January 26, 1965.
Placed on Calendar.

**Senate File 113**
By JUDICIARY COMMITTEE.

Passed Senate, Date 2/2 Passed House, Date 2/24
Vote: Ayes 55 Nays 0 Vote: Ayes 113 Nays 1
Approved March 17, 1965

judiciary 2/5
"do pass" 2/10

# A BILL FOR

An Act relating to nonprofit corporations and the formation, merger, consolidation, dissolution, liquidation, admission to do business in this state and withdrawal therefrom, authority, powers and rights thereof, and requirements therefor, and the regulation and conduct of affairs thereof.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Short title. This Act shall be known and may be
2 cited as the "Iowa Nonprofit Corporation Act."
1 Sec. 2. Definitions. As used in this Act, unless the context
2 otherwise requires, the term:
3 1. "Person" means an individual, a corporation (domestic or
4 foreign, whether nonprofit or for profit), a partnership, an
5 association, a trust or a fiduciary.
6 2. "Corporation" or "domestic corporation" means a nonprofit
7 corporation subject to the provisions of this Act, except a
8 foreign corporation.
9 3. "Foreign corporation" means a nonprofit corporation
10 organized under laws other than the laws of this state.
11 4. "Nonprofit corporation" means a corporation no part of
12 the income or profit of which is distributable to its members,
13 directors or officers except as provided in this Act.
14 5. "Articles of incorporation" means the original or restated
15 articles of incorporation and all amendments thereto, and
16 includes articles of merger.
17 6. "Bylaws" means the code or codes of rules adopted for the

18 regulation or management of the affairs of the corporation
19 irrespective of the name or names by which such rules are
20 designated.
21 7. "Member" means a person as herein defined having
22 membership rights in a corporation in accordance with the
23 provisions of its articles of incorporation or bylaws.
24 8. "Board of directors" means the person or group of persons
25 vested with the management of the affairs of the corporation
26 irrespective of the name by which such person or group is
27 designated.
28 9. "Insolvent" means inability of a corporation to pay its
29 debts as they become due in the usual course of its affairs.
1 Sec. 3. Purposes. Subject to the provisions of subsection
2 one (1) of section one hundred (100) of this Act, corporations
3 may be organized under this Act for any lawful purpose or
4 purposes not for pecuniary profit.
1 Sec. 4. General powers. Each corporation, unless otherwise
2 stated in its articles of incorporation, shall have power:
3 1. To have perpetual succession by its corporate name unless
4 a limited period of duration is stated in its articles of
5 incorporation.
6 2. To sue and be sued, complain and defend, in its corporate
7 name.
8 3. To have a corporate seal which may be altered at pleasure,
9 and to use the same by causing it, or a facsimile thereof, to be
10 impressed or affixed or in any other manner reproduced.
11 4. To purchase, take, receive, lease, take by gift, devise
12 or bequest, or otherwise acquire, own, hold, improve, use and
13 otherwise deal in and with real or personal property, or any

14 interest therein, wherever situated.

15 5. To sell, convey, mortgage, pledge, lease, exchange,
16 transfer and otherwise dispose of all or any part of its property
17 and assets.

18 6. To lend money to its employees other than its officers and
19 directors, and otherwise assist its employees, officers and
20 directors.

21 7. To purchase, take, receive, subscribe for, or otherwise
22 acquire, own, hold, vote, use, employ, sell, mortgage, lend,
23 pledge, or otherwise dispose of, and otherwise use and deal in
24 and with, shares or other interests in, or obligations of, other
25 domestic or foreign corporations, whether for profit or not for
26 profit, associations, partnerships or individuals, or direct or
27 indirect obligations of the United States, or of any other
28 government, state, territory, governmental district or
29 municipality or of any instrumentality thereof.

30 8. To make contracts and guaranties and incur liabilities,
31 borrow money at such lawful rates of interest as the corporation
32 may determine, issue its notes, bonds, and other obligations, and
33 secure any of its obligations by mortgage or pledge of all or any
34 of its property, franchises and income, and to guarantee the
35 obligations of other persons.

36 9. To lend money for its corporate purposes, invest and
37 reinvest its funds, and take and hold real and personal property
38 as security for the payment of funds so loaned or invested.

39 10. To conduct its affairs, carry on its operations, and have
40 offices and exercise the powers granted by this Act in any state,
41 territory, district, or possession of the United States, or in
42 any foreign country.

43 11. To elect or appoint officers and agents of the corporation
44 who may be directors or members, and define their duties and fix
45 their compensation, and to pay pensions and establish pension
46 plans, pension trusts, and other incentive, insurance and welfare
47 plans for any or all of its directors, officers and employees.
48 12. To make and alter bylaws, not inconsistent with its
49 articles of incorporation or with the laws of this state, for the
50 administration and regulation of the affairs of the corporation.
51 13. Unless otherwise provided in the articles of
52 incorporation, to make donations for the public welfare or for
53 charitable, religious, eleemosynary, benevolent, scientific or
54 educational purposes; and in time of war to make donations in aid
55 of war activities.
56 14. To indemnify any director or officer or former director
57 or officer of the corporation, or any person who may have served
58 at its request as a director or officer of another corporation,
59 whether nonprofit or for profit, against expenses actually and
60 reasonably incurred by him in connection with the defense of any
61 action, suit or proceeding, civil or criminal, in which he is
62 made a party by reason of being or having been such director or
63 officer, except in relation to matters as to which he shall be
64 adjudged in such action, suit or proceeding to be liable for
65 negligence or misconduct in the performance of duty; and to make
66 any other indemnification that shall be authorized by the
67 articles of incorporation or bylaws, or resolution adopted after
68 notice by the members entitled to vote.
69 15. To cease its corporate activities and surrender its
70 corporate franchise.
71 16. To have and exercise all powers necessary or convenient

72 to effect any or all of the purposes for which the corporation
73 is organized.

1 Sec. 5. Defense of ultra vires. No act of a corporation and
2 no conveyance or transfer of real or personal property to or by
3 a corporation shall be invalid by reason of the fact that the
4 corporation was without capacity or power to do such act or to
5 make or receive such conveyance or transfer, but such lack of
6 capacity or power may be asserted:

7 1. In a proceeding by a member or a director against the
8 corporation to enjoin the doing or continuation of unauthorized
9 acts, or the transfer of real or personal property by or to the
10 corporation. If the unauthorized acts or transfers sought to be
11 enjoined are being or are to be, performed pursuant to any
12 contract to which the corporation is a party, the court may, if
13 all of the parties to the contract are parties to the proceeding
14 and if it deems the same to be equitable, set aside and enjoin
15 the performance of such contract, and in so doing may allow to
16 the corporation or the other parties to the contract, as the case
17 may be, compensation for the loss or damage sustained by either
18 of them which may result from the action of the court in setting
19 aside and enjoining the performance of such contract, but
20 anticipated profits to be derived from the performance of the
21 contract shall not be awarded by the court as a loss or damage
22 sustained.

23 2. In a proceeding by the corporation, whether acting
24 directly or through a receiver, trustee, or other legal
25 representative or through members in a representative suit,
26 against the incumbent or former officers or directors of the
27 corporation for exceeding their authority.

28 3. In a proceeding by the attorney general, as provided in
29 this Act, to dissolve the corporation, or in a proceeding by the
30 attorney general to enjoin the corporation from performing
31 unauthorized acts, or in any other proceeding by the attorney
32 general.

1 Sec. 6. Corporate name. The corporate name:
2 1. Shall not contain any word or phrase which indicates or
3 implies that it is organized for any purpose other than one or
4 more of the purposes contained in its articles of incorporation.
5 2. Shall not be the same as, or deceptively similar to, the
6 name of any corporation, whether for profit or not for profit,
7 existing under the laws of this state, or any foreign
8 corporation, whether for profit or not for profit, authorized to
9 transact business or conduct affairs in this state, or a
10 corporate name reserved or registered as permitted by the laws of
11 this state.
12 3. Shall be transliterated into letters of the English
13 alphabet, if it is not in English.

1 Sec. 7. Reserved name. The exclusive right to the use of a
2 corporate name may be reserved by filing in the office of the
3 secretary of state an application to reserve a specified
4 corporate name, executed by the applicant. If the secretary of
5 state finds that such name is available for corporate use, he
6 shall reserve the same for the exclusive use of such
7 applicant for a period of one hundred twenty days.
8 The right to the exclusive use of a specified corporate name
9 so reserved may be assigned by filing in the office of the
10 secretary of state a notice of such assignment, executed by the
11 person for whom such name was reserved and specifying the name

12 and address of the transferee.

1 Sec. 8. Registered office and registered agent. Each
2 corporation shall have and continuously maintain in this state:
3 1. A registered office which may be, but need not be, the
4 same as its principal office.
5 2. A registered agent or agents who may be either an
6 individual or individuals resident in this state, the business
7 office of whom shall be identical with such registered office, or
8 a domestic corporation, whether for profit or not for profit, or
9 a foreign corporation, whether for profit or not for profit,
10 authorized to transact business or conduct affairs in this state,
11 having an office identical with such registered office.

1 Sec. 9. Change of registered office or registered agent. A
2 corporation may change its registered office or change its
3 registered agent or agents, or both office and agent or agents
4 upon filing in the office of the secretary of state a statement
5 setting forth:
6 1. The name of the corporation.
7 2. The address of its then registered office.
8 3. If the address of its registered office be changed, the
9 address to which the registered office is to be changed.
10 4. The name of its then agent or agents.
11 5. If its registered agent or agents be changed, the name of
12 its successor registered agent or agents.
13 6. That the address of its registered office and the address
14 of the business office of its registered agent or agents, as
15 changed, will be identical.
16 7. That such change was authorized by resolution duly adopted
17 by its board of directors.

18 Such statement shall be executed by the corporation by its
19 president or a vice-president. If the registered office is
20 changed from one county to another, such statement shall be
21 executed in duplicate. Such statement shall be delivered to the
22 secretary of state for filing and recording in his office, and
23 the statement shall be filed and recorded in the office of the
24 county recorder; and if the registered office is changed from one
25 county to another, the same shall be filed and recorded in the
26 office of the recorder of the county in which the registered
27 office was located prior to the filing of such statement in the
28 office of the secretary of state, and in the office of the
29 recorder of the county to which the registered office is changed.
30 If the registered office is changed from one county to
31 another, the corporation shall also cause to be filed and
32 recorded forthwith in the office of the recorder of the county to
33 which such registered office is changed, its original articles of
34 incorporation and all amendments thereto, or copies thereof
35 certified by the secretary of state, or its restated articles and
36 all amendments thereto, or copies thereof certified by the
37 secretary of state.
38 If a registered agent or agents change his, their or its
39 business address to another place within the same county, he,
40 they or it may change the address of the registered office of any
41 corporations of which he, they or it is registered agent by
42 filing a statement as required above for each corporation, or a
43 single statement for all corporations named therein, except that
44 it need be signed only by the registered agent or agents and need
45 not be responsive to subsections five (5) and seven (7) above,
46 and must recite that notification of such change has been mailed

47 to each such corporation.

48 The change of address of registered office or the change of
49 registered agent or agents or both registered office and agent or
50 agents, as the case may be, shall become effective upon the
51 filing of such statement by the secretary of state, but until
52 such statement is recorded in the office of the recorder as above
53 prescribed, service of process, notice or demand required or
54 permitted by law to be served upon the corporation may be served
55 upon the person who was its registered agent at its registered
56 officer prior to the filing of such statement with the same force
57 and effect as if no change in registered office or registered
58 agent had been made.

59 Any registered agent of a corporation may resign as such agent
60 upon filing a written notice thereof, executed in duplicate, with
61 the secretary of state, who shall record one copy and forthwith
62 mail the other copy thereof to the corporation in care of an
63 officer, who is not the resigning registered agent, at the
64 address of such officer as shown by the most recent annual report
65 of the corporation. The copy recorded by the secretary of state
66 shall be sent by him to the county recorder of the county in
67 which the registered office is located for recording in his
68 office. The appointment of such agent shall terminate upon the
69 expiration of thirty days after receipt of such notice by the
70 secretary of state.

1 Sec. 10. Service of process on corporation. The registered
2 agent so appointed by a corporation shall be an agent of such
3 corporation upon whom any process, notice or demand required or
4 permitted by law to be served upon the corporation may be served.

5 Whenever a corporation shall fail to appoint or maintain a

6 registered agent in this state, or whenever its registered agent
7 cannot with reasonable diligence be found at the registered
8 office, then the secretary of state shall be an agent of such
9 corporation upon whom any such process, notice, or demand may be
10 served. Service on the secretary of state of any such process,
11 notice, or demand shall be made by delivering to and leaving with
12 him, or with any clerk having charge of the corporation
13 department of his office, duplicate copies of such process,
14 notice or demand. In the event any such process, notice or
15 demand is served on the secretary of state, he shall immediately
16 cause one of the copies thereof to be forwarded by registered or
17 certified mail, addressed to the corporation at its registered
18 office. No corporation served in accordance with the procedure
19 provided for by this paragraph shall be in default until thirty
20 days have elapsed following such service on the secretary of
21 state.

22 The secretary of state shall keep a record of all processes,
23 notices and demands served upon him under this section, and shall
24 record therein the time of such service and his action with
25 reference thereto.

26 Nothing herein contained shall limit or affect the right to
27 serve any process, notice or demand required or permitted by law
28 to be served upon a corporation in any other manner now or
29 hereafter permitted by law.

1 Sec. 11. Members. A corporation may have one or more classes
2 of members or may have no members. If the corporation has one or
3 more classes of members, the designation of such class or
4 classes, the manner of election or appointment and the
5 qualifications and rights of the members of each class shall be

6 set forth in the articles of incorporation or the bylaws. If the
7 corporation has no members, that fact shall be set forth in the
8 articles of incorporation or the bylaws. A corporation may issue
9 certificates evidencing membership therein.

1 Sec. 12. Bylaws. The initial bylaws of a corporation shall
2 be adopted by its board of directors. The power to alter, amend
3 or repeal the bylaws or adopt new bylaws shall be vested in the
4 board of directors unless otherwise provided in the articles of
5 incorporation. The bylaws may contain any provisions for the
6 regulation and management of the affairs of a corporation not
7 inconsistent with law or the articles of incorporation.

8 The board of directors of any corporation may adopt emergency
9 bylaws, subject to repeal or change by action of the members,
10 which shall, notwithstanding any different provision elsewhere
11 in this Act or in the articles of incorporation or bylaws, be
12 operative during any emergency, in the conduct of the affairs
13 of the corporation resulting from an attack on the United States
14 or any nuclear or atomic disaster. The emergency bylaws may
15 make any provision that may be practical and necessary for the
16 circumstances of the emergency including provisions that:

17 1. A meeting of the board of directors may be called by any
18 officer or director in such manner and under such conditions as
19 shall be prescribed in the emergency bylaws;

20 2. The director or directors in attendance at the meeting,
21 or any greater number fixed by the emergency bylaws, shall
22 constitute a quorum; and

23 3. The officers or other persons designated on a list approved
24 by the board of directors before the emergency, all in such order
25 of priority and subject to such conditions and for such period

26 of time (not longer than reasonably necessary after the
27 termination of the emergency) as may be provided in the emergency
28 bylaws or in the resolution approving the list, shall, to the
29 extent required to provide a quorum at any meeting of the board
30 of directors, be deemed directors for such meeting.
31 The board of directors, either before or during any such
32 emergency, may provide, and from time to time modify, lines of
33 succession in the event that during such an emergency any or all
34 officers or agents of the corporation shall for any reason be
35 rendered incapable of discharging their duties.
36 To the extent not inconsistent with any emergency bylaws so
37 adopted, the bylaws of the corporation shall remain in effect
38 during any such emergency and upon its termination the emergency
39 bylaws shall cease to be operative.
40 Unless otherwise provided in emergency bylaws, notice of any
41 meeting of the board of directors during any such emergency
42 may be given only to such of the directors as it may be feasible
43 to reach at the time and by such means as may be feasible at
44 the time, including publication or radio.
45 To the extent required to constitute a quorum at any meeting
46 of the board of directors during any such emergency, the
47 officers of the corporation who are present shall, unless
48 otherwise provided in emergency bylaws, be deemed, in order of
49 rank and within the same rank in order of seniority, directors
50 for such meeting.
51 No officer, director or employee acting in accordance with
52 any emergency bylaws shall be liable except for willful misconduct.
53 No officer, director or employee shall be liable for any action
54 taken by him in good faith in such an emergency in furtherance

55 of the ordinary affairs of the corporation, even though
56 not authorized by the bylaws then in effect.

1 Sec. 13. Meetings of members. Meetings of members may be
2 held at such places, either within or without this state, as may
3 be provided in the articles of incorporation or the bylaws, or as
4 may be fixed from time to time in accordance with the provisions
5 thereof. In the absence of any such provision, all meetings
6 shall be held at the registred office of the corporation.

7 An annual meeting of the members shall be held at such time
8 as may be provided in the articles of incorporation or the
9 bylaws. Failure to hold the annual meeting at the designated
10 time shall not work as a forfeiture or dissolution of the
11 corporation.

12 Special meetings of the members may be called by the
13 president or by the board of directors. Special meetings of the
14 members may also be called by such other officers or persons or
15 number or proportion of members as may be provided in the
16 articles of incorporation or the bylaws. In the absence of a
17 provision fixing the number or proportion of members entitled to
18 call a meeting, a special meeting of members may be called by
19 members having one-twentieth of the votes entitled to be cast at
20 such meeting.

1 Sec. 14. Notice of members' meetings. Unless the articles
2 of incorporation or the bylaws otherwise provide, written notice
3 stating the place, day and hour of the meeting and, in case of a
4 special meeting, the purpose or purposes for which the meeting is
5 called, shall be delivered no less than ten nor more than fifty
6 days before the date of the meeting, either personally or by
7 mail, by or at the direction of the president, the secretary, or

8 the officer or persons calling the meeting, to each member
9 entitled to vote at such meeting. If mailed, such notice shall
10 be deemed to be delivered when deposited in the United States
11 mail addressed to the member at his address as it appears on the
12 records of the corporation, with postage thereon prepaid.

1 Sec. 15. Voting. The right of the members, or any class or
2 classes of members, to vote may be limited, enlarged or denied to
3 the extent specified in the articles of incorporation or, if the
4 articles of incorporation so provide, by the bylaws. Unless so
5 limited, enlarged or denied, each member, regardless of class,
6 shall be entitled to one vote on each matter submitted to a vote
7 of members.

8 A member entitled to vote may vote in person or, unless the
9 articles of incorporation or the bylaws otherwise provide, may
10 vote by proxy executed in writing by the member or by his duly
11 authorized attorney-in-fact. No proxy shall be valid after
12 eleven months from the date of its execution, unless otherwise
13 provided in the proxy. Where directors or officers are to be
14 elected by members the bylaws may provide that such elections may
15 be conducted by mail.

16 The articles of incorporation may provide that in all
17 elections for directors every member entitled to vote shall have
18 the right to cumulate his vote and to give one candidate a number
19 of votes equal to his vote multiplied by the number of directors
20 to be elected, or by distributing such votes on the same
21 principle among any number of such candidates.

22 If a corporation has no members or its members have no right
23 to vote, the directors shall have the sole voting power.

1 Sec. 16. Quorum. The bylaws may provide the number or

2 percentage of members entitled to vote represented in person or
3 by proxy, or the number or percentage of votes represented in
4 person or by proxy, which shall constitute a quorum at a meeting
5 of members. In the absence of any such provision, members
6 holding one-tenth of the votes entitled to be cast on the matter
7 to be voted upon represented in person or by proxy shall
8 constitute a quorum. A majority of the votes entitled to be cast
9 on a matter to be voted upon by the members present or
10 represented by proxy at a meeting at which a quorum is present
11 shall be necessary for the adoption thereof unless a greater
12 proportion is required by this Act, the articles of incorporation
13 or the bylaws.

1 Sec. 17. Board of directors. The affairs of a corporation
2 shall be managed by a board of one or more directors. Directors
3 need not be residents of this state or members of the corporation
4 unless the articles of incorporation so require. The articles of
5 incorporation or the bylaws may prescribe other qualifications
6 for directors.

1 Sec. 18. Number and election of directors. The number of
2 directors shall be fixed by the bylaws, except as to the number
3 constituting the initial board of directors, which number shall
4 be fixed by the articles of incorporation. The number of
5 directors may be increased or decreased from time to time by
6 amendment to the bylaws, unless the articles of incorporation
7 provide that a change in the number of directors shall be made
8 only by amendment of the articles of incorporation. No decrease
9 in number shall have the effect of shortening the term of any
10 incumbent director. In the absence of a bylaw fixing the number
11 of directors, the number shall be the same as that stated in the

12 articles of incorporation.

13 The directors constituting the first board of directors
14 shall be named in the articles of incorporation and shall hold
15 office until the first annual election of directors or for such
16 other period as may be specified in the articles of incorporation
17 or the bylaws. Thereafter, directors shall be elected or
18 appointed in a manner and for the terms provided in the articles
19 of incorporation or the bylaws. In the absence of a provision
20 fixing the term of office, the term of office of a director shall
21 be one year.

22 Directors may be divided into classes and the terms of
23 office of the several classes need not be uniform. Each director
24 shall hold office for the term for which he is elected or
25 appointed and until his successor shall have been elected or
26 appointed and qualified.

27 A director may be removed from office pursuant to any
28 procedure therefor provided in the articles of incorporation.

1 Sec. 19. Vacancies. Any vacancy occurring in the board of
2 directors and any directorship to be filled by reason of an
3 increase in the number of directors may be filled by the
4 affirmative vote of a majority of the remaining directors, though
5 less than a quorum of the board of directors unless the articles
6 of incorporation or the bylaws provide that a vacancy or
7 directorship so created shall be filled in some other manner, in
8 which case such provision shall control.

9 Unless otherwise provided in the articles of incorporation or
10 the bylaws, a director so elected or appointed shall be elected
11 or appointed for the unexpired term of his predecessor in office
12 or the full term of such new directorship.

1 Sec. 20. Quorum of directors. A majority of the number of
2 directors fixed by the bylaws, or in the absence of a bylaw
3 fixing the number of directors, then of the number stated in the
4 articles of incorporation, shall constitute a quorum for the
5 transaction of business unless otherwise provided in the articles
6 of incorporation or the bylaws; but in no event shall a quorum
7 consist of less than one third of the number of directors so
8 fixed or stated. The act of the majority of the directors
9 present at a meeting at which a quorum is present shall be the
10 act of the board of directors, unless the act of a greater number
11 is required by this Act, the articles of incorporation or the
12 bylaws.

1 Sec. 21. Committees. If the articles of incorporation or
2 the bylaws so provide, the board of directors, by resolution
3 adopted by a majority of the full board of directors, may
4 designate from among its members an executive committee and one
5 or more other committees each of which, to the extent provided in
6 such resolution or in the articles of incorporation or the
7 bylaws of the corporation, shall have and may exercise all the
8 authority of the board of directors; but no such committee shall
9 have the authority of the board of directors in reference to
10 amending the articles of incorporation, adopting a plan of merger
11 or consolidation, recommending to the members the sale, lease,
12 exchange or other disposition of all or substantially all the
13 property and assets of the corporation, recommending to the
14 members a voluntary dissolution of the corporation or a
15 revocation thereof, or amending the bylaws of the corporation.
16 The designation of any such committee and the delegation thereto
17 of authority shall not operate to relieve the board of directors,

18 or any member thereof, of any responsibility imposed by law.

1 Sec. 22. Place and notice of directors' meetings. Meetings
2 of the board of directors, regular or special, may be held either
3 within or without this state, and upon such notice as the bylaws
4 may prescribe. Attendance of a director at any meeting shall
5 constitute a waiver of notice of such meeting except where a
6 director attends a meeting for the express purpose of objecting
7 to the transaction of any business because the meeting is not
8 lawfully called or convened. Neither the business to be
9 transacted at, nor the purpose of, any regular or special meeting
10 of the board of directors need be specified in the notice or
11 waiver of notice of such meeting unless required by the bylaws.

1 Sec. 23. Officers. The officers of a corporation shall
2 consist of a president, one or more vice-presidents, a secretary,
3 a treasurer and such other officers and assistant officers as may
4 be deemed necessary, each of whom shall be elected or appointed
5 at such time and in such manner and for such terms as may be
6 prescribed in the articles of incorporation or the bylaws. In
7 the absence of any such provision, all officers shall be elected
8 or appointed annually by the board of directors. Any two or more
9 offices may be held by the same person.

10 The articles of incorporation or the bylaws may provide
11 that any one or more officers of the corporation shall be
12 ex officio members of the board of directors.

13 The officers of a corporation may be designated by such
14 additional titles as may be provided in the articles of
15 incorporation or the bylaws.

1 Sec. 24. Removal of officers. Unless otherwise provided
2 in the articles of incorporation, any officers elected or

3 appointed may be removed by the persons authorized to elect
4 or appoint such officer whenever in their judgment the
5 best interests of the corporation will be served thereby.
6 The removal of an officer shall be without prejudice to the
7 contract rights, if any, of the officer so removed. Election
8 or appointment of an officer or agent shall not of itself
9 create contract rights.

1 Sec. 25. Books and records. Each corporation shall keep
2 correct and complete books and records of account and shall
3 keep minutes of the proceedings of its members, board of
4 directors and committees having any of the authority of the
5 board of directors; and shall keep at its registered office or
6 principal office in this state a record of the names and
7 addresses of its members entitled to vote. All books and
8 records of a corporation may be inspected by any member, or his
9 agent or attorney, for any proper purpose at any reasonable time.

1 Sec. 26. Shares of stock and dividends. A
2 corporation shall not have or issue shares of stock. No dividend
3 shall be paid and no part of the income or profit of a
4 corporation shall be distributed to its members, directors or
5 officers. A corporation may pay compensation in a reasonable
6 amount to its members, directors or officers for services
7 rendered, may confer benefits upon its members in conformity with
8 its purposes, and upon dissolution or final liquidation may make
9 distributions to its members as permitted by this Act, and no
10 such payment, benefit or distribution shall be deemed to be a
11 dividend or a distribution of income or profit.

1 Sec. 27. Loans to directors and officers prohibited. No
2 loans shall be made by a corporation to its directors or

3 officers. Any director or officer who assents to or participates
4 in the making of any loan shall be liable to the
5 corporation for the amount of such loan until the repayment
6 thereof.

1 Sec. 28. Incorporators. One or more persons defined in
2 this Act having capacity to contract, may act as incorporators of
3 a corporation by signing, acknowledging and delivering to the
4 secretary of state articles of incorporation for such
5 corporation.

1 Sec. 29. Articles of incorporation. The articles of
2 incorporation shall set forth:
3 1. The name of the corporation and the chapter of the Code
4 or Session Laws under which incorporated.
5 2. The period of duration if for a limited period, but in
6 the absence of any statement in the articles all corporations
7 organized hereunder shall have perpetual duration.
8 3. The purpose or purposes for which the corporation is
9 organized.
10 4. Any provision, not inconsistent with law, which the
11 incorporators elect to set forth in the articles of incorporation
12 for the regulation of the internal affairs of the corporation,
13 including any provision for distribution of assets on dissolution
14 or final liquidation.
15 5. The address of its initial registered office including
16 street and number, if any, the name of the county in which the
17 registered office is located, and the name of its initial
18 registered agent or agents at such address.
19 6. The number of directors constituting the initial board
20 of directors and the names and addresses of the persons who are

21 to serve as the initial directors.

22 7. Any provision not inconsistent with law or the purposes
23 for which the corporation is organized, which the incorporators
24 elect to set forth; or any provision limiting any of the
25 corporate powers enumerated in this Act.

26 8. The date on which the corporate existence shall begin,
27 which may be any date identified by year, month and day not more
28 than ninety days in the future. In the absence of any statement
29 in the articles as to date of beginning of corporate existence,
30 such existence shall commence on the date on which the secretary
31 of state issues the certificates of incorporation.

32 9. The name and address of each incorporator.

33 It shall not be necessary to set forth in the articles of
34 incorporation any of the corporate powers enumerated in this Act.
35 Unless the articles of incorporation provide that a change
36 in the number of directors shall be made only by amendment to the
37 articles of incorporation, a change in the number of directors
38 made by amendment to the bylaws shall be controlling. In all
39 other cases, whenever a provision of the articles of
40 incorporation is inconsistent with a bylaw, the provision of the
41 articles of incorporation shall be controlling.

1 Sec. 30. Filing and recording of articles of incorporation.
2 The articles of incorporation shall be delivered to the secretary
3 of state for filing and recording in his office, and the same
4 shall be filed and recorded in the office of the county recorder.
5 The secretary of state upon the filing of such articles shall
6 issue a certificate of incorporation and send the same to the
7 corporation or its representative.

1 Sec. 31. Effect of issuance of certificate of

2 incorporation. Upon the issuance of the certificate of
3 incorporation, the corproate existence shall begin unless the
4 certificate in conformity with a provision in the articles
5 provides that it shall begin on a stated day in the future in
6 which event the corporate existence shall without further action
7 by either the incorporators or the secretary of state begin on
8 the day so stated. Such certificate of incorporation shall be
9 conclusive evidence that all conditions precedent required to be
10 performed by the incorporators have been complied with and that
11 the corporation has been incorporated under this Act except as
12 against this state in a proceeding to cancel or revoke the
13 certificate of incorporation or for involuntary dissolution of
14 the corporation.

1. Sec. 32. Procedure for filing and recording documents.
2 If in this Act, it is required that any document be:
3 1. Filed in the office of the secretary of state, the
4 secretary of state, when he finds that such document confroms to
5 law and when all fees and taxes due him have been paid as in this
6 Act prescrbied, shall endorse on such document, the word "Filed",
7 and the month, day and year of the filing thereof and file the
8 same in his office:
9 2. Recorded in the office of the secretary of state, the
10 secretary of state, upon filing thereof, shall record the same;
11 3. Filed and recorded in the office of the county recorder,
12 the secretary of state upon recording such document in his office
13 shall forward the same to the county recorder of the county
14 wherein the registered office of the corporation is located, and
15 shall forward a duplicate executed copy certified by him as a
16 true copy of the filed original to such other county recorder, if

17 any, as is required by this Act. Upon receipt thereof and upon
18 receipt of recording fees due him, such county recorder shall
19 record and index such instrument and endorse thereon the date of
20 filing in such county and the book and page in which recorded.
21 The recorder of each county shall keep in his office an
22 alphabetically subdivided index book for articles of
23 incorporation and other instruments the recording of which in his
24 office is provided for by this Act, which book shall have as a
25 minimum, columns headed with "Name of Corporation", "Place of
26 Registered Office", "Day, Month and Year of Filing" and the
27 reference to the book and page or other record where recorded and
28 shall make appropriate entries in said index for each such
29 instrument recorded by him.
30 Any instrument required to be filed and recorded in the
31 office of the secretary of state only, shall be returned by him
32 to the corporation or its representative. Any instrument
33 required to be filed and recorded in the office of the county
34 recorder shall be returned by him to the corporation or its
35 representative.
1 Sec. 33. Organization meetings. After the issuance of the
2 certificate of incorporation an organization meeting of the board
3 of directors named in the articles of incorporation may be held,
4 either within or without this state, at the call of a majority of
5 the incorporators, for the purpose of adopting bylaws, electing
6 officers, if necessary, and the transaction of such other
7 business as may come before the meeting. The incorporators
8 calling the meeting shall give at least three days' notice
9 thereof by mail to each director so named, which notice shall
10 state the time and place of the meeting.

11 A first meeting of the members may be held at the call of
12 the directors, or a majority of them, upon at least three days'
13 notice, for the purposes as shall be stated in the notice of
14 the meeting.

1 Sec. 34. Right to amend articles of incorporation. A
2 corporation may amend its articles of incorporation, from time to
3 time, in any and as many respects as may be desired, so long as
4 its articles of incorporation as amended contain only such
5 provisions as are lawful under this Act.

1 Sec. 35. Procedure to amend articles of incorporation.
2 Amendments to the articles of incorporation shall be made in the
3 following manner:

4 1. Where there are members entitled to vote thereon, the
5 board of directors shall adopt a resolution setting forth the
6 proposed amendment and directing that it be submitted to a vote
7 at a meeting of members entitled to vote thereon which may be
8 either an annual or a special meeting. Unless otherwise provided
9 in the articles of incorporation, upon the written request of at
10 least five per cent of the members entitled to vote on amendments
11 to articles of incorporation, the board of directors shall adopt
12 a resolution setting forth the amendment proposed by such members
13 and directing that it be submitted to the next meeting of the
14 members entitled to vote thereon held not less than ninety days
15 after the date of the filing of the request of the members with
16 the secretary of the corporation. Written notice setting forth
17 the proposed amendment or a summary of the changes to be
18 effected thereby shall be given to each member entitled to vote
19 at such meeting within the time and in the manner provided in
20 this Act for the giving of notice of meetings of members. The

21 proposed amendment shall be adopted upon receiving at least two-
22 thirds of the votes which members present at such meeting or
23 represented by proxy are entitled to cast.
24 2. Where there are no members, or no members entitled to vote
25 thereon, an amendment shall be adopted at a meeting of the board
26 of directors upon receiving the vote of a majority of the
27 directors in office.
28 Any number of amendments may be submitted and voted upon at
29 any one meeting.
1 Sec. 36. Articles of amendment. The articles of amendment
2 shall be executed by the corporation by its president or a vice-
3 president and by its secretary or an assistant secretary, and
4 acknowledged by one of the officers signing such articles, and
5 shall set forth:
6 1. The name of the corporation and the effective date of
7 its incorporation; and its original name if different from the
8 present name.
9 2. The amendment so adopted.
10 3. Where there are members entitled to vote thereon, (a) a
11 statement setting forth the date of the meeting of members at
12 which the amendment was adopted, that a quorum was present at
13 such meeting, and that such amendment received at least two-
14 thirds of the votes which members present at such meeting or
15 represented by proxy were entitled to cast, or (b) a statement
16 that such amendment was adopted by a consent in writing signed
17 by all members entitled to vote with respect thereto.
18 4. Where there are no members, or no members entitled to vote
19 thereon, a statement of such fact, the date of the meeting of the
20 board of directors at which the amendment was adopted, and a

21 statement of the fact that such amendment received the vote of a
22 majority of the directors in office.

1 Sec. 37. Filing of articles of amendment. The articles of
2 amendment shall be delivered to the secretary of state for filing
3 and recording in his office, and the same shall be filed and
4 recorded in the office of the county recorder. The secretary of
5 state upon the filing of the articles of amendment shall issue a
6 certificate of amendment and send the same to the corporation or
7 its representative.

1 Sec. 38. Effect of certificate of amendment. Upon the
2 issuance of the certificate of amendment by the secretary of
3 state, the amendment shall become effective and the articles of
4 incorporation shall be deemed to be amended accordingly.
5 No amendment shall affect any existing cause of action in
6 favor of or against such corporation, or any pending action to
7 which such corporation shall be a party, or the existing rights
8 of persons other than members; and, in the event the corporate
9 name shall be changed by amendment, no suit brought by or against
10 such corporation under its former name shall abate for that
11 reason.

1 Sec. 39. Restated articles of incorporation. A domestic
2 corporation may at any time restate its articles of
3 incorporation, which may be amended by such restatement, so long
4 as its articles of incorporation as so restated contain only such
5 provisions as might be lawfully contained in original articles of
6 incorporation at the time of making such restatement, by the
7 adoption of restated articles of incorporation, including any
8 amendments to its articles of incorporation to be made thereby,
9 in the following manner:

10 1. Where there are members having voting rights, the board
11 of directors shall adopt a resolution setting forth the proposed
12 restated articles of incorporation, which may include an
13 amendment or amendments to the corporation's articles of
14 incorporation to be made thereby and directing that such restated
15 articles, including such amendment or amendments be submitted to
16 a vote at a meeting of members having voting rights, which may be
17 either an annual or a special meeting.
18 2. Written or printed notice setting forth the proposed
19 restated articles or a summary of the provisions thereof shall be
20 given to each member entitled to vote at such meeting within the
21 time and in the manner provided in this Act for the giving of
22 notice of meetings of members. If the restated articles include
23 an amendment or amendments to the articles of incorporation to be
24 made thereby, the notice shall separately set forth such
25 amendment or amendments or a summary of the changes to be
26 effected thereby.
27 3. The proposed restated articles shall be adopted upon
28 receiving at least two-thirds of the votes which members present
29 at such meeting or represented by proxy are entitled to cast,
30 unless such restated articles include an amendment to the
31 articles of incorporation to be made thereby which, if contained
32 in a proposed amendment to the articles of incorporation to be
33 made without restatement of the articles of incorporation, would
34 entitle a class of members to vote as a class thereon, in which
35 event the proposed restated articles shall be adopted upon
36 receiving the affirmative vote of at least two-thirds of the
37 members of each class entitled to vote thereon as a class, and of
38 the total members entitled to vote thereon.

39 4. Where there are no members, or no members having voting
40 rights, proposed restated articles of incorporation, which may
41 include an amendment or amendments to the corporation's articles
42 of incorporation to be made thereby shall be adopted at a meeting
43 of the board of directors upon receiving the vote of a majority
44 of the directors in office.

45 Upon such approval, restated articles of incorporation shall
46 be executed by the corporation by its president or vice-president
47 and by its secretary or assistant secretary, and verified by one
48 of the officers signing the same, and shall set forth, as then
49 stated in the corporation's articles of incorporation and, if the
50 restated articles of incorporation include an amendment or
51 amendments to the articles of incorporation to be made thereby, as
52 so amended:

53 a. The name of the corporation;

54 b. If its duration is for a limited period, the date of
55 expiration;

56 c. The purpose or purposes for which the corporation is
57 organized;

58 d. If the members are divided into classes, the designation
59 of each class and a statement of the preferences, voting rights,
60 if any, limitations and relative rights in respect of the members
61 of each class;

62 e. Any other provisions, not inconsistent with law or the
63 purposes which the corporation is authorized to pursue, which
64 are to be set forth in articles of incorporation; except that it
65 shall not be necessary to set forth in the restated articles of
66 incorporation any of the corporate powers enumerated in this Act
67 nor any statement with respect to the chapter of the Code or

68 Sessions Laws under which the corporation was incorporated, its
69 registered office, registered agent, directors, or incorporators,
70 or the date on which its corporate existence began.
71 The restated articles of incorporation shall also set forth
72 a statement that they correctly set forth the provisions of the
73 articles of incorporation as theretofore or thereby amended, that
74 they have been duly adopted as required by law and that they
75 supersede the original articles of incorporation and all
76 amendments thereto.
77 The restated articles of incorporation shall be delivered
78 to the secretary of state for filing and recording in his office
79 and the same shall be filed and recorded in the office of the
80 county recorder.
81 The secretary of state upon filing the restated articles of
82 incorporation shall issue a restated certificate of incorporation
83 and send the same to the corporation or its representative.
84 Upon the issuance of the restated certificate of incorporation
85 by the secretary of state, the restated articles of
86 incorporation, including any amendment or amendments to the
87 articles of incorporation made thereby, shall become effective
88 and shall supersede the original arteiles of incorporation and
89 all amendments thereto.
1 Sec. 40. Procedure for merger. Any two or more domestic
2 corporations may merge into one of such corporations, pursuant
3 to a plan of merger approved in the manner prescribed by this
4 Act.
5 Each corporation shall adopt a plan of merger setting forth:
6 1. The names of the corporations proposing to merge, and
7 the name of the corporation into which they propose to merge,

8 which is hereinafter designated as the surviving corporation.

9 2. The terms and conditions of the proposed merger.

10 3. A statement of any changes in the articles of

11 incorporation of the surviving corporation to be effected by such

12 merger.

13 4. Such other provisions with respect to the proposed

14 merger as are deemed necessary or desirable.

1 Sec. 41. Procedure for consolidation. Any two or more

2 domestic corporations may consolidate into a new corporation

3 pursuant to a plan of consolidation approved in the manner

4 prescribed by this Act.

5 Each such corporation shall adopt a plan of consolidation

6 setting forth:

7 1. The names of the corporations proposing to consolidate,

8 and the name of the new corporation into which they propose to

9 consolidate, which is hereinafter designated as the new

10 corporation.

11 2. The terms and conditions of the proposed consolidation.

12 3. With respect to the new corporation, all of the

13 statements required to be set forth in articles of incorporation

14 for corporations organized under this Act.

15 4. Such other provisions with respect to the proposed

16 consolidation as are deemed necessary or desirable.

1 Sec. 42. Approval of merger or consolidation. A plan of

2 merger or consolidation shall be adopted by each domestic

3 corporation in the following manner:

4 1. Where the members of any merging or consolidating

5 corporation are entitled to vote thereon, the board of directors

6 of such corporation shall adopt a resolution approving the

7 proposed plan and directing that it be submitted to a vote at a
8 meeting of members entitled to vote thereon, which may be either
9 an annual or a special meeting. Written notice setting forth
10 the proposed plan or a summary thereof shall be given to each
11 member entitled to vote thereon at such meeting within the time
12 and in the manner provided in this Act for the giving of notice
13 of meetings of members. The proposed plan shall be adopted upon
14 receiving at least two-thirds of the votes which members present
15 at each meeting or represented by proxy are entitled to
16 cast.

17 2. Where any merging or consolidating corporation has no
18 members, or no members entitled to vote thereon, a plan of merger
19 or consolidation shall be adopted at a meeting of the board of
20 directors of such corporation upon receiving the vote of a
21 majority of the directors in office.

22 After such approval, and at any time prior to the filing of
23 the articles of merger or consolidation, the merger or
24 consolidation may be abandoned pursuant to provisions thereof, if
25 any, set forth in the plan of merger or consolidation.

1 Sec. 43. Articles of merger or consolidation. Upon such
2 approval, articles of merger or articles of consolidation shall
3 be executed by each corporation by its president or a vice-
4 president and by its secretary or an assistant secretary, and
5 acknowledged by one of the officers of each corporation signing
6 such articles, and shall set forth:

7 1. The plan of merger or the plan of consolidation.

8 2. Where the members of any merging or consolidating
9 corporation are entitled to vote thereon, then as to each such
10 corporation (a) a statement setting forth the date of the meeting

11 of members at which the plan was adopted, that a quorum was
12 present at such meeting, and that such plan received at least
13 two-thirds of the votes which members present at such meeting or
14 represented by proxy were entitled to cast, or (b) a statement
15 that such amendment was adopted by a consent in writing signed by
16 all members entitled to vote with respect thereto.
17 3. Where any merging or consolidating corporation has no
18 members, or no members entitled to vote thereon, then as to each
19 such corporation a statement of such fact, the date of the
20 meeting of the board of directors at which the plan was adopted
21 and a statement of the fact that such plan received the vote of a
22 majority of the directors in office.
23 The articles of merger or articles of consolidation shall be
24 delivered to the secretary of state for filing and recording in
25 his office, and the same shall be filed and recorded in the
26 office of the recorder of each county in which the registered
27 office of each domestic merging or consolidating corporation was
28 located prior to the merger or consolidation and, if the new
29 corporation into which the corporations have consolidated is a
30 domestic corporation, in the office of the recorder of the county
31 in which the registered office of the new corporation is located.
32 The secretary of state upon the filing of the articles of
33 merger or articles of consolidation shall issue a certificate of
34 merger or a certificate of consolidation and send the same to the
35 surviving or new corporation as the case may be, or to its
36 representative.
1 Sec. 44. Effect of merger or consolidation. Upon the
2 issuance of the certificate of merger or the certificate of
3 consolidation by the secretary of state, the merger or

4 consolidation shall be effected.

5 When such merger or consolidation has been effected:

6 1. The several corporations parties to the plan of merger
7 or consolidation shall be a single corporation, which, in the
8 case of a merger, shall be that corporation designated in the
9 plan of merger as the surviving corporation, and, in the case of
10 consolidation, shall be the new corporation provided for in the
11 plan of consolidation.

12 2. The separate existence of all corporations parties to
13 the plan of merger or consolidation, except the surviving or new
14 corporation, shall cease.

15 3. Such surviving or new corporation, if to exist under the
16 laws of this state, shall have all the rights, privileges,
17 immunities and powers and shall be subject to all the duties and
18 liabilities of a corporation organized under this Act.

19 4. Such surviving or new corporation shall thereupon and
20 thereafter posses all the rights, privileges, immunities, and
21 franchises, as well of a public as a private nature, of each
22 of the merging or consolidating corporations; and all property,
23 real, personal and mixed, and all debts due on whatever account,
24 and all other choses in action, and all and every other interest,
25 of or belonging to or due to each of the corporations so merged
26 or consolidated, shall be taken and deemed to be transferred to
27 and vested in such single corporation without further act or
28 deed; and the title to any real estate, or any interest therein,
29 vested in any of such corporations shall not revert or be in any
30 way impaired by reason of such merger or consolidation.

31 5. Such surviving or new corporation shall thenceforth be
32 responsible and liable for all the liabilities and obligations of

33 each of the corporations so merged or consolidated; and any claim
34 existing or action or proceeding pending by or against any of
35 such corporations may be prosecuted as if such merger or
36 consolidation had not taken place, or such surviving or new
37 corporation may be substituted in its place. Neither the rights
38 of creditors nor any liens upon the property of any such
39 corporation shall be impaired by such merger or consolidation.
40 6. In the case of a merger, the articles of incorporation
41 of the surviving corporation shall be deemed to be amended to the
42 extent, if any, that changes in its articles of incorporation are
43 stated in the plan of merger; and, in the case of a
44 consolidation, the statements set forth in the articles of
45 consolidation and which are required or permitted to be set forth
46 in the articles of incorporation of corporations organized under
47 this Act shall be deemed to be the original articles of
48 incorporation of the new corporation.
1 Sec. 45. Merger or consolidation of domestic and foreign
2 corporations. One or more foreign corporations and one or more
3 domestic corporations may be merged or consolidated in the
4 following manner, if such merger or consolidation is permitted by
5 the laws of the state under which each such foreign corporation
6 is organized:
7 1. Each domestic corporation shall comply with the provisions
8 of this Act with respect to the merger or consolidation, as the
9 case may be, of domestic corporations and each foreign
10 corporation shall comply with the applicable provisions of the
11 laws of the state under which it is organized.
12 2. If the surviving or new corporation, as the case may be,
13 is to be governed by the laws of any state other than this state,

14 it shall comply with the provisions of this Act with respect to
15 qualification of foreign corporations if it is to conduct
16 affairs in this state, and in every case it shall file with the
17 secretary of state of this state:
18 a. an agreement that it may be served with process in this
19 state in any proceeding for the enforcement of any obligation
20 of any domestic corporation which is a party to such merger or
21 consolidation; and
22 b. an irrevocable appointment of the secretary of state of
23 this state as its agent to accept services of process in any such
24 proceeding.
25 The effect of such merger or consolidation shall be the same
26 as in the case of the merger or consolidation of domestic
27 corporations, if the surviving or new corporation is to be
28 governed by the laws of this state. If the surviving or new
29 corporation is to be governed by the laws of any state other than
30 this state, the effect of such merger or consolidation shall be
31 the same as in the case of the merger or consolidation of
32 domestic corporations except insofar as the laws of the other
33 state provide otherwise.
34 At any time prior to the filing of the articles of merger
35 or consolidation, the merger or consolidation may be
36 abandoned pursuant to provisions therefor, if any, set forth
37 in the plan of merger or consolidation.
1 Sec. 46. Sale, lease, exchange, or mortgage of assets. A
2 sale, lease, exchange or other disposition of all, or
3 substantially all, the property and assets of a corporation may
4 be made upon such terms and conditions and for such
5 consideration, which may consist in whole or in part of money or

6 property, real or personal, including shares of any corporation
7 for profit, domestic or foreign, as may be authorized in the
8 following manner:
9 1. Where there are members entitled to vote thereon, the
10 board of directors shall adopt a resolution recommending such
11 sale, lease, exchange or other disposition and directing that it
12 be submitted to a vote at a meeting of members entitled to vote
13 thereon, which may be either an annual or a special meeting.
14 Written notice stating that the purpose, or one of the purposes,
15 of such meeting is to consider the sale, lease, exchange or other
16 disposition of all, or substantially all, the property and assets
17 of the corporation shall be given to each member entitled to vote
18 at such meeting, within the time and in the manner provided by
19 this Act for the giving of notice of meetings of members. At
20 such meeting the members may authorize such sale, lease, exchange
21 or other disposition and may fix, or may authorize the board of
22 directors to fix, any or all of the terms and conditions thereof
23 and the consideration to be received by the corporation therefor.
24 Such authorization shall require at least two-thirds of the votes
25 which members present at such meeting or represented by proxy are
26 entitled to cast. After such authorization by a vote of members,
27 the board of directors, nevertheless, in its discretion, may
28 abandon such sale, lease, exchange or other disposition of
29 assets, subject to the rights of third parties under any
30 contracts relating thereto, without further action or approval by
31 members.
32 2. Where there are no members, or no members entitled to vote
33 thereon, a sale, lease, exchange or other disposition of all, or
34 substantially all, the property and assets of a corporation shall

35 be authorized upon receiving the vote of a majority of the
36 directors in office.
37 3. Unless otherwise provided in the articles of incorporation
38 a mortgage or pledge of any or all property and assets of the
39 corporation may be made upon such terms and conditions and for
40 such consideration, which may consist in whole or in part of
41 money or property, real or personal, including shares of any
42 other corporation, domestic or foreign, as shall be authorized by
43 its boards of directors; and in such case no authorization or
44 consent of the members shall be required.
1 Sec. 47. Voluntary dissolution. A corporation may dissolve
2 and wind up its affairs in the following manner:
3 1. Where there are members entitled to vote thereon, the
4 board of directors shall adopt a resolution recommending that the
5 corporation be dissolved, and directing that the question of such
6 dissolution be submitted to a vote at a meeting of members
7 entitled to vote thereon, which may be either an annual or a
8 special meeting. Written notice stating that the purpose, or
9 one of the purposes, of such meeting is to consider the
10 advisability of dissolving the corporation, shall be given to
11 each member entitled to vote at such meeting, within the time and
12 in the manner provided in this Act for the giving of notice of
13 meetings of members. A resolution to dissolve the corporation
14 shall be adopted upon receiving at least two-thirds of the votes
15 which members present at such meeting or represented by proxy are
16 entitled to cast.
17 2. Where there are no members, or no members entitled to vote
18 thereon, the dissolution of the corporation shall be authorized
19 at a meeting of the board of directors upon the adoption of a

20 resolution to dissolve by the vote of a majority of the directors
21 in office.
22 Upon the adoption of such resolution by the members, or by
23 the board of directors where there are no members or no members
24 entitled to vote thereon, the corporation shall cease to conduct
25 its affairs except insofar as may be necessary for the winding up
26 thereof, shall immediately cause a notice of the proposed
27 dissolution to be mailed to each known creditor of the
28 corporation, and shall proceed to collect its assets and apply
29 and distribute them as provided in this Act.
1 Sec. 48. Distribution of assets. The assets of a
2 corporation in the process of dissolution shall be applied and
3 distributed as follows:
4 1. All liabilities and obligations of the corporation shall
5 be paid and discharged, or adequate provision shall be made
6 therefor;
7 2. Assets held by the corporation upon condition requiring
8 return, transfer or conveyance, which condition occurs by reason
9 of the dissolution, shall be returned, transferred or conveyed in
10 accordance with such requirements;
11 3. Assets received and held by the corporation subject to
12 limitations permitting their use only for charitable, religious,
13 eleemosynary, benevolent, educational or similar purposes, but
14 not held upon a condition requiring return, transfer or
15 conveyance by reason of the dissolution, shall be transferred or
16 conveyed to one or more domestic or foreign corporations,
17 societies or organizations engaged in activities substantially
18 similar to those of the dissolving corporation, pursuant to a
19 plan of distribution adopted as provided in this Act;

20 4. Other assets, if any, shall be distributed in accordance
21 with the provisions of the articles of incorporation or the
22 bylaws to the extent that the articles of incorporation or bylaws
23 determine the distributive rights of members, or any class or
24 classes of members, or provide for distribution to others;
25 5. Any remaining assets may be distributed to such persons,
26 societies, organizations or domestic or foreign corporations,
27 whether for profit or nonprofit, as may be specified in a plan
28 of distribution adopted as provided in this Act.
1 Sec. 49. Plan of distribution. A plan providing for the
2 distribution of assets, not inconsistent with the provisions of
3 this Act, may be adopted by a corporation in the process of
4 dissolution and shall be adopted by a corporation for the purpose
5 of authorizing any transfer or conveyance of assets for which
6 this Act requires a plan of distribution, in the following
7 manner:
8 1. Where there are members entitled to vote thereon, the
9 board of directors shall adopt a resolution recommending a plan
10 of distribution and directing the submission thereof to a vote at
11 a meeting of members entitled to vote thereon, which may be
12 either an annual or a special meeting. Written notice setting
13 forth the proposed plan of distribution or a summary thereof
14 shall be given to each member entitled to vote at such meeting,
15 within the time and in the manner provided in this Act for the
16 giving of notice of meetings of members. Such plan of
17 distribution shall be adopted upon receiving at least two-thirds
18 of the votes which members present at such meeting or represented
19 by proxy are entitled to cast.
20 2. Where there are no members, or no members entitled to vote

21 thereon, a plan of distribution shall be adopted at a meeting of
22 the board of directors upon receiving a vote of a majority of the
23 directors in office.

1 Sec. 50. Revocation of voluntary dissolution proceedings.
2 A corporation may, at any time prior to the issuance of a
3 certificate of dissolution by the secretary of state, revoke the
4 action theretofore taken to dissolve the corporation, in the
5 following manner:

6 1. Where there are members entitled to vote thereon, the
7 board of directors shall adopt a resolution recommending that the
8 voluntary dissolution proceedings be revoked, and directing that
9 the question of such revocation be submitted to a vote at a
10 meeting of members entitled to vote thereon, which may be either
11 an annual or a special meeting. Written notice stating that the
12 purpose, or one of the purposes, of such meeting is to
13 consider the advisability of revoking the voluntary dissolution
14 proceedings, shall be given to each member entitled to vote at
15 such meeting, within the time and in the manner provided in this
16 Act for the giving of notice of meetings of members. A
17 resolution to revoke the voluntary dissolution proceedings shall
18 be adopted upon receiving at least two-thirds of the votes which
19 members present at such meeting or represented by proxy are
20 entitled to cast.

21 2. Where there are no members, or no members entitled to vote
22 thereon, a resolution to revoke the voluntary dissolution
23 proceedings shall be adopted at a meeting of the board of
24 directors upon receiving the vote of a majority of the directors
25 in office.

26 Upon the adoption of such resolution by the members, or by

27 the board of directors where there are no members or no members
28 entitled to vote thereon, the corporation may thereupon again
29 conduct its affairs.

1 Sec. 51. Articles of dissolution. If voluntary dissolution
2 proceedings have not been revoked, then when all debts,
3 liabilities and obligations of the corporation shall have been
4 paid and discharged, or adequate provision shall have been made
5 therefor, and all of the remaining property and assets of the
6 corporation shall have been transferred, conveyed or distributed
7 in accordance with the provisions of this Act, articles of
8 dissolution shall be executed by the corporation by its president
9 or a vice-president, and by its secretary or an assistant
10 secretary, and verified by one of the officers signing such
11 statement, which statement shall set forth:

12 1. The name of the corporation.

13 2. Where there are members entitled to vote thereon, (a) a
14 statement setting forth the date of the meeting of members at
15 which the resolution to dissolve was adopted, that a quorum
16 was present at such meeting, and that such resolution received at
17 least two-thirds of the votes which members present at such
18 meeting or represented by proxy were entitled to cast, or (b) a
19 statement that such resolution was adopted by a consent in
20 writing signed by all members entitled to vote with respect
21 thereto.

22 3. Where there are no members, or no members entitled to vote
23 thereon, a statement of such fact, the date of the meeting of the
24 board of directors at which the resolution to dissolve was
25 adopted and a statement of the fact that such resolution received
26 the vote of a majority of the directors in office.

27 4. That all debts, obligations, and liabilities of the
28 corporation have been paid and discharged or that adequate
29 provision has been made therefor.
30 5. A copy of the plan of distribution, if any, as adopted by
31 the croporation, or a statement that no plan was so adopted.
32 6. That all the remaining property and assets of the
33 corporation have been transferred, conveyed or distributed in
34 accordance with the provisions of this Act.
35 7. That there are no suits pending against the corporation
36 in any court, or that adequate provision has been made for the
37 satisfaction of any judgment, order or decree which may be
38 entered against it in any pending suit.
1 Sec. 52. Filing of articles of dissolution. Such articles
2 of dissolution shall be delivered to the secretary of state for
3 filing and recording in his office, and the same shall be filed
4 and recorded in the office of the county recorder.
5 The secretary of state upon filing the articles of
6 dissolution shall issue a certificate of dissolution, and send
7 the same to the representative of the dissolved corporation.
8 Upon the issuance of such certificate of dissolution the
9 existence of the corporation shall cease, except for the purpose
10 of suits, other proceedings and appropriate corporate action by
11 members, directors and officers as provided in this Act.
1 Sec. 53. Involuntary dissolution. A corporation may be
2 dissolved involuntarily by a decree of the district court in an
3 action filed by the attorney general when it is established that:
4 1. The corporation has failed to file its annual report
5 within the time required by this Act; or
6 2. The corporation procured its articles of incorporation

7 through fraud; or

8 3. The corporation has continued to exceed or abuse the

9 authority conferred upon it by law; or

10 4. The corporation has failed for ninety days to appoint

11 and maintain a registered agent in this state; or

12 5. The corporation has failed for ninety days after change

13 of its registered agent to file in the office of the secretary of

14 state a statement of such change.

1 Sec. 54. Notification to attorney general. The secretary

2 of state, on or before the first day of July of each year, shall

3 certify to the attorney general the names of all corporations

4 which have failed to file their annual reports in accordance with

5 the provisions of this Act. He shall also certify, from time to

6 time, the names of all corporations which have given other cause

7 for dissolution as provided in this Act, together with the facts

8 pertinent thereto. Whenever the secretary of state shall certify

9 the name of a corporation to the attorney general as having given

10 any cause for dissolution, the secretary of state shall

11 concurrently mail to the corporation at its registered office a

12 notice that such certification has been made. Upon the receipt

13 of such certification, the attorney general shall file an action

14 in the name of the state against such corporation for its

15 dissolution. Every such certificate from the secretary of state

16 to the attorney general pertaining to the failure of a

17 corporation to file an annual report shall be taken and received

18 in all courts as prima-facie evidence of the facts therein

19 stated. If, before action is filed, the corporation shall file

20 its annual report, or shall appoint or maintain a registered

21 agent as provided in this Act, or shall file with the secretary

22 of state the required statement of change of registered agent,
23 such fact shall be forthwith certified by the secretary of state
24 to the attorney general and he shall not file an action against
25 such corporation for such cause. If, after action is filed, the
26 corporation shall file its annual report, or shall appoint or
27 maintain a registered agent as provided in this Act, or shall
28 file with the secretary of state the required statement of change
29 of registered agent, and shall pay the costs of such action, the
30 action for such cause shall abate.

1 Sec. 55. Venue and process. Every action for the
2 involuntary dissolution of a corporation shall be commenced by
3 the attorney general in the district court of the county in which
4 the registered office of the corporation is situated. Original
5 notice shall be served as in other civil actions. If process is
6 returned not found, the attorney general shall cause publication
7 to be made as in other civil cases in some newspaper published in
8 the county where the registered office of the corporation is
9 situated, containing a notice of the pendency of such action, the
10 title of the court, the title of the action, and the date on or
11 after which default may be entered. The attorney general may
12 include in one notice and in one petition the names of any number
13 of corporations against which actions are then pending in the
14 same county. The attorney general shall cause a copy of such
15 notice to be mailed to the corporation at its registered office
16 within ten days after the first publication thereof. The
17 certificate of the attorney general of the mailing of such notice
18 shall be prima-facie evidence thereof. Such notice shall be
19 published at least once each week for two successive weeks, and
20 the first publication thereof may begin at any time after the

21 original notice has been returned. Unless a corporation shall
22 have been served with original notice, no default shall be taken
23 against it earlier than thirty days after the last publication of
24 such notice.

1 Sec. 56. Jurisdiction of court to liquidate assets and
2 affairs of corporation. Courts of equity shall have full power
3 to liquidate the assets and affairs of a corporation:

4 1. In a suit by a member or director when it is
5 established:

6 a. That the directors are deadlocked in the management of
7 the corporate affairs and that irreparable injury to the
8 corporation is being suffered or is threatened by reason thereof,
9 and either that the members are unable to break the deadlock or
10 there are no members having voting rights; or

11 b. That the acts of the directors or those in control of
12 the corporation are illegal, oppressive or fraudulent; or

13 c. That the members entitled to vote in the election of
14 directors are deadlocked in voting power and have failed for
15 at least two years to elect successors to directors whose terms
16 have expired or would have expired upon election of their
17 successors; or

18 d. That the corporate assets are being misapplied or
19 wasted; or

20 e. That the corporation is unable to carry out its purposes.

21 2. In an action by a creditor:

22 a. When the claim of the creditor has been reduced to
23 judgment and an execution thereon has been returned unsatisfied
24 and it is established that the corporation is insolvent; or

25 b. When the corporation has admitted in writing that the

26 claim of the creditor is due and owing and it is established that
27 the corporation is insolvent.
28 3. Upon application by a corporation to have its
29 dissolution continued under the supervision of the court.
30 4. When an action has been filed by the attorney general to
31 dissolve a corporation and it is established that liquidation of
32 its affairs should precede the entry of a decree of dissolution.
33 Proceedings under this section shall be brought in the
34 county in which the registered office or the principal office of
35 the corporation is situated.
36 It shall not be necessary to make directors or members
37 parties to any such suit or proceedings unless relief is sought
38 against them personally.
1 Sec. 57. Procedure in liquidation of corporation by court.
2 In proceedings to liquidate the assets and affairs of a
3 corporation the court shall have the power to issue injunctions,
4 to appoint a receiver or receivers pendente lite, with such
5 powers and duties as the court, from time to time, may direct,
6 and to take such other proceedings as may be requisite to
7 preserve the corporate assets wherever situated, and carry on the
8 affairs of the corporation until a full hearing can be had.
9 After a hearing had upon such notice as the court may direct
10 to be given to all parties to the proceedings and to any other
11 parties in interest designated by the court, the court may
12 appoint a liquidating receiver or receivers with authority to
13 collect the assets of the corporation. Such liquidating receiver
14 or receivers shall have authority, subject to the order of the
15 court to sell, convey and dispose of all or any part of the
16 assets of the corporation wherever situated, either at public or

17 private sale. The order appointing such liquidating receiver or
18 receivers shall state their powers and duties. Such powers and
19 duties may be increased or diminished at any time during the
20 proceedings.

21 The assets of the corporation or the proceeds resulting from
22 a sale, conveyance, or other disposition thereof shall be applied
23 and distributed as follows:

24 1. All costs and expenses of the court proceedings and all
25 liabilities and obligations of the corporation shall be paid,
26 satisfied and discharged, or adequate provision shall be made
27 therefor;

28 2. Assets held by the corporation upon condition requiring
29 return, transfer or conveyance, which condition occurs by reason
30 of the dissolution or liquidation, shall be returned, transferred
31 or conveyed in accordance with such requirements;

32 3. Assets received and held by the corporation subject to
33 limitations permitting their use only for charitable, religious,
34 eleemosynary, benevolent, educational or similar purposes, but
35 not held upon a condition requiring return, transfer or
36 conveyance by reason of the dissolution or liquidation, shall be
37 transferred or conveyed to one or more domestic or foreign
38 corporations, societies or organizations engaged in activities
39 substantially similar to those of the dissolving or liquidating
40 corporation as the court may direct;

41 4. Other assets, if any, shall be distributed in accordance
42 with the provisions of the articles of incorporation or the
43 bylaws to the extent that the articles of incorporation or bylaws
44 determine the distributive rights of members, or any class or
45 classes of members, or provide for distribution to others;

46 5. Any remaining assets may be distributed to such persons,
47 societies, organizations or domestic or foreign corporations,
48 whether for profit or not for profit, specified in the plan of
49 distribution adopted as provided in this Act, or where no plan of
50 distribution has been adopted, as the court may direct.

51 The court shall have power to allow, from time to time, as
52 expenses of the liquidation compensation to the receiver or
53 receivers and to attorneys in the proceeding, and to direct the
54 payment thereof out of the assets of the corporation or the
55 proceeds of any sale or disposition of such assets.

56 A receiver of a corporation appointed under the provisions
57 of this section shall have authority to sue and defend in all
58 courts in his own name as receiver of such corporation. The
59 court appointing such receiver shall have exclusive jurisdiction
60 of the corporation and its property, wherever situated.

1 Sec. 58. Qualifications of receivers. A receiver shall in
2 all cases be a citizen of the United States or a corporation for
3 profit authorized to act as receiver, which corporation may be a
4 domestic corporation or a foreign corporation authorized to
5 transact business in this state, and shall in all cases give such
6 bond as the court may direct with such sureties as the court may
7 require.

1 Sec. 59. Filing of claims in liquidation proceedings. In
2 proceedings to liquidate the assets and affairs of a corporation
3 the court may require all creditors of the corporation to file
4 with the clerk of the court or with the receiver, in such form as
5 the court may prescribe, proofs under oath of their respective
6 claims. If the court requires the filing of claims it shall fix
7 a date, which shall be not less than four months from the date

8 of the order, as the last day for the filing of claims, and shall
9 prescribe the notice that shall be given to creditors and
10 claimants of the date so fixed. Prior to the date so fixed, the
11 court may extend the time for the filing of claims. Creditors
12 and claimants failing to file proofs of claim on or before the
13 date so fixed may be barred, by order of court, from
14 participating in the distribution of the assets of the
15 corporation.

1 Sec. 60. Discontinuance of liquidation proceedings. The
2 liquidation of the assets and affairs of a corporation may be
3 discontinued at any time during the liquidation proceedings when
4 it is established that cause for liquidation no longer exists.
5 In such event the court shall dismiss the proceedings and direct
6 the receiver to redeliver to the corporation all its remaining
7 property and assets.

1 Sec. 61. Decree of dissolution. In proceedings to
2 liquidate the assets and affairs of a corporation, when the costs
3 and expenses of such proceedings and all debts, obligations, and
4 liabilities of the corporation shall have been paid and
5 discharged and all of its remaining property and assets
6 distributed in accordance with the provisions of this Act, or in
7 case its property and assets are not sufficient to satisfy and
8 discharge such costs, expenses, debts, and obligations, and all
9 the property and assets have been applied so far as they will go
10 to their payment, the court shall enter a decree dissolving the
11 corporation, whereupon the existence of the corporation shall
12 cease.

1 Sec. 62. Filing of decree of dissolution. In case the
2 court shall enter a decree dissolving a corporation, it shall be

3 the duty of the clerk of such court to cause certified copies of
4 the decree to be filed with and recorded by the secretary of
5 state and the county recorder of the county in which is located
6 the corporation's registered office. No fee shall be charged by
7 the secretary of state or said county recorder for the filing or
8 recording thereof.

1 Sec. 63. Deposit with state treasurer.

2 1. Upon the voluntary or involuntary dissolution of a
3 corporation the portion of the assets distributable to any person
4 who is known, or who is under disability and there is no person
5 legally competent to receive such distributive portion, or who
6 cannot be found after the exerice of reasonable diligence by the
7 person or persons responsible for the distribution in liquidation
8 of the corporation's assets, shall be reduced to cash and
9 deposited with the state treasurer, together with a statement
10 giving the name of the person, if known, entitled to such fund,
11 his last known address, the amount of his distributive portion,
12 and such other information about such person as the state
13 treasurer may reasonably require, whereupon the person or persons
14 responsible for the distribution in liquidation of the
15 corporation's assets shall be released and discharged from any
16 further liability with respect to the funds so deposited. The
17 state treasurer shall issue his receipt for such fund and shall
18 deposit same in a special account to be maintained by him.

19 2. On receipt of satisfactory written and verified proof of
20 ownership of or right to such fund within twenty years from the
21 date such fund was so deposited, the state treasurer shall
22 certify such fact to the state comptroller, who shall issue
23 proper warrant therefor drawn on the state treasurer in favor of

24 the person or persons then entitled thereto. If no claimant has
25 made satisfactory proof of right to such fund within twenty years
26 from the time of such deposit, the state treasurer shall then
27 cause to be published in one issue of a newspaper of general
28 circulation in the county of the last registered office of the
29 corporation, as shown by the records of the secretary of state, a
30 notice of the proposed escheat of such fund, giving the name of
31 the person apparently entitled thereto, his last known address,
32 if any, the amount of the fund so deposited, and the name of the
33 dissolved corporation from whose assets such fund was derived.
34 If no claimant makes satisfactory proof of right to such fund
35 within two months from the time of such publication, the fund so
36 unclaimed shall thereupon automatically escheat to and become the
37 property of the general fund of the state.

1 Sec. 64. Survival of rights and remedies after dissolution
2 or expiration. The dissolution of a corporation or the
3 expiration of its period of duration, shall not take away or
4 impair any remedy available to or against such corporation, its
5 directors, officers, or members, for any right or claim existing,
6 or any liabiliey incurred, prior to such dissolution or
7 expiration, if action or other proceeding thereon in commenced
8 within two years after the date of such dissolution or
9 expiration. Any such action or proceeding by or against the
10 corporation may be prosecuted or defended by the corporation in
11 its corporate name. The members, directors and officers shall
12 have power to take such corporate or other action as shall be
13 appropriate to protect such remedy, right or claim. If the
14 period of duration of a corporation has expired, it may amend its
15 articles of incorporation at any time within five years after the

16 date of such expiration so as to extend its period of duration.
17 A corporation which has been dissolved or the period of
18 duration of which has expired by limitation or otherwise, may
19 nevertheless continue to act for the purpose of conveying title
20 to its property, real and personal, and otherwise winding up its
21 affairs.

1 Sec. 65. Admission of foreign corporation. No foreign
2 corporation shall have the right to conduct affairs in this state
3 until it shall have procured a certificate of authority so to do
4 from the secretary of state. No foreign corporation shall be
5 entitled to procure a certificate of authority under this Act to
6 conduct in this state any affairs which a corporation organized
7 under this Act is prohibited from conducting. A foreign
8 corporation shall not be denied a certificate of authority by
9 reason of the fact that the laws of the state or county under
10 which such corporation is organized governing its organization
11 and internal affairs differ from the laws of this state, and
12 nothing in this Act contained shall be construed to authorize
13 this state to regulate the organization or the internal affairs
14 of such corporation.
15 Without excluding other activities which may not constitute
16 conducting affairs in this state, a foreign corporation shall not
17 be considered to be conducting affairs in this state, for the
18 purposes of this Act, by reason of carrying on in this state any
19 one or more of the following activities:
20 1. Maintaining or defending any action or suit or any
21 administrative or arbitration proceeding, or effecting the
22 settlement thereof or the settlement of claims or disputes.
23 2. Holding meetings of its directors or members or carrying

24 on other activities concerning its internal affairs.

25 3. Maintaining bank accounts.

26 4. Creating evidences of debt, mortgages or liens on real

27 or personal property.

28 5. Securing or collecting debts due to it or enforcing any

29 rights in property securing the same.

30 6. Soliciting funds.

31 7. Conducting its affairs in interstate commerce.

32 8. Granting funds.

33 9. Distributing information to its members.

34 10. Conducting an isolated transaction completed within a

35 period of thirty days and not in the course of a number of

36 repeated transactions of like nature.

1 Sec. 66. Powers of foreign corporation. A foreign

2 corporation which shall have received a certificate of authority

3 under this Act, shall, until a certificate of revocation or of

4 withdrawal shall have been issued as provided in this Act, enjoy

5 the same, but no greater, rights and privileges as a domestic

6 corporation organized for the purposes set forth in the

7 application pursuant to which such certificate of authorization

8 is issued; and, except as in this Act otherwise provided, shall

9 be subject to the same duties, restrictions, penalties and

10 liabilities now or hereafter imposed upon a domestic corporation

11 of like character.

1 Sec. 67. Corporate name of foreign corporation. No

2 certificate of authority shall be issued to a foreign corporation

3 unless the corporate name of such corporation:

4 1. Shall not contain any word or phrase which indicates or

5 implies that it is organized for any purpose other than one or

6 more of the purposes contained in its articles of incorporation.

7 2. Shall not be the same as, or deceptively similar to, the

8 name of any corporation, whether for profit or not for profit,

9 existing under the laws of this state, or any foreign

10 corporation, whether for profit or not for profit, authorized to

11 transact business or conduct affairs in this state, or a

12 corporate name reserved or registered as permitted by the laws of

13 this state.

14 3. Shall be transliterated into letters of the English

15 alphabet, if it is not in English.

1 Sec. 68. Change of name by foreign corporation. Whenever

2 a foreign corporation which is authorized to conduct affairs in

3 this state shall change its name to one under which a certificate

4 of authority would not be granted to it on application therefor,

5 the certificate of authority of such corporation shall be

6 suspended and it shall not thereafter conduct any affairs in this

7 state until it has changed its name to a name which is available

8 to it under the laws of this state.

1 Sec. 69. Application for certificate of authority. A

2 foreign corporation, in order to procure a certificate of

3 authority to conduct affairs in this state, shall make

4 application therefor to the secretary of state, which application

5 shall set forth:

6 1. The name of the corporation and the state or country

7 under the laws of which it is organized.

8 2. The date of incorporation and the period of duration of

9 the corporation.

10 3. The address of the principal office of the corporation

11 in the state or country under the laws of which it is

12 incorporated.

13 4. The address of the proposed registered office of the
14 corporation in this state, and the name of its proposed
15 registered agent or agents in this state at such address.

16 5. The purpose or purposes of the corporation which it
17 purposes to pursue in conducting its affairs in this state.

18 6. The names and respective addresses of the directors and
19 officers of the corporation.

20 7. Such additional information as may be necessary or
21 appropriate in order to enable the secretary of state to
22 determine whether such corporation is entitled to a certificate
23 of authority to conduct affairs in this state.

24 Such application shall be made on forms prescribed and
25 furnished by the secretary of state and shall be executed in
26 duplicate by the corporation by its president or a vice-president
27 and by its secretary or an assistant secretary, and verified by
28 one of the officers signing such application.

1 Sec. 70. Filing of application for certificate of
2 authority. Duplicate originals of the application of the
3 corporation for a certificate of authority, together with a copy
4 of its articles of incorporation and all amendments thereto, duly
5 certified by the proper officer of the state or country under the
6 laws of which it is incorporated, shall be delivered to the
7 secretary of state for filing in his office.

8 Upon the filing of the application the secretary of state
9 shall issue a certificate of authority to conduct affairs in this
10 state to which he shall affix the other duplicate original
11 application, and send the same to the corporation or its
12 representative.

1 Sec. 71. Effect of certificate of authority. Upon the
2 issuance of a certificate of authority by the secretary of state,
3 the corporation shall be authorized to conduct affairs in this
4 state for those purposes set forth in its application, subject,
5 however, to the right of this state to suspend or to revoke such
6 authority as provided in this Act.

1 Sec. 72. Registered office and registered agent of foreign
2 corporation. Each foreign corporation authorized to conduct
3 affairs in this state shall have and continuously maintain in
4 this state:

5 1. A registered office which may be, but need not be, the
6 same as its principal office.

7 2. A registered agent or agents which may be either an
8 individual resident in this state whose business office is
9 identical with such registered office, or a domestic corporation,
10 whether for profit or not for profit, or a foreign corporation,
11 whether for profit or not for profit, authorized to transact
12 business or conduct affairs in this state, having an office
13 identical with such registered office.

1 Sec. 73. Change of registered office or registered agent of
2 foreign corporation. A foreign corporation authorized to conduct
3 affairs in this state may change its registered office or change
4 its registered agent or agents, or both office and agent or
5 agents, upon filing in the office of the secretary of state a
6 statement setting forth:

7 1. The name of the corporation.

8 2. The address of its then registered office.

9 3. If the address of its registered office be changed, the
10 address to which the registered office is to be changed.

11 4. The name of its then registered agent or agents.

12 5. If its registered agent or agents be changed, the name

13 of its successor registered agent or agents.

14 6. That the address of its registered office and the

15 address of the business office of its registered agent or agents,

16 as changed, will be identical.

17 7. That such change was authorized by resolution duly

18 adopted by its board of directors.

19 Such statement shall be executed by the corporation by its

20 president or a vice-president, and verified by him, and delivered

21 to the secretary of state. If the secretary of state finds that

22 such statement conforms to the provisions of this Act, he shall

23 file such statement in his office, and upon such filing the

24 change of address of the registered office, or the appointment of

25 a new registered agent or agents, or both, as the case may be,

26 shall become effective.

27 If a registered agent or agents change his, their or its

28 business address to another place within the same county, he,

29 they or it may change such address and the address of the

30 registered office of any corporations of which he, they or

31 it is registered agent by filing a statement as required above

32 for each corporation, or a single statement for all corporations

33 named therein, except that it need be signed only by the

34 registered agent or agents and need not be responsive to

35 subsections five (5) and seven (7) above, and must recite

36 that notification of such change has been mailed to each such

37 corporation. Such statement executed and filed by a registered

38 agent shall become effective upon the filing thereof in the

39 manner as required above for statements executed by the foreign

40 corporation.

41 Any registered agent of a foreign corporation may resign as
42 such agent upon filing a written notice thereof, executed in
43 duplicate, with the secretary of state, who shall forthwith mail
44 a copy thereof to the corporation at its principal office in the
45 state or country under the laws of which it is incorporated. The
46 appointment of such agent shall terminate upon the expiration of
47 thirty days after receipt of such notice by the secretary of
48 state.

1 Sec. 74. Service of process on foreign corporation. Each
2 registered agent so appointed by a foreign corporation authorized
3 to conduct affairs in this state shall be an agent of such
4 corporation upon whom any process, notice or demand required or
5 permitted by law to be served upon the corporation may be served.

6 Whenever a foreign corporation authorized to conduct affairs
7 in this state shall fail to appoint or maintain a registered
8 agent in this state, or whenever any such registered agent cannot
9 with reasonable diligence be found at the registered office, or
10 whenever the certificate of authority of a foreign corporation
11 shall be suspended or revoked, then the secretary of state shall
12 be an agent of such corporation upon whom any such process,
13 notice, or demand may be served. Service on the secretary of
14 state of any such process, notice or demand shall be made by
15 delivering to and leaving with him, or with any clerk having
16 charge of the corporation department of his office, duplicate
17 copies of such process, notice or demand. In the event any such
18 process, notice or demand is served on the secretary of state, he
19 shall immediately cause one of such copies thereof to be
20 forwarded by registered or certified mail, addressed to the

21 corporation at its principal office in the state or country under
22 the laws of which it is incorporated. Any service so had on the
23 secretary of state shall be returnable in not less than thirty
24 days.

25 The secretary of state shall keep a record of all processes,
26 notices and demands served upon him under this section, and shall
27 record therein the time of such service and his action with
28 reference thereto.

29 Nothing herein contained shall limit or affect the right to
30 serve any process, notice or demand, required or permitted by law
31 to be served upon a corporation in any other manner now or
32 hereafter permitted by law.

1 Sec. 75. Amendment to articles of incorporation of foreign
2 corporation. Whenever the articles of incorporation of a foreign
3 corporation authorized to conduct affairs in this state are
4 amended, such foreign corporation shall, within thirty days after
5 such amendment becomes effective, file in the office of the
6 secretary of state a copy of such amendment duly certified by the
7 proper officer of the state or country under the laws of which it
8 is incorporated; but the filing thereof shall not of itself
9 enlarge or alter the purpose or purposes which such corporation
10 is authorized to pursue in conducting its affairs in this state,
11 nor authorize such corporation to conduct affairs in this state
12 under any other name than the name set forth in its certificate
13 of authority.

1 Sec. 76. Merger of foreign corporation authorized to
2 conduct affairs in this state. Whenever a foreign corporation
3 authorized to conduct affairs in this state shall be a party to a
4 statutory merger permitted by the laws of the state or country

5 under the laws of which it is incorporated, and such corporation
6 shall be the surviving corporation, it shall, within thirty days
7 after such merger becomes effective, file with the secretary of
8 state a copy of the articles of merger duly certified by the
9 proper officer of the state or country under the laws of which
10 such statutory merger was effected; and it shall not be necessary
11 for such corporation to procure either a new or amended
12 certificate of authority to conduct affairs in this state unless
13 the name of such corporation be changed thereby or unless the
14 corporation desires to pursue in this state other or additional
15 purposes than those which it is then authorized to pursue in this
16 state.

1 Sec. 77. Amended certificate of authority. A foreign
2 corporation authorized to conduct affairs in this state shall
3 procure an amended certificate of authority in the event it
4 changes its corporate name, or desires to pursue in this state
5 other or additional purposes than those set forth in its prior
6 application for a certificate of authority, by making application
7 therefor to the secretary of state.

8 The requirements in respect to the form and contents of such
9 application, the manner of its execution, the filing of duplicate
10 originals thereof with the secretary of state, the issuance of an
11 amended certificate of authority and the effect thereof, shall be
12 the same as in the case of an original application for a
13 certificate of authority.

1 Sec. 78. Withdrawal of foreign corporation. A foreign
2 corporation authorized to conduct affairs in this state may
3 withdraw from this state upon procuring from the secretary of
4 state a certificate of withdrawal. In order to procure such

5 certificate of withdrawal, such foreign corporation shall deliver
6 to the secretary of state an application for withdrawal, which
7 shall set forth:
8 1. The name of the corporation and the state or country
9 under the laws of which it is incorporated.
10 2. That the corporation is not conducting affairs in this
11 state.
12 3. That the corporation surrenders its authority to conduct
13 affairs in this state.
14 4. That the corporation revokes the authority of its
15 registered agent or agents in this state to accept service of
16 process and consents that service of process in any action, suit
17 or proceeding based upon any cause of action arising in this
18 state during the time the corporation was authorized to conduct
19 affairs in this state may thereafter be made on such corporation
20 by service thereof on the secretary of state.
21 5. A post office address to which the secretary of state
22 may mail a copy of any process against the corporation that may
23 be served on him.
24 6. Such additional information as may be necessary or
25 appropriate in order to enable the secretary of state to
26 determine and assess any unpaid fees payable by such foreign
27 corporation as in this Act prescribed.
28 The application for withdrawal shall be made on forms
29 prescribed and furnished by the secretary of state and shall be
30 executed by the corporation by its president or a vice-president
31 and by its secretary or an assistant secretary, and verified by
32 one of the officers signing the application, or, if the
33 corporation is in the hands of a receiver or trustee, shall be

34 executed on behalf of the corporation by such receiver or trustee
35 and verified by him.

1 Sec. 79. Filing of application for withdrawal. Duplicate
2 originals of such application for withdrawal shall be delivered
3 to the secretary of state. If the secretary of state finds that
4 such application conforms to the provisions of this Act, he
5 shall, when all fees due him have been paid as in this Act
6 prescribed:

7 1. Endorse on each of such duplicate originals the word
8 "Filed", and the month, day and year of the filing thereof.

9 2. File one of such duplicate originals in his office.

10 3. Issue a certificate of withdrawal to which he shall
11 affix the other duplicate original.

12 The certificate of withdrawal, together with the duplicate
13 original of the application for withdrawal affixed thereto by the
14 secretary of state, shall be returned to the corporation or its
15 representative. Upon the issuance of such certificate of
16 withdrawal, the authority of the corporation to conduct affairs
17 in this state shall cease.

1 Sec. 80. Revocation of certificate of authority. The
2 certificate of authority of a foreign corporation to conduct
3 affairs in this state may be revoked by the secretary of state
4 upon the conditions prescribed in this section when:

5 1. The corporation has failed to file its annual report
6 within the time required by this Act, or has failed to pay any
7 fees or penalties prescribed by this Act when the same have
8 become due and payable; or

9 2. The corporation has failed to appoint and maintain a
10 registered agent in this state as required by this Act; or

11 3. The corporation has failed, after change of its
12 registered office or registered agent, to file in the office of
13 the secretary of state a statement of such change as required by
14 this Act; or
15 4. The corporation has failed to file in the office of the
16 secretary of state any amendment to its articles of incorporation
17 or any articles of merger within the time prescribed by this Act;
18 or
19 5. A misrepresentation has been made of any material matter
20 in any application, report, affidavit, or other document
21 submitted by such corporation pursuant to this Act.
22 No certificate of authority of a foreign corporation shall
23 be revoked by the secretary of state unless (a) he shall have
24 given the corporation not less than sixty days' notice thereof by
25 mail addressed to its registered office in this state, and (b)
26 the corporation shall fail prior to revocation to file such
27 annual report, or pay such fees or penalties, or file the
28 required statement of change of registered agent or registered
29 office or file such articles of amendment or articles of merger,
30 or correct such misrepresentation.
1 Sec. 81. Issuance of certificate of revocation. Upon
2 revoking any such certificate of authority, the secretary of
3 state shall:
4 1. Issue a certificate of revocation in duplicate.
5 2. File one of such certificates in his office.
6 3. Mail to such corporation at its registered office in
7 this state a notice of such revocation accompanied by one of such
8 certificates.
9 Upon the issuance of such certificate of revocation, the

10 authority of the corporation to conduct affairs in this state
11 shall cease.

1 Sec. 82. Conducting affairs without certificate of
2 authority. No foreign corporation which is conducting affairs in
3 this state without a certificate of authority shall be permitted
4 to maintain any action, suit or proceeding in any court of this
5 state until such corporation shall have obtained a certificate of
6 authority. Nor shall any action, suit or proceeding be
7 maintained in any court of this state by any successor or
8 assignee of such corporation on any right, claim or demand
9 arising out of the conduct of affairs by such corporation in this
10 state, until a certificate of authority shall have been obtained
11 by such corporation or by a corporation which has acquired all or
12 substantially all of its assets.

13 The failure of a foreign corporation to obtain a certificate
14 of authority to conduct affairs in this state shall not impair
15 the validity of any contract or act of such corporation, and
16 shall not prevent such corporation from defending any action,
17 suit or proceeding in any court of this state.

18 A foreign corporation which conducts affairs in this state
19 without a certificate of authority shall be liable to this state,
20 for the years or parts thereof during which it conducted affairs
21 in this state without a certificate of authority, in an amount
22 equal to all fees which would have been imposed by this Act upon
23 such corporation had it duly applied for and received a
24 certificate of authority to conduct affairs in this state as
25 required by this Act and thereafter filed all reports required by
26 this Act, plus all penalties imposed by this Act for failure to
27 pay such fees. The attorney general shall bring proceedings to

28 recover all amounts due this state under the provisions of this
29 section. If any foreign corporation shall conduct affairs in
30 this state without a certificate of authority, it shall by
31 conducting such affairs be deemed thereby to have appointed the
32 secretary of state its attorney for service of process.

1 Sec. 83. Annual report of domestic and foreign
2 corporations. Each domestic corporation, and each foreign
3 corporation authorized to conduct affairs in this state, shall
4 file, within the time prescribed by this Act, an annual report
5 setting forth:

6 1. The name of the corporation and the state or country
7 under the laws of which it is incorporated.

8 2. The address of the registered office of the corporation
9 in this state, and the name of its registered agent or agents in
10 this state at such address, and, in the case of a foreign
11 corporation, the address of its principal office in the state or
12 country under the laws of which it is incorporated.

13 3. A brief statement of the character of the affairs which
14 the corporation is actually conducting, or, in the case of a
15 foreign corporation, which the corporation is actually conducting
16 in this state.

17 4. The names and respective addresses of the directors and
18 officers of the corporation.

19 Such annual report shall be made on forms prescribed and
20 furnished by the secretary of state, and the information therein
21 contained shall be given as of the date of the execution of the
22 report. It shall be executed by the corporation by its
23 president, a vice-president, secretary, an assistant secretary,
24 or treasurer, or, if the corporation is in the hands of a

25 receiver, trustee, or assignee for benefit of creditors, it shall
26 be executed on behalf of the corporation by such receiver,
27 trustee or assignee.

1 Sec. 84. Filing of annual report of domestic and foreign
2 corporations. Such annual report of a domestic or foreign
3 corporation shall be delivered to the secretary of state for
4 filing in his office between the first day of January and the
5 first day of March of each year, except that the first annual
6 report of a domestic or foreign corporation shall be filed
7 between the first day of January and the first day of March of
8 the year succeeding the calendar year in which its certificate of
9 incorporation or its certificate of authority, as the case may
10 be, was issued by the secretary of state. Proof to the
11 satisfaction of the secretary of state that prior to the first
12 day of March such report was deposited in the United States mail
13 in a sealed envelope, properly addressed, with postage prepaid,
14 shall be deemed a compliance with this requirement. If the
15 secretary of state finds that such report conforms to the
16 requirements of this Act, he shall file the same. If he finds
17 that it does not so conform, he shall promptly return the same to
18 the corporation for any necessary corrections, in which event the
19 penalties hereinafter prescribed for failure to file such report
20 within the time hereinabove provided shall not apply, if such
21 report is corrected to conform to the requirements of this Act,
22 and is resubmitted to the secretary of state within thirty days
23 from the date on which it was mailed to the corporation by the
24 secretary of state.

1 Sec. 85. Fees for filing documents and issuing certificates.
2 The secretary of state shall charge and collect for:

3 1. Filing articles of incorporation and issuing a
4 certificate of incorporation, ten dollars.
5 2. Filing statement of election to accept the Act, one
6 dollar.
7 3. Filing articles of amendment and issuing a certificate
8 of amendment, five dollars.
9 4. Filing restated articles of incorporation, ten dollars.
10 5. Filing articles of merger or consolidation and issuing a
11 certificate of merger or consolidation, five dollars.
12 6. Filing an application to reserve a corporate name, five
13 dollars.
14 7. Filing a notice of transfer or a reserved corporate
15 name, five dollars.
16 8. Filing a statement of change of address or registered
17 office or change of registered agent, or both, one dollar.
18 9. Filing articles of dissolution, one dollar.
19 10. Filing an application of a foreign corporation for a
20 certificate of authority to conduct affairs in this state and
21 issuing a certificate of authority, ten dollars.
22 11. Filing an application of a foreign corporation for an
23 amended certificate of authority to conduct affairs in this state
24 and issuing an amended certificate of authority, five dollars.
25 12. Filing a copy of an amendment to the articles of
26 incorporation of a foreign corporation holding a certificate of
27 authority to conduct affairs in this state, five dollars.
28 13. Filing a copy of articles of merger of a foreign
29 corporation holding a certificate of authority to conduct affairs
30 in this state, five dollars.
31 14. Filing an application for withdrawal of a foreign

32 corporation and issuing a certificate of withdrawal, one dollar.

33 15. Filing any other statement or report, including an

34 annual report, of a domestic or foreign corporation, one dollar.

35 16. Recording any instrument, document, or paper, fifty

36 cents per page.

1 Sec. 86. Miscellaneous charges. The secretary of state

2 shall charge and collect:

3 1. For furnishing a certified copy of any document,

4 instrument, or paper relating to a corporation, fifty cents per

5 page and two dollars for the certificate and affixing the seal

6 thereto; and for furnishing an uncertified copy, fifty cents per

7 page.

8 2. At the time of any service of process on him as resident

9 agent of a corporation, five dollars, which amount may be

10 recovered as taxable costs by the party to the suit or action

11 causing such service to be made if such party prevails in the

12 suit or action.

13 3. For a certificate of good standing, two dollars.

1 Sec. 87. Penalties imposed upon corporation. Each

2 corporation, domestic or foreign, that fails or refuses to file

3 its annual report for any year within the time prescribed by this

4 Act shall be subject to a penalty of five dollars to be assessed

5 by the secretary of state.

6 Each corporation, domestic or foreign, that fails or refuses

7 to answer truthfully and fully within the time prescribed by this

8 Act reasonable and proper interrogatories propounded by the

9 secretary of state in accordance with the provisions of this Act,

10 shall be deemed to be guilty of a misdemeanor and upon conviction

11 thereof may be fined in an amount not exceeding five hundred

12 dollars.

1 Sec. 88. Penalties imposed upon officers and directors.
2 Each director and officer of a corporation, domestic or foreign,
3 who willfully fails or refuses within the time prescribed by this
4 Act to answer truthfully and fully reasonable and proper
5 interrogatories propounded to him by the secretary of state in
6 accordance with the provisions of this Act, or who signs any
7 articles, statement, report, application or other document filed
8 with the secretary of state which is known to such officer or
9 director to be false in any material respect, shall be deemed to
10 be guilty of a misdemeanor,and upon conviction thereof may be
11 fined in any amount not exceeding five hundred dollars.

1 Sec. 89. Interrogatories by secretary of state. The
2 secretary of state may propound to any corporation, domestic or
3 foreign, subject to the provisions of this Act, and to any
4 officer or director thereof, such interrogatories as may be
5 reasonably necessary and proper to enable him to ascertain
6 whether such corporation has complied with all the provisions of
7 this Act applicable to such corporation. Such interrogatories
8 shall be answered within thirty days after the mailing thereof,
9 or within such additional time as shall be fixed by the secretary
10 of state, and the answers thereto shall be full and complete and
11 shall be made in writing and under oath. If such interrogatories
12 be directed to an individual they shall be answered by him, and
13 if directed to a corporation they shall be answered by the
14 president, vice-president, treasurer, assistant treasurer,
15 secretary or assistant secretary thereof. The secretary of state
16 need not file any document to which such interrogatories relate
17 until such interrogatories be answered as herein provided, and

18 not then if the answers thereto disclose that such document is
19 not in conformity with the provisions of this Act. The secretary
20 of state shall certify to the attorney general, for such action
21 as the attorney general may deem appropriate, all interrogatories
22 and answers thereto which disclose a violation of any of the
23 provisions of this Act.

1 Sec. 90. Information disclosed by interrogatories.
2 Interrogatories propounded by the secretary of state and the
3 answers thereto shall not be open to public inspection nor shall
4 the secretary of state disclose any facts or information obtained
5 therefrom except insofar as required in the performance of his
6 official duties.

1 Sec. 91. Powers of secretary of state. The secretary of
2 state shall have the power and authority reasonably necessary to
3 enable him to administer this Act efficiently and to perform the
4 duties therein imposed upon him.

1 Sec. 92. Appeal from secretary of state. If the secretary
2 of state shall fail to approve any articles of incorporation,
3 amendment, merger, consolidation or dissolution, or any other
4 document required by this Act to be approved by the secretary of
5 state before the same shall be filed in his office, he shall,
6 within ten days after the delivery thereof to him, give written
7 notice of his disapproval to the person or corporation, domestic
8 or foreign, delivering the same, specifying the reasons therefor.
9 From such disapproval such person or corporation may appeal to
10 the district court of the county in which the registered office
11 of such corporation is, or is proposed to be, situated by filing
12 with the clerk of such court a petition setting forth a copy of
13 the articles or other document sought to be filed and a copy of

14 the written disapproval thereof by the secretary of state;
15 whereupon the matter shall be tried de novo by the court, and the
16 court shall either sustain the action of the secretary of state
17 or direct him to take such action as the court may deem proper.
18 If the secretary of state shall revoke the certificate of
19 authority to conduct affairs in this state of any foreign
20 corporation, pursuant to the provisions of this Act, such foreign
21 corporation may likewise appeal to the district court of the
22 county where the registered office of such corporation in this
23 state is situated, by filing with the clerk of such court a
24 petition setting forth a copy of its certificate of authority to
25 conduct affairs in this state and a copy of the notice of
26 revocation given by the secretary of state; whereupon the matter
27 shall be tried de novo by the court, and the court shall either
28 sustain the action of the secretary of state or direct him to
29 take such action as the court may deem proper.
30 Appeals from all final orders and judgments entered by the
31 district court under this section in review of any ruling or
32 decision of the secretary of state may be taken as in other civil
33 actions.
1 Sec. 93. Certificates and certified copies to be received
2 in evidence. All certificates issued by the secretary of state
3 in accordance with the provisions of this Act, and copies of all
4 documents filed or recorded in his office in accordance with the
5 provisions of this Act when certified by him, shall be taken and
6 received in all courts, public offices, and official bodies as
7 prima-facie evidence of the facts therein stated. A certificate
8 by the secretary of state under the seal of his office, as to the
9 existence or nonexistence of the facts relating to corporations

10 which would not appear from a certified copy of any of the
11 foregoing documents or certificates shall be taken and received
12 in all courts, public offices, and official bodies as prima-facie
13 evidence of the existence or nonexistence of the facts therein
14 stated.

1 Sec. 94. Forms to be furnished by secretary of state. All
2 reports required by this Act to be filed in the office of the
3 secretary of state shall be made on forms which shall be
4 prescribed and furnished by the secretary of state. Forms for
5 other documents to be filed in the office of the secretary of
6 state may be furnished by the secretary of state on request
7 therefor, but the use thereof, unless otherwise specifically
8 prescribed in this Act, shall not be mandatory.

1 Sec. 95. Voting requirements. Whenever, with respect to
2 any action to be taken by the members or directors of a
3 corporation, the articles of incorporation or bylaws require
4 voting by classes of members or the vote or concurrence of
5 a greater or lesser proportion of the directors or members or
6 any class of members, as the case may be, than required by
7 this Act with respect to such action, the provisions of the
8 articles of incorporation or bylaws, as the case may be,
9 shall control.

1 Sec. 96. Waiver of notice. Whenever any notice is
2 required to be given to any member or director of a corporation
3 under the provisions of this Act or under the provisions
4 of the articles of incorporation or bylaws of the corporation,
5 a waiver thereof in writing signed by the person or persons
6 entitled to such notice, whether before or after the time
7 stated therein, shall be equivalent to the giving of such

8 notice.

1 Sec. 97. Informal action by members or directors. Any
2 action required by this Act to be taken at a meeting of the
3 members or directors of a corporation, or any action which may
4 be taken at a meeting of the members or directors or of a
5 committee of directors, may be taken without a meeting if a
6 consent in writing setting forth the action so taken, shall
7 be signed by all of the members entitled to vote with respect
8 to the subject matter thereof or all of the directors or all
9 of the members of the committee of directors, as the case may
10 be. Such consent shall have the same force and effect as a
11 unanimous vote and may be stated as such in any article or
12 document filed with the secretary of state under this Act.
13 The provisions of this section shall be applicable whether
14 or not this Act requires that an action be taken by
15 resolution.

1 Sec. 98. Unauthorized assumption of corporate powers. All
2 persons who assume to act as a corporation without authority
3 so to do shall be jointly and severally liable for all debts
4 and liabilities incurred or arising as a result thereof.

1 Sec. 99. Reservation of power. The general assembly shall
2 at all times have power to prescribe such regulations, provisions
3 and limitations as it may deem advisable, which regulations,
4 provisions and limitations shall be binding upon any and all
5 corporations subject to the provisions of this Act, and the
6 general assembly shall have power to amend, repeal or modify this
7 Act at pleasure.

1 Sec. 100. Application to existing corporations.
2 1. Except for this subsection, this Act shall not apply to

3 or affect corporations subject to the provisions of chapters
4 one hundred seventy-four (174), one hundred seventy-six (176),
5 four hundred eighty-two (482), four hundred ninety-one (491),
6 four hundred ninety-four (494), four hundred ninety-five (495),
7 four hundred ninety-six A (496A), four hundred ninety-seven
8 (497), four hundred ninety-eight (498), four hundred ninety-nine
9 (499), four hundred ninety-nine A (499A), five hundred (500),
10 five hundred three (503), five hundred six (506), five hundred
11 eight (508), five hundred ten (510), five hundred twelve (512),
12 five hundred fourteen (514), five hundred fifteen (515), five
13 hundred eighteen (518), five hundred nineteen (519), five
14 hundred twenty-six (526), five hundred twenty-seven (527),
15 five hundred twenty-eight (528), five hundred twenty-eight B
16 (528B), five hundred thirty-one (531), five hundred thirty-two
17 (532), five hundred thirty-three (533), or five hundred
18 thirty-four (534) of the Code. Such corporations shall
19 continue to be governed by all laws of this state heretofore
20 applicable thereto and as the same may hereafter be amended.
21 This Act shall not be construed as in derogation of or as a
22 limitation on the powers to which such corporations may be
23 entitled.
24 2. This Act shall not apply to any domestic corporation
25 heretofore organized or existing under the provisions of chapter
26 five hundred four (504) of the Code nor, for a period of two
27 years from and after the effective date of this Act, to any
28 foreign corporation holding a permit under the provisions of
29 said chapter on the date this Act becomes effective, unless such
30 domestic or foreign corporation shall voluntarily elect to
31 adopt the provisions of this Act and shall comply with the

32 procedure prescribed by the provisions of subsection three
33 (3) of this section.
34 3. Any domestic corporation organized or existing under
35 the provisions of chapter five hundred four (504) of the Code
36 may voluntarily elect to adopt the provisions of this Act and
37 thereby become subject to its provisions and, during the period
38 of two years from and after the effective date of this Act, any
39 foreign corporation holding a permit under the provisions of
40 said chapter on said date may voluntarily elect to adopt the
41 provisions of this Act and thereby become subject to the
42 provisions of this Act. The procedure for electing to adopt
43 the provisions of this Act shall be as follows:
44 a. As to domestic corporations, a resolution reciting that
45 the corporation voluntarily adopts this Act and designating
46 the address of its initial registered office and the name
47 of its registered agent or agents at such address and, if
48 the name of the corporation does not comply with this Act,
49 amending the articles of incorporation of the corporation to
50 change the name of the corporation to one complying with the
51 requirements of this Act, shall be adopted by the procedure
52 prescribed by this Act for the amendment of articles of
53 incorporation. If such corporation has theretofore issued
54 shares of stock, said resolution shall contain a statement
55 of such fact including the number of shares theretofore
56 authorized, the number issued and outstanding, and a statement
57 that all issued and outstanding shares of stock have been
58 delivered to the corporation to be cancelled upon the adoption
59 of this Act by the corporation becoming effective and that
60 from and after the effective date of said adoption

61 the authority of the corporation to issue shares of stock
62 shall be thereby terminated. As to foreign corporations, a
63 resolution shall be adopted by the board of directors,
64 reciting that the corporation voluntarily adopts this Act,
65 and designating the address of its registered office in this
66 state and the name of its registered agent or agents, at such
67 address and, if the name of the corporation does not comply
68 with this Act, setting forth the name of the corporation with
69 the changes which it elects to make therein conforming to the
70 requirements of this Act for use in this state.
71 b. Upon adoption of the required resolution or resolutions,
72 an instrument shall be executed by the corporation by its
73 president or vice-president and by its secretary or an
74 assistant secretary and verified by one of the officers
75 signing the instrument, which shall set forth:
76 (1) The name of the corporation;
77 (2) Each such resolution adopted by the corporation and the
78 date of adoption thereof.
79 c. As to domestic corporations such instrument shall be
80 delivered to the secretary of state for filing and recording
81 in his office, and the same shall be filed and recorded in the
82 office of the county recorder.
83 If the county of the initial registered office as stated in
84 such instrument is one which is other than the county wherein the
85 principal office or place of business of such corporation, as
86 theretofore designated in its articles of incorporation, was
87 located, the secretary of state shall forward also to the
88 county recorder of the county in which the said principal
89 office or place of business of said corporation was located

90 a copy of such instrument and he shall forward to the
91 recorder of the county in which the initial registered
92 office of such corporation is located, in addition to
93 the original of such instrument, a copy of the articles
94 of incorporation of said corporation together with all
95 amendments thereto as then on file in his office.
96 d. As to foreign corporations, such instrument shall
97 be delivered to the secretary of state for filing in
98 his office and the corporation shall at the same time
99 deliver also to the secretary of state for filing in his
100 office any annual report which is then due.
101 e. The secretary of state shall not file such
102 instrument with respect to a domestic corporation unless
103 at the time thereof such corporation is validly existing
104 and in good standing in that office under the provisions
105 of chapter five hundred four (504) of the Code. If the
106 articles of incorporation of such corporation have not
107 heretofore been filed in the office of the secretary of
108 state, but are on file in the office of a county recorder,
109 no such instrument of adoption shall be accepted by the
110 secretary of state until the corporation shall have
111 caused its articles of incorporation and all amendments
112 duly certified by the proper county recorder to be
113 recorded in the office of the secretary of state. Upon
114 the filing of such instrument the secretary of state shall
115 issue a certificate as to the filing of such instrument and
116 deliver such certificate to the corporation or its
117 representative.
118 Upon the issuance of such certificate by the secretary of

119 state.

120 (1) All of the provisions of this Act shall thereafter apply
121 to the corporation and thereupon every such foreign corporation
122 shall be entitled to all the rights and privileges applicable to
123 foreign corporations procuring certificates of authority to
124 conduct affairs in this state under this Act, and shall be
125 subject to all the limitations, restrictions, liabilities, and
126 duties prescribed herein for foreign corporations procuring
127 certificates of authority to conduct affairs in this state under
128 this Act.

129 (2) In the case of any corporation with issued shares of
130 stock, the holders of such issued shares who surrender them to
131 the corporation to be cancelled upon the adoption of this Act
132 by the corporation becoming effective, shall be and become
133 members of the corporation with one vote for each share of stock
134 so surrendered until such time as the corporation by proper
135 corporate action relative to the election, qualification, terms
136 and voting power of members shall otherwise prescribe.

137 4. Any domestic corporation which elects to adopt the
138 provisions of this Act by complying with the provisions of
139 subsection three (3) of this section may, at the same time,
140 amend or restate its articles of incorporation by complying
141 with the provisions of this Act with respect to amending
142 articles of incorporation or restating articles of incorporation,
143 as the case may be.

144 5. The provisions of this Act becoming applicable to any
145 domestic or foreign corporation shall not affect any right
146 accrued or established, or any liability or penalty incurred,
147 under the provisions of chapter five hundred four (504) of the

148 Code prior to the filing by the secretary of state in his office
149 of the instrument manifesting the election of such corporation to
150 adopt the provisions of this Act as provided in subsection three
151 (3) of this section.

152 6. Except for the exceptions and limitations of subsection
153 one (1) of this section, this Act shall apply to: all domestic
154 corporations organized after the date on which this Act became
155 effective; domestic corporations organized or existing under
156 chapter five hundred four (504) of the Code which voluntarily
157 elect to adopt the provisions of this Act and comply with the
158 provisions of subsection three (3) of this section; all foreign
159 corporations conducting or seeking to conduct affairs within this
160 state and not holding, on the effective date of this Act, a valid
161 permit so to do; foreign corporations holding, on the date the
162 Act becomes effective, a valid permit under the provisions of
163 chapter five hundred four (504) of the Code which, during the
164 period of two years from and after the effective date of this
165 Act, voluntarily elect to adopt the provisions of this Act and
166 comply with the provisions of subsection three (3) of this
167 section; and, upon the expiration of the period of two years from
168 and after the effective date of this Act, all foreign
169 corporations holding such a permit on the effective date of this
170 Act.

171 7. Upon the expiration of a period of two years from and
172 after the date on which this Act becomes effective, except for
173 the exceptions and limitations of subsection one (1) of this
174 section, this Act shall apply to every foreign corporation
175 holding a valid permit to do business within this state or
176 seeking to conduct affairs within this state. Every foreign

177 corporation holding a valid permit to do business within this
178 state at the time this Act becomes effective, which has not
179 meanwhile adopted this Act by complying with the provisions of
180 subsection three (3) of this section, shall at the expiration of
181 two years from and after the effective date of this Act be
182 deemed to have elected to adopt this Act by not voluntarily
183 withdrawing from the state, and thereupon every such foreign
184 corporation, subject to the limitations set forth in its
185 certificates of authority, shall be entitled to all the rights
186 and privileges applicable to foreign corporations procuring
187 certificates of authority to conduct affairs in this state under
188 this Act, and shall be subject to all the limitations,
189 restrictions, liabilities, and duties prescribed herein for
190 foreign corporations procuring certificates of authority to
191 conduct affairs in this state under this Act.

192 8. Within eight months after this Act becomes applicable to
193 any foreign corporation pursuant to the provisions of subsection
194 seven (7) of this section, the board of directors of such
195 foreign corporation shall adopt a resolution designating the
196 address of its registered office in this state and the name of
197 its registered agent or agents at such address and, if the name
198 of such corporation does not comply with this Act, setting forth
199 the name of the corporation with the changes it elects to
200 make therein conforming to the requirements of this Act for use
201 in this state.

202 Upon adoption of the required resolution or resolutions, an
203 instrument or instruments shall be executed by the foreign
204 corporation by its president or a vice-president and by its
205 secretary or assistant secretary and verified by one of the

206 officers signing such instrument, which shall set forth the name
207 of the corporation, each resolution adopted as required by the
208 provisions of this subsection, and the date of the adoption
209 thereof. Such instrument shall be delivered to the secretary of
210 state for filing in his office. Upon filing of such
211 instrument by a foreign corporation the secretary of state shall
212 issue a certificate as to the filing of such instrument and
213 deliver such certificates to the corporation or its
214 representative. The secretary of state shall not file any
215 annual report of any foreign corporation subject to the
216 provisions of this subsection unless and until said corporation
217 has fully complied with the provisions of this paragraph and, in
218 such event, such foreign corporation shall be subject to the
219 penalties prescribed in this Act for failure to file such report
220 with the time as provided therefor in this Act.
221 9. The first annual report required to be filed by a
222 domestic or foreign corporation under the provisions of this Act
223 shall be filed between January 1 and March 1 of the year next
224 succeeding the calendar year in which it becomes subject to the
225 Act.
226 10. No corporation to which the provisions of this Act apply
227 shall be subject to the provisions of chapter five hundred four
228 (504) of the Code.
229 11. The provisions of sections ninety-six (96) and
230 ninety-seven (97) of this Act shall apply to any action required
231 or permitted to be taken under this section.
232 12. Except as otherwise provided in this section, existing
233 corporations shall continue to be governed by laws of this
234 state heretofore applicable thereto.

1 Sec. 101. Personal liability. Except as otherwise provided
2 in this Act, the directors, officers, employees and members of
3 the corporation shall not, as such, be liable on its debts or
4 obligations.

1 Sec. 102. Effect of invalidity of part of this Act. If a
2 court of competent jurisdiction shall adjudge to be invalid or
3 unconstitutional any clause, sentence, paragraph, section or
4 part of this Act, such judgment or decree shall not affect,
5 impair, invalidate or nullify the remainder of this Act, but
6 the effect thereof shall be confined to the clause, sentence,
7 paragraph, section or part of this Act so adjudged to be
8 invalid or unconstitutional.

## EXPLANATION OF SENATE FILE 113

This is a bill to modernize the nonprofit corporation laws of Iowa in line with present-day concepts and developments. There has been no substantial revision of the nonprofit corporation laws of the state, although the law relating to corporations for profit was completely modernized and revised by the Fifty-eighth General Assembly.

The Act would not apply to county and district fairs, farm aid associations, union depot corporations, co-operatives, profit corporations, insurance companies, fraternal beneficiary organizations, mutual nonprofit hospital and medical service corporations, banks, credit unions, or building and loan associations.

Under this bill existing nonprofit corporations would have the option of electing to come under this bill or to remain under the old nonprofit law, which is not repealed and would remain in effect. Existing foreign nonprofit corporations would be required to come under the new law after two years and could voluntarily come under the new law any time prior thereto.