

AN ACT

To further amend the act, approved the fifth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, two hundred eighty-nine), entitled "An act relating to nonprofit corporations; defining and providing for the organization, merger, consolidation, and dissolution of such corporations; conferring certain rights, powers, duties, and immunities upon them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations of the first class within the provisions of this act; prescribing the terms and conditions upon which foreign nonprofit corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State departments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations," further regulating and extending and restricting in certain cases the rights, responsibilities, authority and powers of nonprofit corporations, and of the members thereof, and the creation, rights, powers and qualifications of the officers thereof; further providing for and regulating the dissolution of such corporations; and providing penalties; further providing for and regulating the revocation of certificates of authority of foreign nonprofit corporations.

Sections 304, 306, 307, 313, 316, 401, 501, 504, 602, 702, 905, 911, 912, 913, 914, 1001, 1002, 1004, act of May 5, 1933 (P. L. 289), as amended by acts of July 17, 1935 (P. L. 1130), and July 17, 1935 (P. L. 1137), further amended.

Section 1. Be it enacted, &c., That section three hundred four, section three hundred six as amended, sections three hundred seven, three hundred thirteen, section three hundred sixteen as amended, section four hundred one, section five hundred one as amended, sections five hundred four, six hundred two, seven hundred two, nine hundred five, nine hundred eleven, nine hundred twelve, nine hundred thirteen, nine hundred fourteen, one thousand one, one thousand two, one thousand four of the act, approved the fifth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, two hundred eighty-nine), entitled "An act relating to nonprofit corporations; defining and providing for the organization, merger, consolidation, and dissolution of such corporations; conferring certain rights, powers, duties, and immunities upon them and their officers and members; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations of the first class within the provisions of this act; prescribing the terms and conditions upon which foreign nonprofit corporations may be admitted or may continue to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, prothonotaries of such courts, recorders of deeds, and certain State departments, commissions, and officers; authorizing certain local public officers and State de-

partments to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations," as amended by the acts, approved the seventeenth day of July, one thousand nine hundred and thirty-five (Pamphlet Laws, one thousand one hundred thirty), and the seventeenth day of July, one thousand nine hundred and thirty-five (Pamphlet Laws, one thousand one hundred thirty-seven), are hereby further amended to read as follows:

Section 304. Membership Certificates and Capital Stock.—A nonprofit corporation may be organized upon either a nonstock basis or upon a stock share basis, as set forth in its articles. A nonprofit corporation organized upon a nonstock basis shall not issue shares of stock, but membership in such corporation may be evidenced by certificates of membership. Upon the face of each such certificate there shall be printed in clear type a statement that the corporation is a nonprofit corporation. The shares of nonprofit corporations organized upon a stock share plan shall be of such denominations not exceeding one hundred dollars (\$100.00), as the articles shall provide and shall be represented by share certificates. Upon the face of each share certificate there shall be printed in clear type a statement that the corporation is a nonprofit corporation. Unless the articles or by-laws otherwise provide, each share shall entitle the holder thereof to one vote. No dividends shall be directly or indirectly paid on any such shares, nor shall the shareholders be entitled to any portion of the earnings of such corporation derived through increment of value upon its property, or otherwise incidentally made, but upon dissolution of any such corporation the shareholders shall be entitled to a pro rata distribution of the assets thereof, after the payment of all debts and the liquidation of all liabilities, based upon their several holdings therein, as represented by the shares standing in the names of such shareholders at the time of dissolution, except that no property held subject to any trust shall be diverted from the purpose or object of the trust. Such shares shall not be transferable by assignment or sale, nor be transferred through legal heirs or devisees upon the death of the owner thereof, unless the by-laws of such corporation make express provision therefor. Such nonprofit corporation shall have power to exclude from further membership any shareholder who fails to comply with the reasonable and lawful requirements of the laws, rules and regulations duly made by such corporation for the government of its members, and may cancel the shares of any such offending member without liability for an accounting, excepting as may be provided for in the articles or by-laws. The provisions of

the Uniform Stock Transfer Act of this Commonwealth, approved the fifth day of May, one thousand nine hundred eleven (Pamphlet Laws, one hundred twenty-six), shall not be held to apply to the shares of nonprofit corporations in any manner or to be to any extent inconsistent with the provisions of this act.

Section 306. Authority to Take and Hold Trust Property; Investments.—Subject to any limitations or restrictions contained in its articles, every nonprofit corporation formed for religious, educational, scientific, or charitable purposes, may, without limitations as to value, take, receive and hold such real and personal property, including the principal or interest of any money or other fund, as may be given, granted, conveyed, bequeathed, devised to, or otherwise vested in, such corporation in trust for the purpose or purposes set forth in its articles. Such real and personal property shall be faithfully and specifically used for or applied to the purpose or purposes for which it was given in trust to the corporation. The directors of the corporation shall, as trustees of such property, be held to the same degree of responsibility and accountability as if not incorporated, unless a less degree or a particular degree of responsibility and accountability is prescribed in the trust instrument, or unless the directors remain under the control of the members of the corporation or *third persons* who retain the right to direct, and do direct, the actions of the directors as to the use of the trust property from time to time. Unless otherwise specifically directed in the trust instrument by which any real or personal property, money or other funds, are given, granted, conveyed, bequeathed, devised to, or otherwise vested in, corporations formed for religious, educational, scientific, or other charitable purposes, the directors thereof shall have power to invest the funds thus received, or the proceeds of any property thus received, in such investments as in the honest exercise of their judgment they may, after investigation, determine to be safe and proper investments, and to retain any investments heretofore so made. The directors of the corporation shall keep accurate accounts of all trust funds, separate and apart from the other funds of the corporation, and shall, unless the terms of the particular trust instrument provide otherwise, make an annual report, signed by the treasurer, to the members of the corporation concerning the trust funds held under this section and the use made of such funds and of the income thereof.

Section 307. Authority to Acquire Property at [a] *Tax or Judicial Sale*.—A nonprofit corporation may, at any *tax or judicial sale* of any property upon which the corporation holds a mortgage or has a lien of any nature whatsoever, bid in such property if necessary for the

protection of its interests. The corporation shall acquire a good and indefeasible title to any and all property so purchased, irrespective of any limitation as to the acquisition of property that may exist in its articles or in this act. All property so purchased may be held by the corporation until such time as it shall believe it advisable to dispose of the same, except that such property shall be sold within twenty years from the time it was purchased at the *tax or* judicial sale. It shall be lawful for the corporation to sell the property upon such terms and for such consideration as it deems desirable. The corporation may sell such property, and convey a marketable title thereto, without the authorization or confirmation of any court.

Section 313. Vesting of Corporate Property in Trustees to Escape Liability for Debts.—Any corporation for *religious, educational, or* charitable uses owning any property dedicated to religious, *educational, or* charitable purposes, such as churches, schoolhouses, parsonages, hospitals, almshouses, and the like, may, for the purpose of protecting such property from liability to debt thereafter contracted on the part of the corporation, vest its property in trustees upon trust for the use of the congregation or members of the corporation, for the time being, as places of worship, or for the use as schoolhouses or residences for ministers or pastors, or for [the maintenance] *use in the actual administration* of any charity. When the trustees shall be so vested by deeds duly recorded, the property so conveyed, as long as it is used for the purposes above mentioned and is not used [for any secular purpose or] for a purpose from which profits are derived, *other than incidental profits used for or applied to the lawful purposes of the corporation*, shall not be liable to any debts, contracts or engagements of the corporation thereafter made or entered into, but shall be deemed and taken to be freed therefrom in the same manner and with like effect as if the same had been conveyed or devised to the trustees by a stranger in trust for the uses of the corporation, but so that the same shall not be liable for their debts, contracts or engagements, or to their control for any purposes other than for the uses of the same as places of worship, or as free schools or schools from which no pecuniary profits are derived, or as residences for ministers or pastors, or for [the maintenance] *use in the actual administration* of the charitable purpose for which it was dedicated or intended by the donors or contributors. All trustees and officers of corporations having the management of property for charitable uses which is held in trust as aforesaid, contracting debts or causing them to be contracted in the improvement of the property by building thereon, shall be personally liable

for the debts thus contracted, unless they shall have notified the persons with whom the contract is made that the property is not liable for the debts, contracted in building thereon, but there shall be no liability to anyone other than persons with whom such contracts are made by the corporation.

Section 316. Registered Office; Records.—A. Every nonprofit corporation shall maintain an office in this Commonwealth, to be known as its registered office. The location and post office address of the registered office shall be stated in the articles, as heretofore provided in this act. After incorporation, the location of the registered office may be changed—

(1) From one location to another in the same county, by resolution adopted by a majority of all the members, including members not entitled by the articles or by-laws to vote. On or before the day that such change is made, notice of such change and of the post office address of the new registered office shall be filed with and recorded by the recorder of deeds of the county.

(2) From one county to another county, by resolution adopted by a majority of all the members, including members not entitled by the articles or by-laws to vote. On or before the day that such change is made, notice of such change and of the post office address of the new registered office shall be filed with and recorded by the recorder of deeds of the county from which, and of the county to which, the registered office is to be moved. In addition, a certified copy of the articles of the corporation shall be filed with and recorded by the recorder of deeds of the county, in which the registered office is to be located, before the corporation shall transact any business in such county.

B. Every nonprofit corporation shall keep at its registered office, records of the proceedings of the members and of the directors, a membership register giving the names of the members in alphabetical order and appropriate and complete records of its finances. *Every member shall have the right to examine in person, or by agent or attorney, at any reasonable time or times, for any reasonable purpose, the books of account, the membership register and the records of the proceedings of the members and directors.*

Section 401. Power to Make By-Laws.—[Except as hereinafter provided the] *The* members of a nonprofit corporation shall have the power to make, alter, amend, and repeal the by-laws of a nonprofit corporation, [The] *but* the authority to make, alter, amend, and repeal such by-laws may be expressly vested by the articles or the by-laws in the board of directors, subject *always* to the power of the members to change [or repeal the by-laws] *such action*. Unless the articles or by-

laws otherwise provide, the [by-laws shall be adopted, altered, and repealed] *powers hereby conferred shall be exercised* by a majority vote of the members of the board of directors or of the members of the corporation entitled to vote thereon, as the case may be, *at any regular or special meeting duly convened after notice to the members or directors of that purpose.*

Section 501. Board of Directors.—The business *and affairs* of every nonprofit corporation shall be managed by a board of at least three directors, *who shall be natural persons in full age, and who need not be residents of this Commonwealth or members in the corporation unless the articles or by-laws so require.* [A.] *Each* director shall hold office for the term for which he was named or elected, and until his successor is elected and qualified. The names and terms of office of the first directors shall be stated in the articles. Except as hereinafter provided in the case of vacancies, directors other than those constituting the first board, shall be elected by the members, unless some other method is expressly provided in the articles. A nonprofit corporation may allow compensation to its directors for their services, and a director may also be a salaried officer of the corporation.

Section 504. Officers and Agents.—Every nonprofit corporation shall have a president, a secretary, and a treasurer, and may have such other officers *and assistant officers* and agents [as the needs of the corporation may require] *as it shall authorize from time to time.* The articles or by-laws may prescribe special qualifications for such officers. *The president and secretary shall be natural persons of full age; the treasurer, however, may be a corporation, but if a natural person, shall be of full age.* The officers and assistant officers and agents shall be elected or appointed either by the board of directors or by the members, at such time, in such manner, and for such terms and compensation as the by-laws may prescribe. It shall not be necessary for the officers to be directors. If the by-laws so provide, any two or more offices may be held by the same person, except the offices of president and secretary. The board of directors may secure the fidelity of any or all of such officers by bond or otherwise. Unless otherwise provided in the by-laws, the board of directors shall have power to fill any vacancies in any office occurring from whatever reason. All officers and agents of the corporation, as between themselves and the corporation, shall *respectively* have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the by-laws, or, in the absence of controlling provisions in the by-laws as may be determined by resolution of the board of directors.

Section 602. Membership Fees; Assessments.—Non-profit corporations may levy dues or assessments, or both, upon their members, if authority to do so is conferred either by the articles or the by-laws, and subject to any limitations therein contained. Such dues or assessments, or both, may be imposed upon all classes of members alike or in different amounts or proportions, or upon a different basis upon different classes of members. Members of one or more classes may be made exempt from either dues or assessments, or both, in the manner or to the extent provided either in the articles or by-laws. The amount of the levy and method of collection of such dues or assessments, or both, may be fixed in the articles or by-laws, or the articles or by-laws may authorize the board of directors to fix the amount thereof from time to time, and make them payable at such time and by such methods of collection as the directors may prescribe. Such corporations may make by-laws necessary to enforce the collection of such dues or assessments, including provisions for the cancellation of membership, *upon reasonable notice*, for non-payment of such dues or assessments, and for reinstatement in such corporation. [upon reasonable notice]

Section 702. Approval of Amendments by Members.—Before the application is made to the court, a resolution authorizing the proposed amendments shall be adopted by the affirmative vote of at least a majority of the members entitled to vote thereon at a regular or special meeting duly convened after at least ten days' written notice to all the members of this purpose. If a proposed amendment would make any change in the rights of the members of any class, then the members of such class shall be entitled to vote as a class upon such amendment, whether by the terms of the article such class is or is not entitled to vote, and, in addition to the *general* vote herein required, the affirmative vote of at least a majority of the members of each class so affected by the amendment shall be necessary for the adoption thereof. Any amendments which might be adopted at a meeting of the members may be adopted without a meeting, if written consent to the amendment has been given by all members entitled to vote thereon. The resolution shall contain the language of the proposed amendment to the articles by providing that the articles shall be amended so as to read as therein set forth in full, or that any provision thereof be amended so as to read as therein set forth in full, or that the matter stated in the resolution be added to or stricken from the articles.

Section 905. Issuance and Recording of Certificate of Authority.—If the Department of State finds that the provisions of this article have been complied with and

that the applicant corporation is entitled to a certificate of authority to do business in this Commonwealth, it shall forthwith, but not prior to the day specified in the advertisement heretofore required in this article, endorse its approval upon the application for a certificate of authority, and when all fees and charges have been paid, as required by law, shall file the application and the copy of the articles, and shall issue to the corporation a certificate of authority to do business in this Commonwealth. The certificate of authority shall set forth the name of the corporation, the address of its initial registered office in this Commonwealth, and the business which the corporation is authorized to transact in this Commonwealth. Upon the issuance of the certificate of authority by the Department of State, the corporation may do, in this Commonwealth, any *or all* of the *kinds of* business referred to in the certificate of authority and no other, subject, however, to the right of the Commonwealth to cancel or revoke such right to transact business in this Commonwealth, as provided in this act. The certificate of authority shall be returned to the corporation, or its representative, and such certificate, and a verified copy of its articles, shall be recorded in the office of the recorder of deeds of the county in which the registered office of the corporation in this Commonwealth is located. The certificate of authority, upon being recorded by the recorder of deeds, shall be returned to the corporation or its representative.

Section 911. Revocation of Certificate of Authority. —Whenever the Department of State shall find that a foreign nonprofit corporation is doing in this Commonwealth a business which a domestic nonprofit corporation could not do, or is exceeding the authority contained in its original or amended certificate of authority, or has changed its name [or the location of its registered office] without first securing an amended certificate of authority from the Department of State, or has failed to file a copy of its articles, or a copy of any amendments thereto, or its certificate of authority, or any amended certificate of authority, in the office of the recorder of deeds of the county in which its registered office is situated, *or has changed the location of its registered office without filing with the Department of State, and recording with the recorder of deeds of the proper county, the statement required by this act*, or is violating any of the laws of this Commonwealth, the Department of State shall give notice by registered mail to such corporation that such default exists and that its certificate of authority, including any amendments thereto, will be revoked and cancelled unless such default shall be cured within thirty days after the mail-

ing of such notice. If such default shall not be cured within such period of thirty days, the Department of State shall revoke and cancel the certificate of authority of such foreign corporation, including any amendments thereto. Upon revoking and cancelling any such certificate of authority, the Department of State shall mail to such corporation, at its registered office in this Commonwealth, a certificate of revocation, and shall mail a copy of such certificate to the recorder of deeds of the county in which the registered office of the corporation is situated, who shall record the same without any fee therefor. Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in this Commonwealth shall cease, and such corporation shall not thereafter transact any business in this Commonwealth unless it applies for and receives a new certificate of authority.

Section 912. Service of Process.—Service of process against a foreign nonprofit corporation upon the Secretary of the Commonwealth shall be made by the sheriff of Dauphin County by leaving the fee the plaintiff is required by law to pay to the *Secretary of the Commonwealth* for this service, and two copies of the process, at the office of the Secretary of the Commonwealth. The sheriff shall make due return of his service of the process to the court, magistrate, or justice of the peace issuing the same. Such process may be issued by any court, magistrate, or justice of the peace having jurisdiction of the subject matter of the controversy in any county of the Commonwealth in which the corporation shall have its registered office, or in the county in which the right of action arose. When legal process against any such corporation has been served upon the Secretary of the Commonwealth, he shall immediately send by mail, postage prepaid, one copy of such process directed to the corporation at its registered address. The fee paid by the plaintiff to the Secretary of the Commonwealth at the time of the service shall be taxed in the plaintiff's costs if he prevails in the suit necessitating the service of the process. The Secretary of the Commonwealth shall keep a record of the day and hour of the service of such process on him, and a certified copy of such record shall be sufficient evidence thereof. The service of process on the Secretary of the Commonwealth under this section shall be of the same legal force and validity as if the process had been served on the corporation, and the authority for such service of process shall continue in force as long as any liability remains outstanding against the corporation in this Commonwealth. Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a for-

eign corporation in any other manner now or hereafter permitted by law.

Section 913. Penalty for Doing Business Without Certificate of Authority.—Any person, agent, officer or employe of a foreign nonprofit corporation, who shall transact any business within this Commonwealth for any such foreign nonprofit corporation without first obtaining a certificate of authority as provided in this article, *or who transacts any business within this Commonwealth after a certificate of authority issued by the Department of State has been revoked, cancelled, or withdrawn, as provided by this act*, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by imprisonment not exceeding thirty days, and by a fine not exceeding one thousand dollars (\$1,000.00), or either, in the discretion of the court trying the same, but the failure of any such corporation to apply for and secure a certificate of authority from the Department of State shall not impair or affect the validity of any contract with such corporation, and actions or proceedings at law or in equity may be instituted and maintained on any such contract. No such action, however, shall be instituted or recovery had by any such corporation on any such contract, either expressed or implied, in any of the courts of this Commonwealth, or before any justice of the peace or magistrate thereof, until such corporation shall obtain a certificate of authority, and shall pay to the Department of State a fine of two hundred fifty dollars (\$250.00).

Section 914. Acquisition of Real Property.—Every foreign nonprofit corporation authorized to transact business within this Commonwealth may acquire, hold, mortgage, lease and transfer real property in this Commonwealth, in the same manner and subject to the same limitations as nonprofit corporations formed under the laws of this Commonwealth. Every such corporation may purchase in its corporate name, at any [sheriff's] *tax* or [other] judicial sale, any real estate within this Commonwealth upon which such corporation may have or hold a judgment or lien, and may, at its pleasure, sell and convey such real estate. All the rights, privileges and duties now by law accorded to and imposed upon lien creditors purchasing at *tax* or judicial sales are hereby extended to such corporations.

Section 1001. Voluntary Dissolution.—A. Any nonprofit corporation may, upon application to the [equity side of the] court of common pleas of the county in which its registered office is located [or in which its principal activities are conducted] be dissolved and wind up its affairs. Before the application is made to the court, a resolution authorizing the institution of voluntary proceedings for the dissolution of the corpora-

tion shall be approved by a majority vote, or such other vote as the articles may require, of each class of members of the corporation, at a regular or special meeting convened after proper notice of this purpose to all *the* members.

B. Application to the court shall be made by a petition of the corporation, signed and verified by at least two duly authorized officers thereof. The petition shall be under the seal of the corporation, and shall, among other things, set forth:

(1) The name and location of the registered office of the corporation.

(2) The act of Assembly under which the corporation was formed, the date when the court entered the decree of incorporation, and the date when and the place where the original articles were recorded.

(3) The time and place of the meeting of the members of the corporation at which the resolution authorizing the dissolution proceeding was adopted, the kind and period of notice of the meeting given to the members, and the total vote by which the resolution was adopted.

(4) An inventory of all the real and personal property of the corporation, which shall show separately any real or personal property held in trust by the corporation.

(5) A statement of all liens and encumbrances upon the corporate property, and all outstanding claims of the corporation.

(6) The names and addresses of all the existing members of the corporation, to the extent this information is known, and their respective rights, if any, to share in the corporate assets in excess of the debts and obligations of the corporation.

The petition shall in all cases be accompanied by a certified copy of the charter of the corporation, the resolution authorizing the institution of the dissolution proceedings, and any trust instrument relating to any real or personal property of the corporation. Upon the presentation of the petition to the court, the proceedings for dissolution shall be deemed to commence, and thereafter the corporation shall cease to transact any business whatsoever, except in so far as may be necessary for the winding up of the affairs of the corporation.

C. Upon the presentation of the petition, the court shall enter a preliminary decree appointing a day for the hearing of the petition and directing all persons interested in the corporation at that time to show cause, if any they have, why the corporation should not be dissolved. The petitioners shall advertise the contents of the decree once a week for two consecutive weeks in

the county wherein the registered office of the corporation is located. [and also in the county where the principal activities of the corporation are conducted, if the petition for dissolution is filed in such county.] Advertisements shall appear in a newspaper of general circulation published within the county and in the legal newspaper, if any, designated by the rules of court for the publication of legal notices; otherwise, in two newspapers of general circulation published within the county. Where there is but one newspaper of general circulation published in any county, advertisements in such newspaper shall be sufficient. On the day fixed in the decree, or as soon thereafter as the matter may be heard, proof of the advertisements heretofore required shall be presented to the court, whereupon the court shall consider the petition. If the court shall be satisfied that the prayer of the petition may be granted without prejudice to the public welfare or the interests of the members of the corporation, the court shall decree that the petition is approved and that upon the recording of the petition and decree the corporation shall be dissolved. Before entering the final decree of dissolution, the court shall cause the assets of the corporation to be marshaled and the property rights to be adjudicated, either by proceedings before the court or before a master appointed by it, provided that property devoted to religious, literary, educational or charitable uses shall not be diverted from the objects for which it was donated, granted, bequeathed or devised. In entering the final decree, the court shall order the distribution of the property and assets of the corporation among the members entitled thereto, shall direct what disposition shall be made of any real or personal property devoted to any religious, literary, educational or charitable use, and shall designate the directors of the corporation, or, having proper cause, a liquidating trustee, to wind up the affairs of the corporation according to the decree of the court. Upon the recording of the petition and decree of the court in a manner similar to that heretofore specified in this act in the case of the formation of a corporation, the dissolution of the corporation shall become effective, and thereafter *the directors* of the corporation, or the liquidating trustee appointed by the court, shall wind up the affairs of the corporation in accordance with the decree.

D. The prothonotary, in making the monthly report to the Department of State heretofore required by this act, shall include in such report the name and the location of the registered office of every corporation which, during the preceding month, was dissolved by proceedings under this section. For this service, the prothonotary shall receive a fee of one dollar (\$1.00) from each

corporation. The Department of State shall cancel the registration of the name of the corporation and shall note after the name the date the corporation was dissolved.

Section 1002. Dissolution of Certain Religious Corporations. — Whenever any nonprofit corporation organized for the support of public worship, by reason of the shifting of population, withdrawal of membership, or any other cause whatsoever, has ceased to support public worship within the intent and meaning of its articles, the diocesan convention, presbytery, synod, conference, council, or other supervising and controlling organization of which the corporation is a member or with which it is in allegiance and to which it is subordinate, may petition the [equity side of the] court of common pleas of the county in which the registered office of the corporation is located, setting forth the facts of the case and praying for a decree of dissolution. The petition shall be under the seal of the organization, signed and verified by at least two duly authorized officers thereof, and shall set forth the information heretofore required to be set forth in a petition for the voluntary dissolution of a corporation, to the extent that such information is applicable. The court shall, after notice and hearing as heretofore provided in this article, enter a decree of dissolution if satisfied that the prayer of the petition may be granted without prejudice to the public welfare or the interests of the members of the corporation. Upon the recording of the petition and decree of the court, as heretofore provided in this article, the dissolution of the corporation shall become effective.

Section 1004. Continuation of Corporation After Dissolution.—All nonprofit corporations, whether they expire by their own limitations or are otherwise dissolved, shall nevertheless continue to exist for a period of two years after the date of dissolution for the purpose of winding up their affairs, *instituting*, prosecuting and defending actions by or against them, collecting and discharging obligations, disposing of and conveying their property, and collecting and dividing their assets, but not for the purpose of continuing business, except in so far as necessary for the winding up of the corporation. No action or proceeding to which a *nonprofit* corporation is a party shall abate by the dissolution of the corporation.

When effective.

Section 2. This act shall become effective immediately upon its final enactment.

APPROVED—The 2d day of July, A. D. 1937.

GEORGE H. EARLE