plan notwithstanding adoption of the plan by all or any of
4 the corporations which are parties to the plan.] Prior to the
5 time when a merger or consolidation becomes effective, the
6 merger or consolidation may be terminated pursuant to provisions
7 therefor, if any, set forth in the plan. If articles of merger
8 or consolidation have been filed in the Department of State
9 prior to the termination, a statement under section 5902
10 (relating to statement of termination) shall be filed in the
11 department.

12 § 5925. Authorization by foreign corporations.

13 The plan of merger or consolidation shall be authorized,
14 adopted or approved by each foreign nonprofit corporation
15 [which] that desires to merge or consolidate[,] in accordance
16 with the laws of the jurisdiction in which it is incorporated
17 and, in the case of a foreign domiciliary corporation, the
18 provisions of this subpart to the extent provided by section
19 6145 (relating to applicability of certain safeguards to foreign
20 domiciliary corporations).

21 § 5926. Articles of merger or consolidation.

22 Upon the adoption of the plan of merger or consolidation by
23 the corporations desiring to merge or consolidate, as provided
24 in this subchapter, articles of merger or articles of
25 consolidation, as the case may be, shall be executed by each
26 corporation and shall, subject to section 109 (relating to name
27 of commercial registered office provider in lieu of registered
28 address), set forth:

29 * * *

30 (2) The name and address, including street and number,

1 if any, of the registered office of each other domestic
2 nonprofit corporation and qualified foreign nonprofit
3 corporation that is a party to the [plan] merger or
4 consolidation.

5 * * *

6 (4) The manner in which the plan was adopted by each
7 domestic corporation and, if one or more foreign corporations
8 are parties to the [plan] merger or consolidation, the fact
9 that the plan was authorized, adopted or approved, as the
10 case may be, by each of the foreign corporations in
11 accordance with the laws of the jurisdiction in which it is
12 incorporated.

13 * * *

14 § 5928. Effective date of merger or consolidation.

15 Upon the filing of the articles of merger or the articles of
16 consolidation in the Department of State[,] or upon the
17 effective date specified in the plan of merger or consolidation,
18 whichever is later, the merger or consolidation shall be
19 effective. The merger or consolidation of one or more domestic
20 nonprofit corporations into a foreign nonprofit corporation
21 shall be effective according to the provisions of law of the
22 jurisdiction in which [such] the foreign corporation is
23 incorporated, but not until articles of merger or articles of
24 consolidation have been adopted and filed, as provided in this
25 subchapter.

26 § 5930. Voluntary transfer of corporate assets.

27 (a) General rule.--[A nonprofit corporation shall not sell,
28 lease away or exchange all, or substantially all, its property
29 and assets, with or without good will, unless and until a plan
30 of sale, lease or exchange of assets with respect thereto shall

1 have been adopted by the corporation in the manner provided in
2 this subchapter with respect to the adoption of a plan of
3 merger.] A sale, lease, exchange or other disposition of all, or
4 substantially all, the property and assets, with or without
5 goodwill, of a nonprofit corporation, if not made pursuant to
6 Subchapter D (relating to division), may be made only pursuant
7 to a plan of asset transfer. The property or assets of a direct
8 or indirect subsidiary corporation that is controlled by a
9 parent corporation shall also be deemed the property or assets
10 of the parent corporation for the purposes of this subsection.
11 The plan of asset transfer shall set forth the terms and
12 consideration of the sale, lease, exchange or other disposition
13 or may authorize the board of directors or other body to fix any
14 or all of the terms and conditions, including the consideration
15 to be received by the corporation therefor. Any of the terms of
16 the plan may be made dependent upon facts ascertainable outside
17 of the plan if the manner in which the facts will operate upon
18 the terms of the plan is set forth in the plan. The plan of
19 asset transfer shall be proposed and adopted, and may be amended
20 after its adoption and terminated, by a nonprofit corporation in
21 the manner provided in this subchapter for the proposal,
22 adoption, amendment and termination of a plan of merger. There
23 shall be included in, or enclosed with, the notice of the
24 meeting of members to act on the plan a copy or summary of the
25 plan. In order to make effective any plan [of sale, lease or
26 exchange of assets] so adopted, it shall not be necessary to
27 file any articles or other document in the Department of State,
28 but the corporation shall comply with the requirements of
29 section [5547(b)] 5547(c) (relating to nondiversion of certain
30 property).

(b) Exceptions.--Subsection (a) [of this section] shall not apply to a sale, lease [away or], exchange or other disposition of all, or substantially all, the property and assets of a nonprofit corporation [when made in connection with the dissolution or liquidation of the corporation. Such a transaction shall be governed by the provisions of Subchapter F (relating to voluntary dissolution and winding up) or Subchapter G (relating to involuntary liquidation and dissolution), as the case may be.]:

(1) that directly or indirectly owns all of the outstanding shares or other ownership interest of another corporation to the other corporation;

(2) when made in connection with the dissolution or liquidation of the corporation, which transaction shall be governed by the provisions of Subchapter F (relating to voluntary dissolution and winding up) or G (relating to involuntary liquidation and dissolution), as the case may be;
or

(3) when made in connection with a transaction pursuant to which all the assets sold, leased, exchanged or otherwise disposed of are simultaneously leased back to the corporation.

(c) Mortgage.--A mortgage [or], pledge or grant of a security interest or dedication of property to the repayment of indebtedness, with or without recourse, shall not be deemed a sale, lease [or], exchange or other disposition for the purposes of this section.

(d) Restrictions.--[Nothing in this] This section shall not be construed to authorize the conversion or exchange of property or assets in fraud of corporate creditors or in violation of

1 law.

2 § 5951. Division authorized.

3 (a) Division of domestic corporation.--Any domestic
4 nonprofit corporation may, in the manner provided in this
5 subchapter, be divided into two or more domestic nonprofit
6 corporations incorporated or to be incorporated under this
7 article, or into one or more [such] domestic nonprofit
8 corporations and one or more foreign nonprofit corporations
9 [not-for-profit] to be incorporated under the laws of another
10 jurisdiction or jurisdictions, or into two or more [of such]
11 foreign nonprofit corporations [not-for-profit], if the [law or]
12 laws of [such] the other jurisdictions authorized [such] the
13 division.

14 (b) Division of foreign corporation.--Any foreign nonprofit
15 corporation [not-for-profit] may, in the manner provided in this
16 subchapter, be divided into one or more domestic nonprofit
17 corporations to be incorporated under this [article] subpart and
18 one or more foreign nonprofit corporations [not-for-profit]
19 incorporated or to be incorporated under the laws of another
20 jurisdiction or jurisdictions, or into two or more [of such]
21 domestic nonprofit corporations, if such foreign nonprofit
22 corporation [not-for-profit] is authorized under the laws of the
23 jurisdiction under which it is incorporated to effect [such] a
24 division.

25 (c) Surviving and new corporations.--The corporation
26 effecting a division, if it [shall survive] survives the
27 division, is [hereinafter] designated in this subchapter as the
28 surviving corporation. All corporations originally incorporated
29 by a division are [hereinafter] designated in this subchapter as
30 new corporations. The surviving corporation, if any, and the new

1 corporation or corporations are [hereinafter] collectively
2 designated in this subchapter as the resulting corporations.
3 § 5956. Effective date of division.

4 Upon the filing of articles of division in the Department of
5 State[,] or upon the effective date specified in the plan of
6 division, whichever is later, the division shall become
7 effective. The division of a domestic nonprofit corporation into
8 one or more foreign nonprofit corporations [not-for-profit] or
9 the division of a foreign nonprofit corporation [not-for-profit]
10 shall be effective according to the laws of the jurisdictions
11 where [such] the foreign corporations are or are to be
12 incorporated and, in the case of a foreign domiciliary
13 corporation, the provisions of this subpart to the extent
14 provided by section 6145 (relating to applicability of certain
15 safeguards to foreign domiciliary corporations), but not until
16 articles of division have been adopted and filed[,] as provided
17 in this subchapter.

18 § 5981. Proceedings upon [petition] application of member[,
19 etc.] or director.

20 [The court may, upon petition] Upon application filed by a
21 member or director of a nonprofit corporation, the court may
22 entertain proceedings for the involuntary winding up and
23 dissolution of the corporation[,] when any of the following
24 [are] is made to appear:

25 (1) [That the] The objects of the corporation have
26 wholly failed[;], or are entirely abandoned, or [that] their
27 accomplishment is impracticable.

28 (2) [That the] The acts of the directors, or those in
29 control of the corporation, are illegal, oppressive[,] or
30 fraudulent[,] and [that] it is beneficial to the interests of

1 the members that the corporation be wound up and dissolved.

2 (3) [That the] The corporate assets are being misapplied
3 or wasted[,] and [that] it is beneficial to the interests of
4 the members that the corporation be wound up and dissolved.

5 (4) [That the] The directors or other body are
6 deadlocked in the direction of the management of the
7 [corporate] business and affairs of the corporation and the
8 members are unable to break the deadlock[,] and [that]
9 irreparable injury to the corporation is being suffered or is
10 threatened by reason thereof. The court shall not appoint a
11 receiver or grant other similar relief under this paragraph
12 if the members by agreement or otherwise have provided for
13 the appointment of a provisional director or member of an
14 other body or other means for the resolution of a deadlock
15 but the court shall enforce the remedy so provided if
16 appropriate.

17 § 5982. Proceedings upon [petition] application of creditor.

18 [The court may, upon petition] Upon application filed by a
19 creditor of a nonprofit corporation whose claim has either been
20 reduced to judgment and an execution thereon returned
21 unsatisfied[,] or whose claim is admitted by the corporation,
22 the court may entertain proceedings for the involuntary winding
23 up and dissolution of the corporation when, in either case, it
24 is made to appear that the corporation is unable to [pay its
25 debts and obligations] discharge its liabilities in the regular
26 course of business, as they mature, or is unable to afford
27 reasonable security to those who may deal with it.

28 § 5983. Proceedings upon petition of superior religious
29 organization.

30 The court may, in the case of any nonprofit corporation

1 organized for the support of public worship, upon [petition
2 filed by] application of the diocesan convention, presbytery,
3 synod, conference, council, or other supervising or controlling
4 organization of which the corporation is a member or with which
5 it is in allegiance and to which it is subordinate, entertain
6 proceedings for the involuntary winding up and dissolution of
7 the corporation when it is made to appear that by reason of
8 shifting population, withdrawal of membership[,] or any other
9 cause whatsoever, the corporation has ceased to support public
10 worship within the intent and meaning of its articles[,] and the
11 dissolution of the corporation may be effected without prejudice
12 to the public welfare and the interests of the members of the
13 corporation.

14 § 5984. Appointment of receiver pendente lite and other interim
15 powers.

16 Upon the filing of [a petition] an application under this
17 subchapter, the court [shall have all the ordinary powers of a
18 court of equity to] may issue injunctions, [to] appoint a
19 receiver [or receivers,] pendente lite[,] with such powers and
20 duties as the court from time to time may direct[,] and [to take
21 such other proceedings] proceed as may be requisite to preserve
22 the corporate assets wherever situated and to carry on the
23 business of the corporation until a full hearing can be had.

24 § 5986. Qualifications of receivers.

25 A receiver shall in all cases be a [resident of this
26 Commonwealth,] natural person of full age or a corporation
27 authorized to act as receiver, which corporation, if so
28 authorized, may be a domestic corporation for profit or not-for-
29 profit or a foreign corporation for profit or not-for-profit
30 authorized to do business in this Commonwealth, and shall give

1 such bond, if any, as the court may direct, with such sureties,
2 if any, as the court may require.

3 § 5987. Proofs of claims.

4 (a) General rule.--In a proceeding under this subchapter,
5 the court may require all creditors of the nonprofit corporation
6 to file with the [prothonotary] office of the clerk of the court
7 of common pleas, or with the receiver, in such form as the court
8 may prescribe, verified proofs[, under oath,] of their
9 respective claims. If the court requires the filing of claims,
10 it shall fix a date, which shall not be less than [four months]
11 120 days from the date of the order, as the last day for filing
12 of claims[,] and shall prescribe the notice that shall be given
13 to creditors and claimants of the date so fixed. Prior to or
14 after the date so fixed, the court may extend the time for the
15 filing of claims. Creditors and claimants [failing to] who do
16 not file proofs of claim on or before the date so fixed may be
17 barred, by order of court, from participating in the
18 distribution of the assets of the corporation.

19 (b) Cross reference.--See section 5979 (relating to survival
20 of remedies and rights after dissolution).

21 § 5988. Discontinuance of proceedings; reorganization.

22 [The proceedings under this subchapter may be discontinued at
23 any time during the winding up proceedings, in the following
24 manner:

25 (1) If the proceedings shall have been instituted by a
26 member or director and it is made to appear to the court that
27 the deadlock in the corporate affairs has been broken or the
28 management or control of the corporation has been changed,
29 the court, in its discretion, may dismiss the proceeding and
30 direct the receiver to redeliver to the corporation all its

1 remaining assets.

2 (2) If the proceedings shall have been instituted by a
3 creditor and it is made to appear that the debts of the
4 corporation have been paid or provided for, and that there
5 remain or can be obtained sufficient funds to enable the
6 corporation to resume its business, the court, in its
7 discretion, may dismiss the proceeding and direct the
8 receiver to redeliver to the corporation all its remaining
9 assets.

10 (3) When a compromise or reorganization of the
11 corporation is proposed, whether the proceedings shall have
12 been instituted by a member or director or by a creditor, the
13 court, upon the summary application of any member, director,
14 creditor, or receiver, may order a meeting of the creditors,
15 or members to be summoned in such manner as the court may
16 direct. If a majority in number, representing 75% in value of
17 the creditors or if 75% of the members present in person, or
18 if a majority in number, representing 75% in value of any
19 class of creditors, or if 75% of the members of any class
20 present in person, as the case may be, agree to any
21 compromise or reorganization of the corporation, such
22 compromise or reorganization, if approved by the court as
23 fair and feasible, shall be binding on all creditors or on
24 all members, or both, or on the class of creditors or class
25 of members, or both, as the case may be, and also on the
26 corporation and its receiver, if any.

27 (4) If the proceedings shall have been instituted by a
28 superior religious organization and it is made to appear that
29 appropriate arrangements for the conduct of the affairs of
30 the corporation have been made, the court, in its discretion,

may dismiss the proceedings and direct the receiver to redeliver to the corporation its remaining assets.]

The proceedings under this subchapter may be discontinued at any time when it is established that cause for liquidation no longer exists. In that event, the court shall dismiss the proceedings and direct the receiver to redeliver to the nonprofit corporation all its remaining property and assets.

§ 6101. Application of article.

* * *

(c) Admitted foreign fraternal benefit society exclusion.-- This article shall not apply to any foreign corporation not-for-profit qualified to do business in this Commonwealth under section [603] 605 of the act of [July 29, 1977 (P.L.105, No.38)] December 14, 1992 (P.L.835, No.134), known as the Fraternal Benefit [Society] Societies Code.

§ 6102. Foreign domiciliary corporations.

A foreign nonprofit corporation is a foreign domiciliary corporation if it is a corporation:

(1) which derived more than one-half of its revenues for the preceding three fiscal years, or such portion thereof as the corporation was in existence, from sources in this Commonwealth and was at any time during that period doing business in this Commonwealth on the basis of the most minimal contacts with this Commonwealth permitted under the Constitution of the United States; or

(2) at least a majority of the bona fide members of which are residents of this Commonwealth.

§ 6103. Acquisition of foreign domiciliary corporation status.

(a) General rule.--A foreign nonprofit corporation shall become a foreign domiciliary corporation under section 6102

(relating to foreign domiciliary corporations) on the first day of the month following the month in which the corporation first has knowledge that either test has been met or upon entry of an order by any court of competent jurisdiction declaring that either test has been met.

(b) Newly incorporated corporations.--Where the test or tests under section 6102 are met at the time of the admission of the first members of the corporation and continuously thereafter, foreign domiciliary corporation status when established shall be retroactive to the incorporation of the corporation.

§ 6104. Termination of foreign domiciliary corporation status.

A foreign domiciliary corporation shall cease to have that status on the first day of the month following the month in which the corporation first has knowledge that it no longer meets either test under section 6102 (relating to foreign domiciliary corporations) or upon entry of an order of any court of competent jurisdiction declaring that the corporation no longer meets either test.

§ 6122. Excluded activities.

(a) General rule.--Without excluding other activities which may not constitute doing business in this Commonwealth, a foreign nonprofit corporation shall not be considered to be doing business in this Commonwealth for the purposes of this subchapter by reason of carrying on in this Commonwealth any one or more of the following acts:

(1) Maintaining or defending any action or administrative or arbitration proceeding or effecting the settlement thereof or the settlement of claims or disputes.

(2) Holding meetings of its directors, other body or

1 members or carrying on other activities concerning its
2 internal affairs.

3 (3) Maintaining bank accounts.

4 (4) Maintaining offices or agencies for the transfer,
5 exchange and registration of its memberships or securities,
6 or appointing and maintaining trustees or depositories with
7 relation to its memberships or securities.

8 (5) Granting funds.

9 (6) Distributing information to its members.

10 (7) Creating as borrower or lender, acquiring or
11 incurring obligations or mortgages or other security
12 interests in real or personal property.

13 (8) Securing or collecting debts or enforcing any rights
14 in property securing them.

15 (9) Transacting any business in interstate or foreign
16 commerce.

17 (10) Conducting an isolated transaction completed within
18 a period of 30 days and not in the course of a number of
19 repeated transactions of like nature.

20 (11) Inspecting, appraising and acquiring real estate
21 and mortgages and other liens thereon and personal property
22 and security interests therein, and holding, leasing,
23 conveying and transferring them, as fiduciary or otherwise.

24 (b) Exceptions.--The specification of activities in
25 subsection (a) does not establish a standard for activities that
26 may subject a foreign corporation to:

27 (1) Service of process under any statute or general
28 rule.

29 (2) Taxation by the Commonwealth or any political
30 subdivision thereof.

1 (3) The provisions of section 6145 (relating to
2 applicability of certain safeguards to foreign domiciliary
3 corporations).

4 § 6141. Penalty for doing business without certificate of
5 authority.

6 (a) Right to bring actions suspended.--[No] A nonqualified
7 foreign nonprofit corporation doing business in this
8 Commonwealth within the meaning of Subchapter B [of this
9 chapter] (relating to qualification) shall not be permitted to
10 maintain any action or proceeding in any court of this
11 Commonwealth until [such] the corporation [shall have] has
12 obtained a certificate of authority. Nor, except as provided in
13 subsection (b) [of this section], shall any action or proceeding
14 be maintained in any court of this Commonwealth by any successor
15 or assignee of [such] the corporation on any right, claim or
16 demand arising out of the doing of business by [such] the
17 corporation in this Commonwealth until a certificate of
18 authority [shall have] has been obtained by [such] the
19 corporation or by a corporation [which] that has acquired all or
20 substantially all of its assets.

21 (b) Contracts, property and defense against actions
22 unaffected.--The failure of a foreign nonprofit corporation to
23 obtain a certificate of authority to transact business in this
24 Commonwealth shall not impair the validity of any contract or
25 act of [such] the corporation [and], shall not prevent [such]
26 the corporation from defending any action in any court of this
27 Commonwealth and shall not render escheatable any of its real or
28 personal property.

29 [(b) Title to real property.--The title to any real estate
30 situate in this Commonwealth which is derived through any

1 nonqualified foreign corporation not authorized under the laws
2 of this Commonwealth to hold the same, and which has vested or
3 vests in any foreign corporation for profit or not-for-profit
4 authorized to hold such real estate or in any citizen or
5 citizens of the United States or domestic corporation for profit
6 or not-for-profit shall be good and valid and free and clear of
7 any right of escheat by the Commonwealth; and the holder thereof
8 may convey an estate indefeasible as to any right of escheat
9 which the Commonwealth might otherwise have by reason of the
10 unauthorized holding and conveyance by such nonqualified foreign
11 corporation.]

12 § 6142. General powers and duties of qualified foreign
13 corporations.

14 (a) General rule.--A qualified foreign nonprofit
15 corporation, so long as its certificate of authority [shall] is
16 not [be] revoked, shall enjoy the same rights and privileges as
17 a domestic nonprofit corporation, but no more, and, except as in
18 this [part] subpart otherwise provided, shall be subject to the
19 same liabilities, restrictions, duties and penalties now in
20 force or hereafter imposed upon domestic nonprofit corporations,
21 to the same extent as if it had been incorporated under this
22 [part to transact the business set forth in its certificate of
23 authority] subpart.

24 (b) Agricultural lands.--Interests in agricultural land
25 shall be subject to the restrictions of, and escheatable as
26 provided by the act of April 6, 1980 (P.L.102, No.39), referred
27 to as the Agricultural Land Acquisition by Aliens Law.

28 § 6143. General powers and duties of nonqualified foreign
29 corporations.

30 (a) Acquisition of real and personal property.--Every

1 nonqualified foreign nonprofit corporation[, the activities of
2 which in this Commonwealth do not constitute doing business in
3 this Commonwealth for the purposes of Subchapter B of this
4 chapter (relating to qualification),] may acquire, hold,
5 mortgage, lease and transfer real and personal property in this
6 Commonwealth, in the same manner and subject to the same
7 limitations as [domestic] a qualified foreign nonprofit
8 [corporations] corporation.

9 (b) Duties.--[A] Except as provided in section 6141(a)
10 (relating to right to bring actions suspended), a nonqualified
11 foreign nonprofit corporation doing business in this
12 Commonwealth within the meaning of Subchapter B [of this
13 chapter] (relating to qualification) shall be subject to the
14 same liabilities, restrictions, duties and penalties now or
15 hereafter imposed upon a qualified foreign nonprofit
16 corporation.

17 § 6145. Applicability of certain safeguards to foreign
18 domiciliary corporations.

19 [(a) Application.--This section shall be applicable to any
20 qualified or nonqualified foreign corporation:

21 (1) which derived more than one-half of its revenues for
22 the preceding three fiscal years, or such portion thereof as
23 the corporation was in existence, from sources within this
24 Commonwealth and was at any time during such period doing
25 business within this Commonwealth on the basis of the most
26 minimal contacts with this Commonwealth permitted under the
27 Constitution of the United States; or

28 (2) at least a majority of the bona fide members of
29 which are residents of this Commonwealth.

30 (b)] (a) Internal affairs doctrine not applicable.--The

1 General Assembly hereby finds and determines that [the] foreign
2 domiciliary corporations [to which this section applies]
3 substantially affect this Commonwealth. [No court] The courts of
4 this Commonwealth shall [hereafter] not dismiss or stay any
5 action or proceeding brought by a member[, director, officer or
6 agent of such a] or representative of a foreign domiciliary
7 corporation, as such, against [such] the corporation or any one
8 or more of the members[, directors, officers or agents] or
9 representatives thereof, as such, on the ground that [such] the
10 corporation is a foreign corporation not-for-profit or that the
11 cause of action relates to the internal affairs thereof, but
12 every such action shall proceed with like effect as if [such]
13 the corporation were a domestic corporation. Except as provided
14 in subsection [(c) of this section] (b), the court having
15 jurisdiction of the action or proceeding shall apply the law of
16 the jurisdiction under which the foreign domiciliary corporation
17 was incorporated.

18 [(c)] (b) Minimum safeguards.--The following provisions of
19 this subpart shall be applicable to foreign domiciliary
20 corporations [to which this section applies], except that
21 nothing in this subsection shall require the filing of any
22 document in the Department of State as a prerequisite to the
23 validity of any corporate action or the doing of any corporate
24 action by the foreign domiciliary corporation which is
25 impossible under the laws of its domiciliary jurisdiction:

26 [(1)] Section 5504(b) (relating to adoption and contents
27 of bylaws).

28 [(2)] Section 5508 (relating to corporate records;
29 inspection).

30 [(3)] Section [5553] 5554 (relating to annual report of

1 directors or other body).

2 [(4)] Section 5743 (relating to mandatory
3 indemnification).

4 [(5)] Section 5755 (relating to time of holding meetings
5 of members).

6 [(6)] Section 5758(e) (relating to voting lists).

7 [(7)] Section [5759(b) (relating to minimum
8 requirements] 5759(c) (relating to revocation).

9 [(8)] Section [5762] 5765 (relating to judges of
10 election).

11 [(9)] Section [5764] 5767 (relating to appointment of
12 custodian of corporation on deadlock or other cause).

13 [(10)] Section [5766(b)] 5769(b) (relating to
14 expulsion).

15 [(11) Subchapter G of Chapter 57 (relating to judicial
16 supervision of corporate action).]

17 [(12)] Chapter 59 (relating to fundamental changes).

18 For the purposes of this subsection, corporate action shall not
19 be deemed to be impossible under the laws of the domiciliary
20 jurisdiction of a foreign corporation merely because prohibited
21 or restricted by the terms of the articles, certificate of
22 incorporation, bylaws or other organic law of the corporation,
23 but the court may require the corporation to amend such organic
24 law so as to be consistent with the minimum safeguards
25 prescribed by this subsection.

26 [(d)] (c) Section exclusive.--[No provision of this article]
27 The provisions of this subpart, other than the provisions of
28 this section, shall not be construed to regulate the
29 incorporation or internal affairs of a foreign corporation not-
30 for-profit.

1 CHAPTER 91

2 UNINCORPORATED ASSOCIATIONS GENERALLY

3 SUBCHAPTER A

4 GENERAL PROVISIONS

5 * * *

6 SUBCHAPTER B

7 UNIFORM UNINCORPORATED NONPROFIT

8 ASSOCIATION ACT

9 Sec.

10 9121. Short title and application of subchapter.

11 9122. Definitions.

12 9123. Territorial application.

13 9124. Acquisition of property.

14 9125. Statement of authority as to real property.

15 9126. Status; liability in tort and contract.

16 9127. Capacity to assert and defend; standing.

17 9128. Effect of judgment or order.

18 9129. Disposition of personal property of inactive nonprofit
19 association.

20 9130. Appointment of agent to receive service of process.

21 9131. Claim not abated by change of members or officers.

22 § 9121. Short title and application of subchapter.

23 (a) Short title.--This subchapter shall be known and may be
24 cited as the Uniform Unincorporated Nonprofit Association Act.

25 (b) Application of subchapter generally.--This subchapter
26 shall apply to every nonprofit association heretofore or
27 hereafter organized.

28 (c) Transitional provisions concerning property.--

29 (1) If, before (the Legislative Reference Bureau shall
30 insert here the effective date of this subchapter), an estate

1 or interest in real or personal property was purportedly
2 transferred to a nonprofit association, on (the Legislative
3 Reference Bureau shall insert here the effective date of this
4 subchapter) the estate or interest vests in the nonprofit
5 association unless the parties have treated the transfer as
6 ineffective.

7 (2) If, before (the Legislative Reference Bureau shall
8 insert here the effective date of this subchapter), the
9 transfer vested the estate or interest in another person to
10 hold the estate or interest as a fiduciary for the benefit of
11 the nonprofit association, its members, or both, on or after
12 (the Legislative Reference Bureau shall insert here the
13 effective date of this subchapter) the fiduciary may transfer
14 the estate or interest to the nonprofit association in its
15 name, or the nonprofit association, by appropriate
16 proceedings, may require that the estate or interest be
17 transferred to it in its name.

18 (d) Savings provision.--This subchapter replaces existing
19 law with respect to matters covered by this subchapter but does
20 not affect other law respecting nonprofit associations.

21 (e) Cross reference.--See section 5331 (relating to
22 incorporation of unincorporated associations).

23 § 9122. Definitions.

24 The following words and phrases when used in this subchapter
25 shall have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

27 "Member." A person who, under the rules or practices of a
28 nonprofit association, may participate in the selection of
29 persons authorized to manage the affairs of the nonprofit
30 association or in the development of policy of the nonprofit

1 association.

2 "Nonprofit association." An unincorporated organization
3 consisting of two or more members joined by mutual consent for a
4 common, nonprofit purpose. However, joint tenancy, tenancy in
5 common, or tenancy by the entireties does not by itself
6 establish a nonprofit association, even if the co-owners share
7 use of the property for a nonprofit purpose.

8 § 9123. Territorial application.

9 Real and personal property in this Commonwealth may be
10 acquired, held, encumbered and transferred by a nonprofit
11 association, whether or not the nonprofit association or a
12 member has any other relationship to this Commonwealth.

13 § 9124. Acquisition of property.

14 (a) General rule.--A nonprofit association in its name may
15 acquire, hold, encumber or transfer an estate or interest in
16 real or personal property.

17 (b) Testamentary and fiduciary dispositions.--A nonprofit
18 association may be a legatee, devisee or beneficiary of a trust
19 or contract.

20 § 9125. Statement of authority as to real property.

21 (a) General rule.--A nonprofit association may execute and
22 record a statement of authority to encumber or transfer an
23 estate or interest in real property in the name of the nonprofit
24 association.

25 (b) Transfer by authorized person of record.--An estate or
26 interest in real property in the name of a nonprofit association
27 may be encumbered or transferred by a person so authorized in a
28 statement of authority recorded in the office of the recorder of
29 deeds for the county in which a transfer of the property would
30 be recorded.

1 (c) Contents of statement.--A statement of authority must
2 set forth:

3 (1) The name of the nonprofit association.

4 (2) The address in this Commonwealth, including the
5 street address, if any, of the nonprofit association; or, if
6 the nonprofit association does not have an address in this
7 Commonwealth, its address out of State.

8 (3) The name or title of a person authorized to encumber
9 or transfer an estate or interest in real property held in
10 the name of the nonprofit association.

11 (4) The action, procedure or vote of the nonprofit
12 association that authorizes the person to encumber or
13 transfer the real property of the nonprofit association and
14 that authorizes the person to execute the statement of
15 authority.

16 (d) Formality.--A statement of authority must be executed in
17 the same manner as a deed by a person who is not the person
18 authorized to encumber or transfer the estate or interest.

19 (e) Recording fee.--The recorder of deeds may collect a fee
20 for recording a statement of authority in the amount authorized
21 for recording a transfer of real property, but the mere
22 recording of a statement of authority shall not constitute a
23 transfer of an interest in the real property for the purpose of
24 the taxation of real property transfers.

25 (f) Amendment.--An amendment, including a cancellation or
26 extension, of a statement of authority must meet the
27 requirements for execution and recording of an original
28 statement. Unless canceled earlier, a recorded statement of
29 authority or its most recent amendment is canceled by operation
30 of law five years after the date of the most recent recording.

1 (g) Effect of filing.--If the record title to real property
2 is in the name of a nonprofit association and a statement of
3 authority is recorded in the office of the recorder of deeds for
4 the county in which a transfer of the real property would be
5 recorded, the authority of the person named in the statement of
6 authority is conclusive in favor of a person who gives value
7 without notice that the person lacks authority.

8 § 9126. Status; liability in tort and contract.

9 (a) General rule.--A nonprofit association is a legal entity
10 separate from its members.

11 (b) Limited contract liability.--A person is not liable for
12 a breach of contract by a nonprofit association merely because
13 the person is a member, is authorized to participate in the
14 management of the affairs of the nonprofit association or is a
15 person considered to be a member by the nonprofit association.

16 (c) Limited tort liability generally.--A person is not
17 liable for a tortious act for which a nonprofit association is
18 liable merely because the person is a member, is authorized to
19 participate in the management of the affairs of the nonprofit
20 association or is a person considered as a member by the
21 nonprofit association.

22 (d) Limitation on imputed tort liability.--A tortious act of
23 a member or other person for which a nonprofit association is
24 liable is not imputed to a person merely because the person is a
25 member of the nonprofit association, is authorized to
26 participate in the management of the affairs of the nonprofit
27 association or is a person considered as a member by the
28 nonprofit association.

29 (e) Claims by or against members.--A member of, or a person
30 considered to be a member by, a nonprofit association may assert

1 a claim against the nonprofit association. A nonprofit
2 association may assert a claim against a member or a person
3 considered to be a member by the nonprofit association.

4 § 9127. Capacity to assert and defend; standing.

5 (a) General rule.--A nonprofit association, in its name, may
6 institute, defend, intervene or participate in a judicial,
7 administrative or other governmental proceeding or in an
8 arbitration, mediation or any other form of alternative dispute
9 resolution.

10 (b) Representational status.--A nonprofit association may
11 assert a claim in its name on behalf of its members if one or
12 more members of the nonprofit association have standing to
13 assert a claim in their own right, the interests the nonprofit
14 association seeks to protect are germane to its purposes and
15 neither the claim asserted nor the relief requested requires the
16 participation of a member.

17 § 9128. Effect of judgment or order.

18 A judgment or order against a nonprofit association is not by
19 itself a judgment or order against a member.

20 § 9129. Disposition of personal property of inactive nonprofit
21 association.

22 If a nonprofit association has been inactive for three years
23 or longer, a person in possession or control of personal
24 property of the nonprofit association may transfer the property:

25 (1) if a document of a nonprofit association specifies a
26 person to whom transfer is to be made under these
27 circumstances, to that person; or

28 (2) if no person is so specified, to a nonprofit
29 association or nonprofit corporation pursuing broadly similar
30 purposes, or to a government or governmental subdivision,

1 agency or instrumentality.

2 § 9130. Appointment of agent to receive service of process.

3 (a) General rule.--A nonprofit association may file in the
4 Department of State a statement appointing an agent authorized
5 to receive service of process.

6 (b) Contents of statement.--A statement appointing an agent
7 must set forth:

8 (1) The name of the nonprofit association.

9 (2) The address in this Commonwealth, including the
10 street address, if any, of the nonprofit association, or, if
11 the nonprofit association does not have an address in this
12 Commonwealth, its address out of State.

13 (3) The name of the person in this Commonwealth
14 authorized to receive service of process and the person's
15 address, including the street address, in this Commonwealth.

16 (c) Execution.--A statement appointing an agent to receive
17 service of process must be signed by a person authorized to
18 manage the affairs of the nonprofit association. The statement
19 must also be signed by the person appointed agent, who thereby
20 accepts the appointment. The appointed agent may resign by
21 filing a resignation in the department and giving notice to the
22 nonprofit association.

23 (d) Amendment.--An amendment, including a cancellation, of a
24 statement appointing an agent to receive service of process must
25 meet the requirements for execution of an original statement.

26 (e) Cross references.--See sections 134 (relating to
27 docketing statement) and 135 (relating to requirements to be met
28 by filed documents).

29 § 9131. Claim not abated by change of members or officers.

30 A claim for relief against a nonprofit association does not

1 abate merely because of a change in its members or persons
2 authorized to manage the affairs of the association.

3 Section 3. Effect of reenactments.

4 (a) General rule.--Notwithstanding 1 Pa.C.S. § 1957
5 (relating to ineffective provisions not revived by reenactment
6 in amendatory statutes), it is hereby declared to be the intent
7 of the act of December 21, 1988 (P.L.1444, No.177), known as the
8 General Association Act of 1988, the act of December 19, 1990
9 (P.L.834, No.198), known as the GAA Amendments Act of 1990, the
10 act of December 18, 1992 (P.L.1333, No.169), known as the GAA
11 Amendments Act of 1992, and this act cumulatively to restore all
12 provisions of 15 Pa.C.S. (relating to corporations and
13 unincorporated associations) added by the act of November 15,
14 1972 (P.L.1063, No.271), entitled "An act amending the act of
15 November 25, 1970 (P.L.230), entitled 'An act codifying and
16 compiling a part of the law of the Commonwealth,' adding
17 provisions relating to burial grounds, corporations, including
18 corporations not-for-profit, educational institutions, private
19 police, certain charitable or eleemosynary institutions, certain
20 nonprofit insurers, service of process on certain nonresident
21 persons, names, prescribing penalties and making repeals," to
22 their status prior to the partial repeal effected by section 905
23 of the act of July 29, 1977 (P.L.105, No.38), known as the
24 Fraternal Benefit Society Code, except as otherwise expressly
25 provided by such provisions as reenacted and amended by the
26 General Association Act of 1988, the GAA Amendments Act of 1990,
27 the GAA Amendments Act of 1992 and this act.

28 (b) Effective date.--The provisions of this section shall be
29 retroactive to the effective date of the act of July 29, 1977
30 (P.L.105, No.38), known as the Fraternal Benefit Society Code.

1 Section 4. Repeals.

2 The following acts and parts of acts are repealed:

3 Act of April 27, 1855 (P.L.365, No.383), entitled "An act
4 extending the right of Trial by Jury to certain cases."

5 Act of April 18, 1949 (P.L.583, No.123), entitled "An act to
6 further amend the act, approved the fifth day of May, one
7 thousand nine hundred thirty-three (Pamphlet Laws 289), entitled
8 'An act relating to nonprofit corporations; defining and
9 providing for the organization, merger, consolidation, and
10 dissolution of such corporations; conferring certain rights,
11 powers, duties, and immunities upon them and their officers and
12 members; prescribing the conditions on which such corporations
13 may exercise their powers; providing for the inclusion of
14 certain existing corporations of the first class within the
15 provisions of this act; prescribing the terms and conditions
16 upon which foreign nonprofit corporations may be admitted or may
17 continue to do business within the Commonwealth; conferring
18 powers and imposing duties on the courts of common pleas,
19 prothonotaries of such courts, recorders of deeds, and certain
20 State departments, commissions, and officers; authorizing
21 certain local public officers and State departments to collect
22 fees for services required to be rendered by this act; imposing
23 penalties; and repealing certain acts and parts of acts relating
24 to corporations,' by making further provisions relating to
25 nonprofit medical service corporations; by extending the
26 provisions of said act relating to the furnishing of medical
27 services by nonprofit medical service corporations so as to
28 include the furnishing of osteopathic services by doctors of
29 osteopathy to subscribers and their dependents, and by providing
30 that the articles of incorporation of existing nonprofit medical

1 service corporations are amended by the provisions of this act
2 so as to authorize the furnishing of such osteopathic services
3 by doctors of osteopathy."

4 Act of May 12, 1949 (P.L.1274, No.379), entitled "An act to
5 further amend the act, approved the fifth day of May, one
6 thousand nine hundred thirty-three (Pamphlet Laws 289), entitled
7 'An act relating to nonprofit corporations; defining and
8 providing for the organization, merger, consolidation, and
9 dissolution of such corporations; conferring certain rights,
10 powers, duties, and immunities upon them and their officers and
11 members; prescribing the conditions on which such corporations
12 may exercise their powers; providing for the inclusion of
13 certain existing corporations of the first class within the
14 provisions of this act; prescribing the terms and conditions
15 upon which foreign nonprofit corporations may be admitted or may
16 continue to do business within the Commonwealth; conferring
17 powers and imposing duties on the courts of common pleas,
18 prothonotaries of such courts, recorders of deeds, and certain
19 State departments, commissions, and officers; authorizing
20 certain local public officers and State departments to collect
21 fees for services required to be rendered by this act; imposing
22 penalties; and repealing certain acts and parts of acts relating
23 to corporations,' by making further provisions relating to
24 nonprofit medical service corporations; by extending the
25 provisions of said act relating to the furnishing of medical
26 services by nonprofit medical service corporations so as to
27 include the furnishing of certain dental services to subscribers
28 and their dependents; and by providing that the articles of
29 incorporation of existing nonprofit medical service corporations
30 are amended by the provisions of this act so as to authorize the

1 furnishing of such dental services by doctors of dental
2 surgery."

3 Act of December 9, 1955 (P.L.818, No.238), entitled "An act
4 amending the act of May five, one thousand nine hundred thirty-
5 three (Pamphlet Laws 289), entitled 'An act relating to
6 nonprofit corporations; defining and providing for the
7 organization, merger, consolidation, and dissolution of such
8 corporations; conferring certain rights, powers, duties, and
9 immunities upon them and their officers and members; prescribing
10 the conditions on which such corporations may exercise their
11 powers; providing for the inclusion of certain existing
12 corporations of the first class within the provisions of this
13 act; prescribing the terms and conditions upon which foreign
14 nonprofit corporations may be admitted or may continue to do
15 business within the Commonwealth; conferring powers and imposing
16 duties on the courts of common pleas, prothonotaries of such
17 courts, recorders of deeds, and certain State departments,
18 commissions, and officers; authorizing certain local public
19 officers and State departments to collect fees for services
20 required to be rendered by this act; imposing penalties; and
21 repealing certain acts and parts of acts relating to
22 corporations,' providing for the incorporation and regulation of
23 nonprofit dental service corporations furnishing dental services
24 only to certain subscribers and their dependents."

25 Act of September 30, 1965 (P.L.570, No.294), entitled "An act
26 amending the act of May 5, 1933 (P.L.289), entitled 'An act
27 relating to nonprofit corporations; defining and providing for
28 the organization, merger, consolidation, and dissolution of such
29 corporations; conferring certain rights, powers, duties, and
30 immunities upon them and their officers and members; prescribing

1 the conditions on which such corporations may exercise their
2 powers; providing for the inclusion of certain existing
3 corporations of the first class within the provisions of this
4 act; prescribing the terms and conditions upon which foreign
5 nonprofit corporations may be admitted or may continue to do
6 business within the Commonwealth; conferring powers and imposing
7 duties on the courts of common pleas, prothonotaries of such
8 courts, recorders of deeds, and certain State departments,
9 commissions, and officers; authorizing certain local public
10 officers and State departments to collect fees for services
11 required to be rendered by this act; imposing penalties; and
12 repealing certain acts and parts of acts relating to
13 corporations,' requiring approval by the State Registration
14 Board for Professional Engineers prior to the use of certain
15 words in corporate names."

16 Act of December 27, 1965 (P.L.1250, No.507), entitled "An act
17 amending the act of May 5, 1933 (P.L.289), entitled 'An act
18 relating to nonprofit corporations; defining and providing for
19 the organization, merger, consolidation, and dissolution of such
20 corporations; conferring certain rights, powers, duties, and
21 immunities upon them and their officers and members; prescribing
22 the conditions on which such corporations may exercise their
23 powers; providing for the inclusion of certain existing
24 corporations of the first class within the provisions of this
25 act; prescribing the terms and conditions upon which foreign
26 nonprofit corporations may be admitted or may continue to do
27 business within the Commonwealth; conferring powers and imposing
28 duties on the courts of common pleas, prothonotaries of such
29 courts, recorders of deeds, and certain State departments,
30 commissions, and officers; authorizing certain local public

1 officers and State departments to collect fees for services
2 required to be rendered by this act; imposing penalties; and
3 repealing certain acts and parts of acts relating to
4 corporations,' making further provisions relating to nonprofit
5 medical, dental and osteopathic service corporations; extending
6 the provisions of said act relating to the furnishing of
7 medical, dental and osteopathic services by nonprofit medical,
8 dental and osteopathic service corporations so as to include the
9 furnishing of optometric services to subscribers and their
10 dependents, and providing that the articles of incorporation of
11 existing nonprofit medical, dental and osteopathic service
12 corporations are amended by the provisions of this act so as to
13 authorize the furnishing of optometric services by doctors of
14 optometry."

15 Section 2 of the act of November 15, 1972 (P.L.1063, No.271),
16 entitled "An act amending the act of November 25, 1970 (No.230),
17 entitled 'An act codifying and compiling a part of the law of
18 the Commonwealth,' adding provisions relating to burial grounds,
19 corporations, including corporations not-for-profit, educational
20 institutions, private police, certain charitable or eleemosynary
21 institutions, certain nonprofit insurers, service of process on
22 certain nonresident persons, names, prescribing penalties and
23 making repeals."

24 Section 5. Effective date.

25 This act shall take effect in 60 days.

SOURCE NOTES

Section 2: The source notes for 15 Pa.C.S. Subch. 91-B are as follows:

15 Pa.C.S. § 9121: Subsection (a) patterned after Uniform Unincorporated Nonprofit Association Act §15. Subsection (c) patterned after Uniform Unincorporated Nonprofit Association Act §19. Subsection (d) patterned after Uniform Unincorporated Nonprofit Association Act §18(c).

15 Pa.C.S. § 9122: Patterned after Uniform Unincorporated Nonprofit Association Act §1. Definitions in the Uniform Act of "person" and "state" omitted as supplied by the definitions of those terms in 1 Pa.C.S. §1991.

15 Pa.C.S. § 9123: Patterned after Uniform Unincorporated Nonprofit Association Act §3.

15 Pa.C.S. § 9124: Patterned after Uniform Unincorporated Nonprofit Association Act §4.

15 Pa.C.S. § 9125: Patterned after Uniform Unincorporated Nonprofit Association Act §5. The last clause of subsection (e) is a clarification of existing law.

15 Pa.C.S. § 9126: Patterned after Uniform Unincorporated Nonprofit Association Act §6. The words "or omission" in the Uniform Act are omitted as supplied by the definition of "act" in 15 Pa.C.S. § 102. As to subsection (e), compare Pa.R.Civ.P. 2154.

15 Pa.C.S. § 9127: Patterned after Uniform Unincorporated Nonprofit Association Act §7.

15 Pa.C.S. § 9128: Patterned after Uniform Unincorporated Nonprofit Association Act §8.

15 Pa.C.S. § 9129: Patterned after Uniform Unincorporated Nonprofit Association Act §9.

15 Pa.C.S. § 9130: Patterned after Uniform Unincorporated Nonprofit Association Act § 10. The person named in the filing will be subject to service of process under Pa.R.Civ.P. 423(2). Subsection (d) of the Uniform Act omitted as supplied by 15 Pa.C.S. § 153(a)(15). Compare Uniform Act §13.

15 Pa.C.S. § 9131: Patterned after Uniform Unincorporated Nonprofit Association Act §11.

Section 4: The provisions repealed by this section are supplied by this act as follows:

Repealed Act	Section	Unofficial Citation	Superseding Provision of Title 15
1949, No.123		1,2	- Repealed 1972
	3	15 P.S. § 7004 note	40 Pa.C.S. § 6322(f)
	4	-	Effective date
1949, No.379		1-3	- Repealed 1972
	4	-	Effective date
1955, No.238		1,2	- Repealed 1972
	3	15 P.S. § 7220 note	Obsolete
	4	-	Effective date
1965, No.294		1,2	- Repealed 1972
	3	15 P.S. § 7202 note	Obsolete
	4	-	Effective date
1965, No.507		1-5	- Repealed 1972
	6	15 P.S. § 7004 note	40 Pa.C.S. § 6322(f)
1972, No.271		2	Former 15 Pa.C.S. Obsolete
		§ 101 note	
		15 Pa.C.S. § 5303	Obsolete
		note	