S T A T E O F N E W Y O R K

3678

2009-2010 Regular Sessions

I N S E N A T E

March 27, 2009

Introduced by Sens. FLANAGAN, VOLKER -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the not-for-profit corporation law, in relation to its recodification, reorganization, and overall operation of non-profit entities in New York state; and to repeal certain provisions of such law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Article 1 of the not-for-profit corporation law is REPEALED and a new article 1 is added to read as follows:

ARTICLE 1

SHORT TITLE; DEFINITIONS; APPLICATION; CERTIFICATES; MISCELLANEOUS

SECTION 101. SHORT TITLE.
102. DEFINITIONS.
103. APPLICATION.
103-A. RELATIONSHIP TO OTHER LAWS.
104. CERTIFICATES; REQUIREMENTS, SIGNING, FILING, EFFECTIVENESS.
104-A. FEES.
105. CERTIFICATES; CORRECTIONS.
106. CERTIFICATES AS EVIDENCE.
107. CORPORATE SEAL AS EVIDENCE.
108. WHEN NOTICE OR LAPSE OF TIME UNNECESSARY; NOTICES DISPENSED WITH WHEN DELIVERY IS PROHIBITED.
109. RESERVATION OF POWER.
110. EFFECT OF INVALIDITY OF PART OF CHAPTER; SEVERABILITY.
111. REFERENCES.
112. ACTIONS OR SPECIAL PROCEEDINGS BY ATTORNEY-GENERAL.
114. VISITATION OF SUPREME COURT.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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S 101. SHORT TITLE.

THIS CHAPTER SHALL BE KNOWN AS THE "NON-PROFIT CORPORATION LAW" AND MAY BE CITED AS "NPCL".

S 102. DEFINITIONS.

(A) AS USED IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES, THE TERM:

(1) "ASSETS RECEIVED FOR SPECIFIC PURPOSES" MEANS FUNDS OR OTHER REAL OR PERSONAL PROPERTY OF ANY KIND, THAT MAY BE GIVEN, GRANTED, BEQUEATHED OR DEVISED TO OR OTHERWISE VESTED IN A CORPORATION IN TRUST FOR, OR WITH A DIRECTION TO APPLY THE SAME TO, ANY PARTICULAR PURPOSE.

(2) "AUTHORIZED PERSON" MEANS A PERSON, WHETHER OR NOT A MEMBER, OFFICER, OR DIRECTOR, WHO IS AUTHORIZED TO ACT ON BEHALF OF A CORPORATION OR FOREIGN CORPORATION.

(3) "BONDS" INCLUDES SECURED AND UNSECURED BONDS, DEBENTURES, AND NOTES.

(4) "BY-LAWS" MEANS THE CODE OR CODES OF RULES ADOPTED FOR THE REGULATION OR MANAGEMENT OF THE AFFAIRS OF THE CORPORATION IRRESPECTIVE OF THE NAME OR NAMES BY WHICH SUCH RULES ARE DESIGNATED.

(5) "CERTIFICATE OF INCORPORATION" INCLUDES (I) THE ORIGINAL CERTIFICATE OF INCORPORATION OR ANY OTHER INSTRUMENT FILED OR ISSUED UNDER ANY STATUTE TO FORM A DOMESTIC OR FOREIGN CORPORATION, AS AMENDED, SUPPLEMENTED OR RESTATED BY CERTIFICATES OF AMENDMENT, MERGER OR CONSOLIDATION OR OTHER CERTIFICATES OR INSTRUMENTS FILED OR ISSUED UNDER ANY STATUTE; OR (II) A SPECIAL ACT OR CHARTER CREATING A DOMESTIC OR FOREIGN CORPORATION, AS AMENDED, SUPPLEMENTED OR RESTATED.

(6) "CHARITABLE PURPOSES" OF A CORPORATION MEANS PURPOSES CONTAINED IN THE CERTIFICATE OF INCORPORATION OF THE CORPORATION THAT ARE CHARITABLE, EDUCATIONAL, RELIGIOUS, SCIENTIFIC, LITERARY, CULTURAL OR FOR THE PREVENTION OF CRUELTY TO CHILDREN OR ANIMALS.

(7) "CONDUCTING OF ACTIVITIES" OF A CORPORATION MEANS THE OPERATIONS FOR THE CONDUCT OF WHICH SUCH CORPORATION IS FORMED AND MAY CONSTITUTE "DOING OF BUSINESS" OR "TRANSACTION OF BUSINESS" AS THOSE TERMS ARE USED IN THE STATUTES OF THIS STATE.

(8) "CORPORATION" OR "DOMESTIC CORPORATION" MEANS A CORPORATION (I) FORMED UNDER THIS CHAPTER, OR EXISTING ON ITS EFFECTIVE DATE AND THERETOFORE FORMED UNDER ANY OTHER GENERAL STATUTE OR BY ANY SPECIAL ACT OF THIS STATE, EXCLUSIVELY FOR A PURPOSE OR PURPOSES, NOT FOR PECUNIARY PROFIT OR FINANCIAL GAIN, FOR WHICH A CORPORATION MAY BE FORMED UNDER THIS CHAPTER, AND (II) NO PART OF THE ASSETS, INCOME OR PROFIT OF WHICH IS DISTRIBUTABLE TO, OR INURES TO THE BENEFIT OF, ITS MEMBERS, DIRECTORS OR OFFICERS EXCEPT TO THE EXTENT PERMITTED UNDER THIS STATUTE.

(9) "DIRECTOR" MEANS ANY MEMBER OF THE GOVERNING BOARD OF A CORPORATION, WHETHER DESIGNATED AS DIRECTOR, TRUSTEE, MANAGER, GOVERNOR, OR BY ANY OTHER TITLE. THE TERM "BOARD" MEANS "BOARD OF DIRECTORS".

(10) "ENDOWMENT FUND" MEANS AN INSTITUTIONAL FUND, OR ANY PART THEREOF, NOT WHOLLY EXPENDABLE BY THE CORPORATION ON A CURRENT BASIS UNDER THE SPECIFIC TERMS OF ALL APPLICABLE GIFT INSTRUMENTS.

(11) "FOREIGN CORPORATION" MEANS A CORPORATION FORMED UNDER LAWS OTHER THAN THE STATUTES OF THIS STATE, WHICH, IF FORMED UNDER THE STATUTES OF THIS STATE, WOULD BE WITHIN THE TERM "CORPORATION OR DOMESTIC CORPORATION" AS DEFINED IN THIS SECTION. "AUTHORIZED", WHEN USED WITH RESPECT TO A FOREIGN CORPORATION, MEANS HAVING AUTHORITY UNDER ARTICLE 13 OF THIS CHAPTER TO CONDUCT ACTIVITIES OF THE CORPORATION IN THIS STATE.

(12) "GIFT INSTRUMENT" MEANS A WILL, DEED, GRANT, CONVEYANCE, AGREEMENT, MEMORANDUM, COURT ORDER, WRITING OR OTHER GOVERNING DOCUMENT

(INCLUDING THE TERMS OF ANY INSTITUTIONAL SOLICITATIONS FROM WHICH AN INSTITUTIONAL FUND RESULTED) UNDER WHICH PROPERTY IS TRANSFERRED TO OR ACQUIRED BY A CORPORATION AS AN INSTITUTIONAL FUND.

(13) "GOVERNING BOARD" MEANS THE BODY RESPONSIBLE FOR THE MANAGEMENT OF A CORPORATION OR OF AN INSTITUTIONAL FUND.

(14) "HISTORIC DOLLAR VALUE" MEANS THE AGGREGATE FAIR VALUE IN DOLLARS OF (I) AN ENDOWMENT FUND AT THE TIME IT BECAME AN ENDOWMENT FUND, (II) EACH SUBSEQUENT DONATION TO THE FUND AT THE TIME IT IS MADE, AND (III) EACH ACCUMULATION MADE PURSUANT TO A DIRECTION IN THE APPLICABLE GIFT INSTRUMENT AT THE TIME THE ACCUMULATION IS ADDED TO THE FUND. THE DETERMINATION OF HISTORIC DOLLAR VALUE MADE IN GOOD FAITH BY THE CORPORATION IS CONCLUSIVE.

(15) "INFANT" OR "MINOR" MEANS ANY PERSON WHO HAS NOT ATTAINED THE AGE OF EIGHTEEN YEARS.

(16) "INSOLVENT" MEANS BEING UNABLE TO PAY DEBTS AS THEY BECOME DUE IN THE USUAL COURSE OF THE DEBTOR'S BUSINESS.

(17) "INSTITUTIONAL FUND" MEANS A FUND FOR THE EXCLUSIVE USE, BENEFIT OR PURPOSES OF A CORPORATION, HELD EITHER BY THE CORPORATION ITSELF OR ON BEHALF OF THE CORPORATION BY A PERSON OR ENTITY WHOSE SOLE AUTHORITY WITH RESPECT TO THE FUND HAS BEEN DELEGATED BY THE CORPORATION PURSUANT TO SECTION 514 OF THIS CHAPTER, BUT DOES NOT INCLUDE (I) A FUND HELD FOR A CORPORATION BY A TRUSTEE THAT IS NOT A NON-PROFIT CORPORATION (OTHER THAN A TRUSTEE WHOSE SOLE AUTHORITY WITH RESPECT TO THE FUND HAS BEEN DELEGATED BY THE CORPORATION PURSUANT TO SECTION 514 OF THIS CHAPTER), OR (II) A FUND IN WHICH A BENEFICIARY THAT IS NOT A NON-PROFIT CORPORATION HAS AN INTEREST (OTHER THAN POSSIBLE RIGHTS THAT COULD ARISE UPON VIOLATION OR FAILURE OF THE PURPOSES OF THE FUND).

(18) "MEMBER" MEANS ONE HAVING MEMBERSHIP RIGHTS IN A CORPORATION IN ACCORDANCE WITH THE PROVISIONS OF ITS CERTIFICATE OF INCORPORATION OR BY-LAWS.

(19) "NON-PROFIT CORPORATION" MEANS A CORPORATION AS DEFINED IN SUBPARAGRAPH (8) OF THIS PARAGRAPH.

(20) "OFFICE OF A CORPORATION" MEANS THE OFFICE THE LOCATION OF WHICH IS STATED IN THE CERTIFICATE OF INCORPORATION OF A DOMESTIC CORPORATION, OR IN THE APPLICATION FOR AUTHORITY OF A FOREIGN CORPORATION OR AN AMENDMENT THEREOF. SUCH OFFICE NEED NOT BE A PLACE WHERE ACTIVITIES ARE CONDUCTED BY SUCH CORPORATION.

(21) "ORGANIZED FOR CHARITABLE PURPOSES" MEANS THAT THE CORPORATION'S CERTIFICATE OF INCORPORATION CONTAINS CHARITABLE PURPOSES.

(22) "PROCESS" MEANS JUDICIAL PROCESS AND ALL ORDERS, DEMANDS, NOTICES OR OTHER PAPERS REQUIRED OR PERMITTED BY LAW TO BE PERSONALLY SERVED ON A DOMESTIC OR FOREIGN CORPORATION, FOR THE PURPOSE OF ACQUIRING JURISDICTION OF SUCH CORPORATION IN ANY ACTION OR PROCEEDING, CIVIL OR CRIMINAL, WHETHER JUDICIAL, ADMINISTRATIVE, ARBITRATIVE OR OTHERWISE, IN THIS STATE OR IN THE FEDERAL COURTS SITTING IN OR FOR THIS STATE.

(23) "PERSON" MEANS ANY ASSOCIATION, CORPORATION, JOINT STOCK COMPANY, ESTATE, GENERAL PARTNERSHIP (INCLUDING ANY REGISTERED LIMITED LIABILITY PARTNERSHIP OR FOREIGN LIMITED LIABILITY PARTNERSHIP), LIMITED ASSOCIATION, LIMITED LIABILITY COMPANY (INCLUDING A PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY), FOREIGN LIMITED LIABILITY COMPANY (INCLUDING A FOREIGN PROFESSIONAL SERVICE LIMITED LIABILITY COMPANY), JOINT VENTURE, LIMITED PARTNERSHIP, NATURAL PERSON, REAL ESTATE INVESTMENT TRUST, BUSINESS TRUST OR OTHER TRUST, CUSTODIAN, NOMINEE OR ANY OTHER INDIVIDUAL OR ENTITY IN ITS OWN OR ANY REPRESENTATIVE CAPACITY.

S 103. APPLICATION.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THIS CHAPTER APPLIES TO EVERY DOMESTIC CORPORATION AS DEFINED IN THIS ARTICLE, AND TO EVERY FOREIGN CORPORATION AS DEFINED IN THIS ARTICLE WHICH IS AUTHORIZED TO CONDUCT OR WHICH CONDUCTS ANY ACTIVITIES IN THIS STATE. THIS CHAPTER ALSO APPLIES TO ANY OTHER DOMESTIC CORPORATION OR FOREIGN CORPORATION OF ANY TYPE OR KIND TO THE EXTENT, IF ANY, PROVIDED UNDER THIS CHAPTER OR ANY LAW GOVERNING SUCH CORPORATION AND, IF NO SUCH PROVISION FOR APPLICATION IS MADE, TO THE EXTENT, IF ANY, THAT THE MEMBERSHIP CORPORATIONS LAW APPLIED TO SUCH CORPORATION AS OF THE EFFECTIVE DATE OF THIS CHAPTER. A CORPORATION FORMED BY A SPECIAL ACT OF THIS STATE WHICH HAS AS ITS PRINCIPAL PURPOSE AN EDUCATION PURPOSE AND WHICH IS A MEMBER OF THE UNIVERSITY OF THE STATE OF NEW YORK, IS AN "EDUCATION CORPORATION" UNDER SECTION TWO HUNDRED SIXTEEN-A OF THE EDUCATION LAW.

TO THE EXTENT THAT THE FORMER MEMBERSHIP CORPORATIONS LAW OR THE FORMER GENERAL CORPORATION LAW APPLIED TO IT AS OF THE EFFECTIVE DATE OF THIS CHAPTER, THE CORRESPONDING PROVISIONS OF THIS CHAPTER APPLY TO A CORPORATION HERETOFORE FORMED BY OR PURSUANT TO A SPECIAL ACT OF THIS STATE OTHER THAN A RELIGIOUS CORPORATION OR AN "EDUCATION CORPORATION" UNDER PARAGRAPH (B) OF SUBDIVISION ONE OF SECTION TWO HUNDRED SIXTEEN-A OF THE EDUCATION LAW, IF (1) ITS PRINCIPAL PURPOSE IS A RELIGIOUS, CHARITABLE OR EDUCATION PURPOSE, AND (2) IT IS OPERATED, SUPERVISED OR CONTROLLED BY OR IN CONNECTION WITH A RELIGIOUS ORGANIZATION.

THIS CHAPTER ALSO APPLIES TO ANY OTHER CORPORATION OF ANY TYPE OR KIND, FORMED NOT FOR PROFIT UNDER ANY OTHER CHAPTER OF THE LAWS OF THIS STATE EXCEPT A CHAPTER OF THE CONSOLIDATED LAWS, TO THE EXTENT THAT PROVISIONS OF THIS CHAPTER DO NOT CONFLICT WITH THE PROVISIONS OF SUCH UNCONSOLIDATED LAW. IF AN APPLICABLE PROVISION OF SUCH UNCONSOLIDATED LAW RELATES TO A MATTER EMBRACED IN THIS CHAPTER BUT IS NOT IN CONFLICT THEREWITH, BOTH PROVISIONS SHALL APPLY. ANY CORPORATION TO WHICH THIS CHAPTER IS MADE APPLICABLE BY THIS PARAGRAPH SHALL BE TREATED AS A "CORPORATION" OR "DOMESTIC CORPORATION" AS SUCH TERMS ARE USED IN THIS CHAPTER, EXCEPT THAT THE PURPOSES OF ANY SUCH CORPORATION FORMED OR FORMABLE UNDER SUCH UNCONSOLIDATED LAW SHALL NOT THEREBY BE EXTENDED. FOR THE PURPOSE OF THIS PARAGRAPH, THE EFFECTIVE DATE OF THIS CHAPTER AS TO CORPORATIONS TO WHICH THIS CHAPTER IS MADE APPLICABLE BY THIS PARAGRAPH SHALL BE SEPTEMBER FIRST, NINETEEN HUNDRED SEVENTY-THREE.

(B) THE BUSINESS CORPORATION LAW DOES NOT APPLY TO A CORPORATION OF ANY TYPE OR KIND TO WHICH THIS CHAPTER APPLIES. A REFERENCE IN ANY STATUTE OF THIS STATE WHICH MAKES A PROVISION OF THE BUSINESS CORPORATION LAW APPLICABLE TO A CORPORATION OF ANY TYPE OR KIND TO WHICH THIS CHAPTER IS APPLICABLE OR A REFERENCE IN ANY STATUTE OF THIS STATE, OTHER THAN THE FORMER MEMBERSHIP CORPORATIONS LAW, WHICH MAKES A PROVISION OF THE MEMBERSHIP CORPORATIONS LAW APPLICABLE TO A CORPORATION OF ANY TYPE OR KIND SHALL BE DEEMED AND CONSTRUED TO REFER TO AND MAKE APPLICABLE THE CORRESPONDING PROVISION, IF ANY, OF THIS CHAPTER.

(C) IF ANY PROVISION IN ARTICLES 1 TO 13 INCLUSIVE OF THIS CHAPTER CONFLICTS WITH A PROVISION OF ANY SUBSEQUENT ARTICLES OR OF ANY SPECIAL ACT UNDER WHICH A CORPORATION TO WHICH THIS CHAPTER APPLIES IS FORMED, THE PROVISION IN SUCH SUBSEQUENT ARTICLE OR SPECIAL ACT PREVAILS. A PROVISION OF ANY SUCH SUBSEQUENT ARTICLE OR SPECIAL ACT RELATING TO A MATTER REFERRED TO IN ARTICLES 1 TO 13 INCLUSIVE AND NOT IN CONFLICT THEREWITH IS SUPPLEMENTAL AND BOTH SHALL APPLY. WHENEVER THE BOARD OF A CORPORATION, FORMED UNDER A SPECIAL ACT, REASONABLY MAKES AN INTERPRETATION AS TO WHETHER A PROVISION OF THE SPECIAL ACT OR THIS CHAPTER PREVAILS, OR BOTH APPLY, SUCH INTERPRETATION SHALL GOVERN UNLESS AND UNTIL A COURT DETERMINES OTHERWISE, IF SUCH BOARD HAS ACTED IN GOOD

FAITH FOR A PURPOSE WHICH IT REASONABLY BELIEVES TO BE IN THE BEST INTERESTS OF THE CORPORATION, PROVIDED HOWEVER, THAT SUCH INTERPRETATION SHALL NOT BIND ANY GOVERNMENTAL BODY OR OFFICER.

(D) THIS CHAPTER APPLIES TO COMMERCE WITH FOREIGN NATIONS AND AMONG THE SEVERAL STATES, AND TO CORPORATIONS FORMED BY OR UNDER ANY ACT OF CONGRESS, ONLY TO THE EXTENT PERMITTED UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES.

(E) THE ENACTMENT OF THIS CHAPTER SHALL NOT AFFECT THE DURATION OF A CORPORATION WHICH IS EXISTING ON THE EFFECTIVE DATE OF THIS CHAPTER. ANY SUCH EXISTING CORPORATION, ITS MEMBERS, DIRECTORS AND OFFICERS SHALL HAVE THE SAME RIGHTS AND BE SUBJECT TO THE SAME LIMITATIONS, RESTRICTIONS, LIABILITIES AND PENALTIES AS A CORPORATION FORMED UNDER THIS CHAPTER, ITS MEMBERS, DIRECTORS AND OFFICERS.

(F) THIS CHAPTER SHALL NOT AFFECT ANY CAUSE OF ACTION, LIABILITY, PENALTY OR ACTION OR SPECIAL PROCEEDING, WHICH ON THE EFFECTIVE DATE OF THIS CHAPTER, IS ACCRUED, EXISTING, INCURRED OR PENDING BUT THE SAME MAY BE ASSERTED, ENFORCED, PROSECUTED OR DEFENDED AS IF THIS CHAPTER HAD NOT BEEN ENACTED.

S 103-A. RELATIONSHIP TO OTHER LAWS.

(A) THIS CHAPTER IS NOT INTENDED TO AUTHORIZE ANY ENTITY TO DO ANY ACT PROHIBITED BY ANY REGULATORY LAW.

(B) EXCEPT AS EXPRESSLY PROVIDED OTHERWISE BY OR PURSUANT TO A REGULATORY LAW:

(1) THE FILING BY THE DEPARTMENT OF STATE OF ANY DOCUMENT UNDER THIS CHAPTER SHALL NOT BE EFFECTIVE TO EXEMPT AN ENTITY FROM ANY OF THE REQUIREMENTS OF ANY REGULATORY LAW.

(2) FAILURE TO COMPLY WITH A REGULATORY LAW IN CONNECTION WITH AN ACTION UNDER THIS CHAPTER SHALL NOT AFFECT THE VALID EXISTENCE FOLLOWING THE ACTION OF AN ENTITY THAT ENGAGED IN OR WAS A PARTY TO THE ACTION.

(3) IF AN ACTION UNDER THIS CHAPTER IS ENJOINED OR REVERSED BECAUSE OF A VIOLATION OF A REGULATORY LAW AFTER THE FILING THAT EFFECTED THE ACTION HAS BECOME EFFECTIVE, THE ENJOINING OR REVERSAL OF THE ACTION SHALL NOT AFFECT THE VALID EXISTENCE OF AN ENTITY THAT WAS A PARTY TO THE ACTION AND THE EXISTENCE OF ANY ENTITY WHOSE EXISTENCE CEASED IN THE ACTION SHALL BE REINSTATED UPON THE FILING WITH THE DEPARTMENT OF STATE BY ANY INTERESTED PARTY OF A FINAL ORDER NOT SUBJECT TO APPEAL ENJOINING OR REVERSING THE ACTION.

(C) ANY DOCUMENT FILED BY THE DEPARTMENT OF STATE OR ANY ACTION TAKEN BY ANY PERSON UNDER THE AUTHORITY OF THIS CHAPTER IN VIOLATION OF ANY REGULATORY LAW SHALL BE INEFFECTIVE AS AGAINST NEW YORK STATE, INCLUDING THE OFFICERS, DEPARTMENTS, AGENCIES, BOARDS AND COMMISSIONS THEREOF, UNLESS AND UNTIL THE VIOLATION IS CURED.

(D) IF AND TO THE EXTENT THAT A REGULATORY LAW SETS FORTH PROVISIONS RELATING TO THE GOVERNMENT AND REGULATION OF THE AFFAIRS OF AN ENTITY THAT ARE INCONSISTENT WITH THE PROVISIONS OF THIS CHAPTER ON THE SAME SUBJECT, THE PROVISIONS OF THE REGULATORY LAW SHALL CONTROL.

(E) AS USED IN THIS SECTION, THE TERM "REGULATORY LAW" MEANS ANY STATUTE, OTHER THAN AN ORGANIC LAW, REGULATING THE BUSINESS OF AN ENTITY AND ANY RULE OR REGULATION VALIDLY PROMULGATED UNDER SUCH A STATUTE BY ANY OFFICER, DEPARTMENT, AGENCY, BOARD OR COMMISSION OF NEW YORK STATE.

S 104. CERTIFICATES; REQUIREMENTS, SIGNING, FILING, EFFECTIVENESS.

(A) EVERY CERTIFICATE OR OTHER INSTRUMENT RELATING TO A DOMESTIC OR FOREIGN CORPORATION WHICH IS DELIVERED TO THE DEPARTMENT OF STATE FOR FILING UNDER THIS CHAPTER, OTHER THAN A CERTIFICATE OF EXISTENCE UNDER SECTION 1304 OF THIS CHAPTER, SHALL BE IN THE ENGLISH LANGUAGE, EXCEPT

THAT THE CORPORATE NAME MAY BE IN ANOTHER LANGUAGE IF WRITTEN IN ENGLISH LETTERS OR CHARACTERS.

(B) WHENEVER SUCH INSTRUMENT IS REQUIRED TO SET FORTH THE DATE OF INCORPORATION OR THE DATE WHEN A CERTIFICATE OF INCORPORATION WAS FILED, THE ORIGINAL CERTIFICATE OF INCORPORATION IS MEANT. THIS REQUIREMENT SHALL BE SATISFIED, IN THE CASE OF A CORPORATION CREATED BY SPECIAL ACT, BY SETTING FORTH THE CHAPTER NUMBER AND YEAR OF PASSAGE OF SUCH ACT.

(C) EVERY SUCH CERTIFICATE REQUIRED UNDER THIS CHAPTER TO BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE SHALL, EXCEPT AS OTHERWISE SPECIFIED IN THE SECTION PROVIDING FOR SUCH CERTIFICATE, BE SIGNED EITHER BY AN OFFICER, DIRECTOR, ATTORNEY-IN-FACT OR DULY AUTHORIZED PERSON AND INCLUDE THE NAME AND THE CAPACITY IN WHICH SUCH PERSON SIGNS SUCH CERTIFICATE.

(D) IF AN INSTRUMENT WHICH IS DELIVERED TO THE DEPARTMENT OF STATE FOR FILING COMPLIES AS TO FORM WITH THE REQUIREMENTS OF LAW AND THE FILING FEE AND TAX, IF ANY, REQUIRED BY ANY STATUTE OF THIS STATE IN CONNECTION THEREWITH HAVE BEEN PAID, THE INSTRUMENT SHALL BE FILED AND INDEXED BY THE DEPARTMENT OF STATE. NO CERTIFICATE OF AUTHENTICATION OR CONFORMITY OR OTHER PROOF SHALL BE REQUIRED WITH RESPECT TO ANY VERIFICATION, OATH OR ACKNOWLEDGMENT OF ANY INSTRUMENT DELIVERED TO THE DEPARTMENT OF STATE UNDER THIS CHAPTER, IF SUCH VERIFICATION, OATH OR ACKNOWLEDGMENT PURPORTS TO HAVE BEEN MADE BEFORE A NOTARY PUBLIC, OR PERSON PERFORMING THE EQUIVALENT FUNCTION, OF ONE OF THE STATES, OR ANY SUBDIVISION THEREOF, OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA. WITHOUT LIMITING THE EFFECT OF SECTION 403 OF THIS CHAPTER, FILING AND INDEXING BY THE DEPARTMENT OF STATE SHALL NOT BE DEEMED A FINDING THAT A CERTIFICATE CONFORMS TO LAW, NOR SHALL IT BE DEEMED TO CONSTITUTE AN APPROVAL BY THE DEPARTMENT OF STATE OF THE NAME OF THE CORPORATION OR THE CONTENTS OF THE CERTIFICATE, NOR SHALL IT BE DEEMED TO PREVENT ANY PERSON WITH APPROPRIATE STANDING FROM CONTESTING THE LEGALITY THEREOF IN AN APPROPRIATE FORUM.

(E) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, SUCH INSTRUMENT SHALL BECOME EFFECTIVE UPON THE FILING THEREOF BY THE DEPARTMENT OF STATE.

(F) THE DEPARTMENT OF STATE SHALL MAKE, CERTIFY AND TRANSMIT A COPY OF EACH SUCH INSTRUMENT TO THE CLERK OF THE COUNTY IN WHICH THE OFFICE OF THE DOMESTIC OR FOREIGN CORPORATION IS OR IS TO BE LOCATED. THE COUNTY CLERK SHALL FILE AND INDEX SUCH COPY.

S 104-A. FEES.

EXCEPT AS OTHERWISE PROVIDED, THE DEPARTMENT OF STATE SHALL COLLECT THE FOLLOWING FEES PURSUANT TO THIS CHAPTER:

(A) FOR THE RESERVATION OF A CORPORATE NAME PURSUANT TO SECTION 303 OF THIS CHAPTER, TEN DOLLARS.

(B) FOR THE RESIGNATION OF A REGISTERED AGENT FOR SERVICE OF PROCESS PURSUANT TO SECTION 305 OF THIS CHAPTER, THIRTY DOLLARS.

(C) FOR SERVICE OF PROCESS ON THE SECRETARY OF STATE PURSUANT TO SECTION 306 OR 307 OF THIS CHAPTER, FORTY DOLLARS. IF THE SERVICE IS IN AN ACTION BROUGHT SOLELY TO RECOVER A SUM OF MONEY NOT IN EXCESS OF TWO HUNDRED DOLLARS AND THE PROCESS IS SO ENDORSED, OR THE PROCESS IS SERVED ON BEHALF OF A COUNTY, CITY, TOWN OR VILLAGE OR OTHER SUBDIVISION OF THE STATE, TEN DOLLARS.

(D) FOR FILING A CERTIFICATE OF INCORPORATION PURSUANT TO SECTION 402 OF THIS CHAPTER, SEVENTY-FIVE DOLLARS.

(E) FOR FILING A CERTIFICATE OF AMENDMENT PURSUANT TO SECTION 804 OF THIS CHAPTER, THIRTY DOLLARS.

(F) FOR FILING A CERTIFICATE OF CHANGE PURSUANT TO SECTION 805 OF THIS CHAPTER, TWENTY DOLLARS.

(G) FOR FILING A RESTATED CERTIFICATE OF INCORPORATION PURSUANT TO SECTION 807 OF THIS CHAPTER, THIRTY DOLLARS.

(H) FOR FILING A CERTIFICATE OF MERGER OR CONSOLIDATION PURSUANT TO SECTION 904 OF THIS CHAPTER, THIRTY DOLLARS.

(I) FOR FILING A CERTIFICATE OF MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS PURSUANT TO SECTION 906 OF THIS CHAPTER, THIRTY DOLLARS.

(J) FOR FILING A CERTIFIED COPY OF AN ORDER OF APPROVAL OF THE SUPREME COURT PURSUANT TO SECTION 907 OF THIS CHAPTER, THIRTY DOLLARS.

(K) FOR FILING A CERTIFICATE OF DISSOLUTION PURSUANT TO SECTION 1003 OF THIS CHAPTER, THIRTY DOLLARS.

(L) FOR FILING A CERTIFICATE OF ANNULMENT OF DISSOLUTION PURSUANT TO SECTION 1012 OF THIS CHAPTER, THIRTY DOLLARS.

(M) FOR FILING AN APPLICATION BY A FOREIGN CORPORATION FOR AUTHORITY TO DO BUSINESS IN NEW YORK STATE PURSUANT TO SECTION 1304 OF THIS CHAPTER, ONE HUNDRED THIRTY-FIVE DOLLARS.

(N) FOR FILING A CERTIFICATE OF AMENDMENT OF AN APPLICATION FOR AUTHORITY BY A FOREIGN CORPORATION PURSUANT TO SECTION 1309 OF THIS CHAPTER, THIRTY DOLLARS.

(O) FOR FILING A CERTIFICATE OF CHANGE OF APPLICATION FOR AUTHORITY BY A FOREIGN CORPORATION PURSUANT TO SECTION 1310 OF THIS CHAPTER, TWENTY DOLLARS.

(P) FOR FILING A CERTIFICATE OF SURRENDER OF AUTHORITY PURSUANT TO SECTION 1311 OF THIS CHAPTER, THIRTY DOLLARS.

(Q) FOR FILING A STATEMENT OF THE TERMINATION OF EXISTENCE OF A FOREIGN CORPORATION PURSUANT TO SECTION 1312 OF THIS CHAPTER, THIRTY DOLLARS. THERE SHALL BE NO FEE FOR THE FILING BY AN AUTHORIZED OFFICER OF THE JURISDICTION OF INCORPORATION OF A FOREIGN CORPORATION OF A CERTIFICATE THAT THE FOREIGN CORPORATION HAS BEEN DISSOLVED OR ITS AUTHORITY OR EXISTENCE HAS BEEN OTHERWISE TERMINATED OR CANCELLED IN THE JURISDICTION OF ITS INCORPORATION.

(R) FOR FILING ANY OTHER CERTIFICATE OR INSTRUMENT, THIRTY DOLLARS.

S 105. CERTIFICATES; CORRECTIONS.

ANY CERTIFICATE OR OTHER INSTRUMENT RELATING TO A DOMESTIC OR FOREIGN CORPORATION FILED BY THE DEPARTMENT OF STATE UNDER THIS CHAPTER MAY BE CORRECTED WITH RESPECT TO ANY INFORMALITY OR ERROR APPARENT ON THE FACE OR DEFECT IN THE EXECUTION THEREOF INCLUDING THE DELETION OF ANY MATTER NOT PERMITTED TO BE STATED THEREIN. A CERTIFICATE, ENTITLED "CERTIFICATE OF CORRECTION OF (CORRECT TITLE OF CERTIFICATE AND NAME OF CORPORATION)" SHALL BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH THE NAME OF THE CORPORATION, THE DATE THE CERTIFICATE TO BE CORRECTED WAS FILED BY THE DEPARTMENT OF STATE, THE PROVISION IN THE CERTIFICATE AS CORRECTED OR ELIMINATED AND IF THE EXECUTION WAS DEFECTIVE, THE PROPER EXECUTION. THE FILING OF THE CERTIFICATE BY THE DEPARTMENT OF STATE SHALL NOT ALTER THE EFFECTIVE TIME OF THE INSTRUMENT BEING CORRECTED, WHICH SHALL REMAIN AS ITS ORIGINAL EFFECTIVE TIME, AND SHALL NOT AFFECT ANY RIGHT OR LIABILITY ACCRUED OR INCURRED BEFORE SUCH FILING. A CORPORATE NAME MAY NOT BE CHANGED OR CORRECTED UNDER THIS SECTION.

S 106. CERTIFICATES AS EVIDENCE.

(A) ANY CERTIFICATE OR OTHER INSTRUMENT FILED BY THE DEPARTMENT OF STATE RELATING TO A DOMESTIC OR FOREIGN CORPORATION AND CONTAINING STATEMENTS OF FACT REQUIRED OR PERMITTED BY LAW TO BE CONTAINED THEREIN, SHALL BE RECEIVED IN ALL COURTS, PUBLIC OFFICES AND OFFICIAL BODIES AS

PRIMA FACIE EVIDENCE OF SUCH FACTS AND OF THE EXECUTION OF SUCH INSTRUMENT.

(B) WHENEVER BY THE LAWS OF ANY JURISDICTION OTHER THAN THIS STATE, ANY CERTIFICATE BY ANY OFFICER IN SUCH JURISDICTION OR A COPY OF ANY INSTRUMENT CERTIFIED OR EXEMPLIFIED BY ANY SUCH OFFICER MAY BE RECEIVED AS PRIMA FACIE EVIDENCE OF THE INCORPORATION, EXISTENCE OR CAPACITY OF ANY FOREIGN CORPORATION INCORPORATED IN SUCH JURISDICTION, OR CLAIMING SO TO BE, SUCH CERTIFICATE WHEN EXEMPLIFIED, OR SUCH COPY OF SUCH INSTRUMENT WHEN EXEMPLIFIED SHALL BE RECEIVED IN ALL COURTS, PUBLIC OFFICES AND OFFICIAL BODIES OF THIS STATE, AS PRIMA FACIE EVIDENCE WITH THE SAME FORCE AS IN SUCH JURISDICTION. SUCH CERTIFICATE OR CERTIFIED COPY OF SUCH INSTRUMENT SHALL BE SO RECEIVED, WITHOUT BEING EXEMPLIFIED, IF IT IS CERTIFIED BY THE SECRETARY OF STATE, OR OFFICIAL PERFORMING THE EQUIVALENT FUNCTION AS TO CORPORATE RECORDS, OF SUCH JURISDICTION.

S 107. CORPORATE SEAL AS EVIDENCE.

THE PRESENCE OF THE CORPORATE SEAL ON A WRITTEN INSTRUMENT PURPORTING TO BE EXECUTED BY AUTHORITY OF A DOMESTIC OR FOREIGN CORPORATION SHALL BE PRIMA FACIE EVIDENCE THAT THE INSTRUMENT WAS SO EXECUTED.

S 108. WHEN NOTICE OR LAPSE OF TIME UNNECESSARY; NOTICES DISPENSED WITH WHEN DELIVERY IS PROHIBITED.

(A) WHENEVER, UNDER THIS CHAPTER OR THE CERTIFICATE OF INCORPORATION OR BY-LAWS OF ANY CORPORATION OR BY THE TERMS OF ANY AGREEMENT OR INSTRUMENT, A CORPORATION OR THE BOARD OR ANY COMMITTEE THEREOF IS AUTHORIZED TO TAKE ANY ACTION AFTER NOTICE TO ANY PERSON OR PERSONS OR AFTER THE LAPSE OF A PRESCRIBED PERIOD OF TIME, SUCH ACTION MAY BE TAKEN WITHOUT NOTICE AND WITHOUT THE LAPSE OF SUCH PERIOD OF TIME, IF AT ANY TIME BEFORE OR AFTER SUCH ACTION IS COMPLETED THE PERSON OR PERSONS ENTITLED TO SUCH NOTICE OR ENTITLED TO PARTICIPATE IN THE ACTION TO BE TAKEN OR, IN THE CASE OF A MEMBER, BY HIS OR HER ATTORNEY-IN-FACT, SUBMIT A SIGNED WAIVER OF NOTICE OF SUCH REQUIREMENTS.

(B) WHENEVER ANY NOTICE OR COMMUNICATION IS REQUIRED TO BE GIVEN TO ANY PERSON BY THIS CHAPTER, THE CERTIFICATE OF INCORPORATION OR BY-LAWS, OR BY THE TERMS OF ANY AGREEMENT OR INSTRUMENT, OR AS A CONDITION PRECEDENT TO TAKING ANY CORPORATE ACTION AND COMMUNICATION WITH SUCH PERSON IS THEN UNLAWFUL UNDER ANY STATUTE OF THIS STATE OR OF THE UNITED STATES OR ANY REGULATION, PROCLAMATION OR ORDER ISSUED UNDER SAID STATUTES, THEN THE GIVING OF SUCH NOTICE OR COMMUNICATION TO SUCH PERSON SHALL NOT BE REQUIRED AND THERE SHALL BE NO DUTY TO APPLY FOR LICENSE OR OTHER PERMISSION TO DO SO. ANY AFFIDAVIT, CERTIFICATE OR OTHER INSTRUMENT WHICH IS REQUIRED TO BE MADE OR FILED AS PROOF OF THE GIVING OF ANY NOTICE OR COMMUNICATION REQUIRED UNDER THIS CHAPTER SHALL, IF SUCH NOTICE OR COMMUNICATION TO ANY PERSON IS DISPENSED WITH UNDER THIS PARAGRAPH, INCLUDE A STATEMENT THAT SUCH NOTICE OR COMMUNICATION WAS NOT GIVEN TO ANY PERSON WITH WHOM COMMUNICATION IS UNLAWFUL. SUCH AFFIDAVIT, CERTIFICATE OR OTHER INSTRUMENT SHALL BE AS EFFECTIVE FOR ALL PURPOSES AS THOUGH SUCH NOTICE OR COMMUNICATION HAD BEEN PERSONALLY GIVEN TO SUCH PERSON.

(C) WHENEVER ANY NOTICE OR COMMUNICATION IS REQUIRED OR PERMITTED BY THIS CHAPTER TO BE GIVEN BY MAIL, IT SHALL, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS CHAPTER, BE MAILED TO THE PERSON TO WHOM IT IS DIRECTED AT THE ADDRESS DESIGNATED BY SUCH PERSON FOR THAT PURPOSE OR, IF NONE IS DESIGNATED, AT SUCH PERSON'S LAST KNOWN ADDRESS. SUCH NOTICE OR COMMUNICATION IS GIVEN WHEN DEPOSITED, WITH POSTAGE THEREON PREPAID, IN A POST OFFICE OR OFFICIAL DEPOSITORY UNDER THE EXCLUSIVE CARE AND CUSTODY OF THE UNITED STATES POST OFFICE DEPARTMENT. SUCH MAILING SHALL BE BY FIRST CLASS MAIL EXCEPT WHERE OTHERWISE REQUIRED BY THIS CHAPTER.

S 109. RESERVATION OF POWER.

THE LEGISLATURE RESERVES THE RIGHT, AT PLEASURE, TO ALTER, AMEND, SUSPEND OR REPEAL IN WHOLE OR IN PART THIS CHAPTER, OR ANY CERTIFICATE OF INCORPORATION OR ANY AUTHORITY TO DO BUSINESS IN THIS STATE, OF ANY DOMESTIC OR FOREIGN CORPORATION, WHETHER OR NOT EXISTING OR AUTHORIZED ON THE EFFECTIVE DATE OF THIS CHAPTER.

S 110. EFFECT OF INVALIDITY OF PART OF CHAPTER; SEVERABILITY.

IF ANY PROVISION OF THIS CHAPTER OR APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCES IS HELD INVALID, SUCH INVALIDITY SHALL NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THIS CHAPTER WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS CHAPTER ARE DECLARED SEVERABLE.

S 111. REFERENCES.

UNLESS OTHERWISE STATED, ALL REFERENCES IN THIS CHAPTER TO ARTICLES OR SECTIONS REFER TO THE ARTICLES OR SECTIONS OF THIS CHAPTER, AND ALL REFERENCES IN ANY SECTION OF THIS CHAPTER TO A LETTERED OR NUMBERED PARAGRAPH OR SUBPARAGRAPH REFER TO THE PARAGRAPH OR SUBPARAGRAPH SO LETTERED OR NUMBERED IN SUCH SECTION.

S 112. ACTIONS OR SPECIAL PROCEEDINGS BY ATTORNEY-GENERAL.

(A) THE ATTORNEY-GENERAL MAY MAINTAIN AN ACTION OR SPECIAL PROCEEDING:

(1) TO ANNUL THE CORPORATE EXISTENCE OR DISSOLVE A CORPORATION THAT HAS ACTED BEYOND ITS CAPACITY OR POWER OR TO RESTRAIN IT FROM CARRYING ON UNAUTHORIZED ACTIVITIES;

(2) TO ANNUL THE CORPORATE EXISTENCE OR DISSOLVE ANY CORPORATION THAT HAS NOT BEEN DULY FORMED;

(3) TO RESTRAIN ANY PERSON OR PERSONS FROM ACTING AS A DOMESTIC OR FOREIGN CORPORATION WITHIN THIS STATE WITHOUT BEING DULY INCORPORATED OR FROM EXERCISING IN THIS STATE ANY CORPORATE RIGHTS, PRIVILEGES OR FRANCHISES NOT GRANTED TO THEM BY THE LAW OF THE STATE;

(4) TO PROCURE A JUDGMENT REMOVING A DIRECTOR OF A CORPORATION FOR CAUSE UNDER SECTION 706 OF THIS CHAPTER;

(5) TO DISSOLVE A CORPORATION UNDER ARTICLE 11 OF THIS CHAPTER;

(6) TO RESTRAIN A FOREIGN CORPORATION OR TO ANNUL ITS AUTHORITY TO CARRY ON ACTIVITIES IN THIS STATE UNDER SECTION 1303 OF THIS CHAPTER.

(7) TO ENFORCE ANY RIGHT GIVEN UNDER THIS CHAPTER TO MEMBERS, A DIRECTOR OR AN OFFICER OF A CORPORATION. THE ATTORNEY-GENERAL SHALL HAVE THE SAME STATUS AS THE MEMBERS.

(8) UPON APPLICATION, EX PARTE, FOR AN ORDER TO THE SUPREME COURT AT A SPECIAL TERM HELD WITHIN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION IS LOCATED, AND IF THE COURT SO ORDERS, TO ENFORCE ANY RIGHT GIVEN UNDER THIS CHAPTER TO MEMBERS, A DIRECTOR OR AN OFFICER OF A CORPORATION. FOR SUCH PURPOSE, THE ATTORNEY-GENERAL SHALL HAVE THE SAME STATUS AS SUCH MEMBERS, DIRECTOR OR OFFICER.

(B) IN AN ACTION OR SPECIAL PROCEEDING BROUGHT BY THE ATTORNEY-GENERAL UNDER ANY OF THE PROVISIONS OF THIS CHAPTER:

(1) IF AN ACTION, IT IS TRIABLE BY JURY AS A MATTER OF RIGHT.

(2) THE COURT MAY CONFER IMMUNITY IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE FIFTY OF THE CRIMINAL PROCEDURE LAW.

(3) A TEMPORARY RESTRAINING ORDER TO RESTRAIN THE COMMISSION OR CONTINUANCE OF THE UNLAWFUL ACTS WHICH FORM THE BASIS OF THE ACTION OR SPECIAL PROCEEDING MAY BE GRANTED UPON PROOF, BY AFFIDAVIT, THAT THE DEFENDANT OR DEFENDANTS HAVE COMMITTED OR ARE ABOUT TO COMMIT SUCH ACTS. APPLICATION FOR SUCH RESTRAINING ORDER MAY BE MADE EX PARTE OR UPON SUCH NOTICE AS THE COURT MAY DIRECT.

(4) IF THE ACTION OR SPECIAL PROCEEDING IS AGAINST A FOREIGN CORPORATION, THE ATTORNEY-GENERAL MAY APPLY TO THE COURT AT ANY STAGE THEREOF

FOR THE APPOINTMENT OF A TEMPORARY RECEIVER OF THE ASSETS IN THIS STATE OF SUCH FOREIGN CORPORATION, WHENEVER IT HAS ASSETS OR PROPERTY OF ANY KIND WHATSOEVER, TANGIBLE OR INTANGIBLE, WITHIN THIS STATE.

(5) WHEN FINAL JUDGMENT IN SUCH ACTION OR SPECIAL PROCEEDING IS RENDERED AGAINST THE DEFENDANT OR DEFENDANTS, THE COURT MAY DIRECT THE COSTS TO BE COLLECTED BY EXECUTION AGAINST ANY OR ALL OF THE DEFENDANTS OR BY ORDER OF ATTACHMENT OR OTHER PROCESS AGAINST THE PERSON OF ANY DIRECTOR OR OFFICER OF A CORPORATE DEFENDANT.

(6) IN CONNECTION WITH ANY SUCH PROPOSED ACTION OR SPECIAL PROCEEDING, THE ATTORNEY-GENERAL MAY TAKE PROOF AND ISSUE SUBPOENAS IN ACCORDANCE WITH THE CIVIL PRACTICE LAW AND RULES.

(C) IN ANY SUCH ACTION OR SPECIAL PROCEEDING AGAINST A FOREIGN CORPORATION WHICH HAS NOT DESIGNATED THE SECRETARY OF STATE AS ITS AGENT FOR SERVICE OF PROCESS UNDER SECTION 304 OF THIS CHAPTER (STATUTORY DESIGNATION OF SECRETARY OF STATE AS AGENT OF DOMESTIC CORPORATIONS FORMED UNDER ARTICLE 4 OF THIS CHAPTER AND AUTHORIZED FOREIGN CORPORATIONS FOR SERVICE OF PROCESS), ANY OF THE FOLLOWING ACTS IN THIS STATE BY SUCH FOREIGN CORPORATION SHALL CONSTITUTE THE APPOINTMENT BY IT OF THE SECRETARY OF STATE AS ITS AGENT UPON WHOM PROCESS AGAINST SUCH FOREIGN CORPORATION MAY BE SERVED.

(1) AS USED IN THIS PARAGRAPH THE TERM "RESIDENT" SHALL INCLUDE INDIVIDUALS, DOMESTIC CORPORATIONS OF ANY TYPE OR KIND AND FOREIGN CORPORATIONS OF ANY TYPE OR KIND AUTHORIZED TO DO BUSINESS OR CARRY ON ACTIVITIES IN THE STATE.

(2) ANY ACT DONE, OR REPRESENTATION MADE AS PART OF A COURSE OF THE SOLICITATION OF ORDERS, OR THE ISSUANCE, OR THE DELIVERY OF CONTRACTS FOR, OR THE SALE OF, PROPERTY, OR THE PERFORMANCE OF SERVICES TO RESIDENTS WHICH INVOLVES OR PROMOTES A PLAN OR SCHEME TO DEFRAUD RESIDENTS IN VIOLATION OF THE LAWS OR THE PUBLIC POLICY OF THE STATE.

(3) ANY ACT DONE AS PART OF A COURSE OF CONDUCT OF BUSINESS OR ACTIVITIES IN THE SOLICITATION OF ORDERS FROM RESIDENTS FOR PROPERTY, GOODS OR SERVICES, TO BE DELIVERED OR RENDERED WITHIN THIS STATE TO, OR ON THEIR BEHALF, WHERE THE ORDERS OR CONTRACTS ARE EXECUTED BY SUCH RESIDENTS WITHIN THIS STATE AND WHERE SUCH ORDERS OR CONTRACTS ARE ACCOMPANIED OR FOLLOWED BY AN EARNEST MONEY DEPOSIT OR OTHER DOWN PAYMENT OR ANY INSTALLMENT PAYMENT THEREON OR ANY OTHER FORM OF PAYMENT, WHICH PAYMENT IS EITHER DELIVERED IN OR TRANSMITTED FROM THE STATE.

(4) ANY ACT DONE AS PART OF THE CONDUCT OF A COURSE OF BUSINESS OR ACTIVITIES WITH RESIDENTS WHICH DEFRAUDS SUCH RESIDENTS OR OTHERWISE INVOLVES OR PROMOTES AN ATTEMPT BY SUCH FOREIGN CORPORATION TO CIRCUMVENT THE LAWS OF THIS STATE.

(D) PARAGRAPHS (B), (C), (D) AND (E) OF SECTION 307 OF THIS CHAPTER SHALL APPLY TO PROCESS SERVED UNDER PARAGRAPH (C) OF THIS SECTION.

S 114. VISITATION OF SUPREME COURT.

CORPORATIONS, WHETHER FORMED UNDER GENERAL OR SPECIAL LAWS, WITH THEIR BOOKS AND VOUCHERS, SHALL BE SUBJECT TO THE VISITATION AND INSPECTION OF A JUSTICE OF THE SUPREME COURT, OR OF ANY PERSON APPOINTED BY THE COURT FOR THAT PURPOSE. IF IT APPEARS BY THE VERIFIED PETITION OF A MEMBER OR CREDITOR OF ANY SUCH CORPORATION, THAT IT, OR ITS DIRECTORS, OFFICERS OR AGENTS, HAVE MISAPPROPRIATED ANY OF THE FUNDS OR PROPERTY OF THE CORPORATION, OR DIVERTED THEM FROM THE PURPOSE OF ITS INCORPORATION, OR THAT THE CORPORATION HAS ACQUIRED PROPERTY IN EXCESS OF THE AMOUNT WHICH IT IS AUTHORIZED BY LAW TO HOLD, OR HAS ENGAGED IN ANY BUSINESS OTHER THAN THAT STATED IN ITS CERTIFICATE OF INCORPORATION, THE COURT MAY ORDER THAT NOTICE OF AT LEAST EIGHT DAYS, WITH A COPY OF THE PETITION, BE SERVED ON THE CORPORATION AND THE PERSONS CHARGED WITH MISCONDUCT,

REQUIRING THEM TO SHOW CAUSE AT A TIME AND PLACE SPECIFIED, WHY THEY SHOULD NOT BE REQUIRED TO MAKE AND FILE AN INVENTORY AND ACCOUNT OF THE PROPERTY, EFFECTS AND LIABILITIES OF SUCH CORPORATION WITH A DETAILED STATEMENT OF ITS TRANSACTIONS DURING THE TWELVE MONTHS NEXT PRECEDING THE GRANTING OF SUCH ORDER. ON THE HEARING OF SUCH APPLICATION, THE COURT MAY MAKE AN ORDER REQUIRING SUCH INVENTORY, ACCOUNT AND STATEMENT TO BE FILED, AND PROCEED TO TAKE AND STATE AN ACCOUNT OF THE PROPERTY AND LIABILITIES OF THE CORPORATION, OR MAY APPOINT A REFEREE FOR THAT PURPOSE. WHEN SUCH ACCOUNT IS TAKEN AND STATED, AFTER HEARING ALL THE PARTIES TO THE APPLICATION, THE COURT MAY ENTER A FINAL ORDER DETERMINING THE AMOUNT OF PROPERTY SO HELD BY THE CORPORATION, ITS ANNUAL INCOME, WHETHER ANY OF THE PROPERTY OR FUNDS OF THE CORPORATION HAVE BEEN MISAPPROPRIATED OR DIVERTED TO ANY OTHER PURPOSE THAN THAT FOR WHICH SUCH CORPORATION WAS INCORPORATED, AND WHETHER SUCH CORPORATION HAS BEEN ENGAGED IN ANY ACTIVITY NOT COVERED BY ITS CERTIFICATE OF INCORPORATION. AN APPEAL MAY BE TAKEN FROM THE ORDER BY ANY PARTY AGGRIEVED TO THE APPELLATE DIVISION OF THE SUPREME COURT, AND TO THE COURT OF APPEALS, AS IN A CIVIL ACTION. NO CORPORATION SHALL BE REQUIRED TO MAKE AND FILE MORE THAN ONE INVENTORY AND ACCOUNT IN ANY ONE YEAR, NOR TO MAKE A SECOND ACCOUNT AND INVENTORY, WHILE PROCEEDINGS ARE PENDING FOR THE STATEMENT OF AN ACCOUNT UNDER THIS SECTION.

S 2. Article 2 of the not-for-profit corporation law is REPEALED and a new article 2 is added to read as follows:

ARTICLE 2

CORPORATE PURPOSES AND POWERS

SECTION 201. PURPOSES.
202. GENERAL AND SPECIAL POWERS.
203. DEFENSE OF ULTRA VIRES.

S 201. PURPOSES.

(A) A CORPORATION, AS DEFINED IN SUBPARAGRAPH (5), PARAGRAPH (A) OF SECTION 102 OF THIS CHAPTER, MAY BE FORMED UNDER THIS CHAPTER AS PROVIDED IN PARAGRAPH (B) OF THIS SECTION UNLESS IT MAY BE FORMED UNDER ANY OTHER CORPORATE LAW OF THIS STATE IN WHICH EVENT IT MAY NOT BE FORMED UNDER THIS CHAPTER UNLESS SUCH OTHER CORPORATE LAW EXPRESSLY SO PROVIDES.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR ANY OTHER GENERAL LAW, A CORPORATION OF ANY TYPE OR KIND TO WHICH THIS CHAPTER APPLIES SHALL CONDUCT NO ACTIVITIES FOR PECUNIARY PROFIT OR FINANCIAL GAIN, WHETHER OR NOT IN FURTHERANCE OF ITS CORPORATE PURPOSES, EXCEPT TO THE EXTENT THAT SUCH ACTIVITY SUPPORTS OR IS INCIDENTAL TO ITS OTHER LAWFUL ACTIVITIES THEN BEING CONDUCTED.

S 202. GENERAL AND SPECIAL POWERS.

(A) EACH CORPORATION, SUBJECT TO ANY LIMITATIONS PROVIDED IN THIS CHAPTER OR ANY OTHER STATUTE OF THIS STATE OR ITS CERTIFICATE OF INCORPORATION, SHALL HAVE POWER IN FURTHERANCE OF ITS CORPORATE PURPOSES:

(1) TO HAVE PERPETUAL DURATION.

(2) TO SUE AND BE SUED IN ALL COURTS AND TO PARTICIPATE IN ACTIONS AND PROCEEDINGS, WHETHER JUDICIAL, ADMINISTRATIVE, ARBITRATIVE OR OTHERWISE, IN LIKE CASES AS NATURAL PERSONS.

(3) TO HAVE A CORPORATE SEAL, AND TO ALTER SUCH SEAL AT PLEASURE, AND TO USE IT BY CAUSING IT OR A FACSIMILE TO BE AFFIXED OR IMPRESSED OR REPRODUCED IN ANY OTHER MANNER.

(4) TO PURCHASE, RECEIVE, TAKE BY GRANT, GIFT, DEVISE, BEQUEST OR OTHERWISE, LEASE, OR OTHERWISE ACQUIRE, OWN, HOLD, IMPROVE, EMPLOY, USE AND OTHERWISE DEAL IN AND WITH, REAL OR PERSONAL PROPERTY, OR ANY INTEREST THEREIN, WHEREVER SITUATED.

(5) TO SELL, CONVEY, LEASE, EXCHANGE, TRANSFER OR OTHERWISE DISPOSE OF, OR MORTGAGE OR PLEDGE, OR CREATE A SECURITY INTEREST IN, ALL OR ANY OF ITS PROPERTY, OR ANY INTEREST THEREIN, WHEREVER SITUATED.

(6) TO PURCHASE, TAKE, RECEIVE, SUBSCRIBE FOR, OR OTHERWISE ACQUIRE, OWN, HOLD, VOTE, EMPLOY, SELL, LEND, LEASE, EXCHANGE, TRANSFER, OR OTHERWISE DISPOSE OF, MORTGAGE, PLEDGE, USE AND OTHERWISE DEAL IN AND WITH, BONDS AND OTHER OBLIGATIONS, SHARES, OR OTHER SECURITIES OR INTERESTS ISSUED BY OTHERS, WHETHER ENGAGED IN SIMILAR OR DIFFERENT BUSINESS, GOVERNMENTAL, OR OTHER ACTIVITIES.

(7) TO MAKE CAPITAL CONTRIBUTIONS TO OTHER NON-PROFIT CORPORATIONS.

(8) TO MAKE CONTRACTS, GIVE GUARANTEES AND INCUR LIABILITIES, BORROW MONEY AT SUCH RATES OF INTEREST AS THE CORPORATION MAY DETERMINE, ISSUE ITS NOTES, BONDS AND OTHER OBLIGATIONS, AND SECURE ANY OF ITS OBLIGATIONS BY MORTGAGE OR PLEDGE OF ALL OR ANY OF ITS PROPERTY OR ANY INTEREST THEREIN, WHEREVER SITUATED.

(9) TO LEND MONEY, INVEST AND REINVEST ITS FUNDS, AND TAKE AND HOLD REAL AND PERSONAL PROPERTY AS SECURITY FOR THE PAYMENT OF FUNDS SO LOANED OR INVESTED.

(10) TO CONDUCT THE ACTIVITIES OF THE CORPORATION AND HAVE OFFICES AND EXERCISE THE POWERS GRANTED BY THIS CHAPTER IN ANY JURISDICTION WITHIN OR WITHOUT THE UNITED STATES.

(11) TO ELECT OR APPOINT OFFICERS, EMPLOYEES AND OTHER AGENTS OF THE CORPORATION, DEFINE THEIR DUTIES, FIX THEIR REASONABLE COMPENSATION AND THE REASONABLE COMPENSATION OF DIRECTORS, AND TO INDEMNIFY CORPORATE PERSONNEL. SUCH COMPENSATION SHALL BE COMMENSURATE WITH SERVICES PERFORMED.

(12) TO ADOPT, AMEND OR REPEAL BY-LAWS, INCLUDING EMERGENCY BY-LAWS MADE PURSUANT TO SUBDIVISION SEVENTEEN OF SECTION TWELVE OF THE STATE DEFENSE EMERGENCY ACT, RELATING TO THE ACTIVITIES OF THE CORPORATION, THE CONDUCT OF ITS AFFAIRS, ITS RIGHTS OR POWERS OR THE RIGHTS OR POWERS OF ITS MEMBERS, DIRECTORS OR OFFICERS.

(13) TO MAKE DONATIONS, IRRESPECTIVE OF CORPORATE BENEFIT, FOR THE PUBLIC WELFARE OR FOR COMMUNITY FUND, HOSPITAL, CHARITABLE, EDUCATIONAL, SCIENTIFIC, CIVIC OR SIMILAR PURPOSES, AND IN TIME OF WAR OR OTHER NATIONAL EMERGENCY IN AID THEREOF.

(14) TO BE A MEMBER, ASSOCIATE OR MANAGER OF OTHER NON-PROFIT ACTIVITIES OR TO THE EXTENT PERMITTED IN ANY OTHER JURISDICTION TO BE AN INCORPORATOR OF OTHER CORPORATIONS, AND TO BE A PARTNER IN A REDEVELOPMENT COMPANY FORMED UNDER THE PRIVATE HOUSING FINANCE LAW.

(15) TO HAVE AND EXERCISE ALL POWERS NECESSARY TO EFFECT ANY OR ALL OF THE PURPOSES FOR WHICH THE CORPORATION IS FORMED.

(16) TO ESTABLISH CONDITIONS AND REQUIREMENTS FOR ADMISSION, MAINTENANCE, AND TERMINATION OF MEMBERS IN THE CORPORATION.

(B) WHEN ANY CORPORATION SHALL HAVE SOLD OR CONVEYED ANY PART OF ITS REAL PROPERTY, THE SUPREME COURT, NOTWITHSTANDING A RESTRICTION IN ANY GENERAL OR SPECIAL LAW, MAY AUTHORIZE IT TO PURCHASE AND HOLD FROM TIME TO TIME OTHER REAL PROPERTY, UPON SATISFACTORY PROOF THAT THE VALUE OF THE PROPERTY SO PURCHASED DOES NOT EXCEED THE VALUE OF THE PROPERTY SO SOLD AND CONVEYED WITHIN THE THREE YEARS NEXT PRECEDING THE APPLICATION.

(C) A CORPORATION FORMED UNDER GENERAL OR SPECIAL LAW TO PROVIDE PARKS, PLAYGROUNDS OR CEMETERIES, OR BUILDINGS AND GROUNDS FOR CAMP OR GROVE MEETINGS. SUNDAY SCHOOL ASSEMBLIES, CEMETERY PURPOSES, TEMPERANCE, MISSIONARY, EDUCATIONAL, SCIENTIFIC, MUSICAL AND OTHER MEETINGS, SUBJECT TO THE ORDINANCES AND POLICE REGULATIONS OF THE COUNTY, CITY, TOWN, OR VILLAGE IN WHICH SUCH PARKS, PLAYGROUNDS, CEMETERIES, BUILDINGS AND GROUNDS ARE SITUATED, MAY APPOINT FROM TIME TO TIME ONE OR MORE SPECIAL

POLICE OFFICERS, WITH POWER TO REMOVE THE SAME AT PLEASURE. SUCH SPECIAL POLICE OFFICERS SHALL PRESERVE ORDER IN AND ABOUT SUCH PARKS, PLAYGROUNDS, CEMETERIES, BUILDINGS AND GROUNDS, AND THE APPROACHES THERETO, AND TO PROTECT THE SAME FROM INJURY, AND SHALL ENFORCE THE ESTABLISHED RULES AND REGULATIONS OF THE CORPORATION. EVERY POLICE OFFICER SO APPOINTED SHALL WITHIN FIFTEEN DAYS AFTER HIS OR HER APPOINTMENT AND BEFORE ENTERING UPON THE DUTIES OF HIS OR HER OFFICE, TAKE AND SUBSCRIBE THE OATH OF OFFICE PRESCRIBED IN THE THIRTEENTH ARTICLE OF THE CONSTITUTION OF THE STATE OF NEW YORK, WHICH OATH SHALL BE FILED IN THE OFFICE OF THE COUNTY CLERK OF THE COUNTY WHERE SUCH GROUNDS ARE SITUATED. A POLICE OFFICER APPOINTED UNDER THIS SECTION WHEN ON DUTY SHALL WEAR CONSPICUOUSLY A METALLIC SHIELD WITH THE NAME OF THE CORPORATION WHICH APPOINTED HIM OR HER INSCRIBED THEREON. THE COMPENSATION OF POLICE OFFICERS APPOINTED UNDER THIS SECTION SHALL BE PAID BY THE CORPORATION BY WHICH SUCH POLICE OFFICERS ARE APPOINTED.

(D) ANY WILFUL TRESPASS IN OR UPON ANY OF THE PARKS, PLAYGROUNDS, BUILDINGS OR GROUNDS PROVIDED FOR THE PURPOSES MENTIONED IN THE PRECEDING PARAGRAPH, OR UPON THE APPROACHES THERETO, AND ANY WILFUL INJURY TO ANY OF SUCH PARKS, PLAYGROUNDS, BUILDINGS OR GROUNDS, OR TO ANY TREES, SHRUBBERY, FENCES, FIXTURES OR OTHER PROPERTY THEREON OR PERTAINING THERETO, AND ANY WILFUL DISTURBANCE OF THE PEACE THEREON BY INTENTIONAL BREACH OF THE RULES AND REGULATIONS OF THE CORPORATION, IS A MISDEMEANOR.

(E) NO CORPORATION SHALL CONDUCT ACTIVITIES IN NEW YORK STATE UNDER ANY NAME, OTHER THAN THAT APPEARING IN ITS CERTIFICATE OF INCORPORATION, WITHOUT COMPLIANCE WITH THE FILING PROVISIONS OF SECTION ONE HUNDRED THIRTY OF THE GENERAL BUSINESS LAW GOVERNING THE CONDUCT OF BUSINESS UNDER AN ASSUMED NAME.

S 203. DEFENSE OF ULTRA VIRES.

NO ACT OF A CORPORATION AND NO TRANSFER OF REAL OR PERSONAL PROPERTY TO OR BY A CORPORATION, OTHERWISE LAWFUL, SHALL BE INVALID BY REASON OF THE FACT THAT THE CORPORATION WAS WITHOUT CAPACITY OR POWER TO DO SUCH ACT OR TO MAKE OR RECEIVE SUCH TRANSFER, BUT SUCH LACK OF CAPACITY OR POWER MAY BE ASSERTED:

(A) IN AN ACTION BY A MEMBER AGAINST THE CORPORATION TO ENJOIN THE DOING OF ANY ACT OR THE TRANSFER OF REAL OR PERSONAL PROPERTY BY OR TO THE CORPORATION. IF THE UNAUTHORIZED ACT OR TRANSFER SOUGHT TO BE ENJOINED IS BEING, OR IS TO BE, PERFORMED OR MADE UNDER ANY CONTRACT TO WHICH THE CORPORATION IS A PARTY, THE COURT MAY, IF ALL OF THE PARTIES TO THE CONTRACT ARE PARTIES TO THE ACTION AND IF IT DEEMS THE SAME TO BE EQUITABLE, SET ASIDE AND ENJOIN THE PERFORMANCE OF SUCH CONTRACT, AND IN SO DOING MAY ALLOW TO THE CORPORATION OR TO THE OTHER PARTIES TO THE CONTRACT, AS THE CASE MAY BE, SUCH COMPENSATION AS MAY BE EQUITABLE FOR THE LOSS OR DAMAGE SUSTAINED BY ANY OF THEM FROM THE ACTION OF THE COURT IN SETTING ASIDE AND ENJOINING THE PERFORMANCE OF SUCH CONTRACT; PROVIDED THAT ANTICIPATED PROFITS TO BE DERIVED FROM THE PERFORMANCE OF THE CONTRACT SHALL NOT BE AWARDED BY THE COURT AS A LOSS OR DAMAGE SUSTAINED.

(B) IN AN ACTION BY OR IN THE RIGHT OF THE CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR AGAINST AN INCUMBENT OR FORMER OFFICER OR DIRECTOR OF THE CORPORATION FOR LOSS OR DAMAGE DUE TO HIS OR HER UNAUTHORIZED ACT.

(C) IN AN ACTION OR SPECIAL PROCEEDING BY THE ATTORNEY-GENERAL TO ANNUL OR DISSOLVE THE CORPORATION OR TO ENJOIN IT FROM THE CARRYING ON OF UNAUTHORIZED ACTIVITIES.

S 3. Article 3 of the not-for-profit corporation law is REPEALED and a new article 3 is added to read as follows:

ARTICLE 3

CORPORATE NAME AND SERVICE OF PROCESS

SECTION 301. CORPORATE NAME; GENERAL.
302. CORPORATE NAME; EXCEPTIONS.
303. RESERVATION OF NAME.
304. STATUTORY DESIGNATION OF SECRETARY OF STATE AS AGENT OF DOMESTIC CORPORATIONS FORMED UNDER ARTICLE 4 OF THIS CHAPTER AND AUTHORIZED FOREIGN CORPORATIONS FOR SERVICE OF PROCESS.
305. REGISTERED AGENT FOR SERVICE OF PROCESS.
306. SERVICE OF PROCESS.
307. SERVICE OF PROCESS ON UNAUTHORIZED FOREIGN CORPORATION.
308. RECORDS AND CERTIFICATES OF DEPARTMENT OF STATE.

S 301. CORPORATE NAME; GENERAL.

EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER OR OTHERWISE PROVIDED BY LAW, THE NAME OF A DOMESTIC OR FOREIGN CORPORATION:

(A) SHALL, CONTAIN THE WORD "CORPORATION", "INCORPORATED", "LIMITED", "ASSOCIATION", "CLUB", "FOUNDATION", "FUND", "INSTITUTE", "UNION", OR "SOCIETY" OR AN ABBREVIATION OF ONE OF SUCH WORDS; OR, IN THE CASE OF A FOREIGN CORPORATION, IT SHALL, FOR USE IN THIS STATE, ADD AT THE END OF ITS NAME ONE OF SUCH WORDS OR AN ABBREVIATION THEREOF.

(B) (1) SHALL BE SUCH AS TO DISTINGUISH IT FROM THE NAMES OF CORPORATIONS OF ANY TYPE OR KIND, OR A FICTITIOUS NAME OF AN AUTHORIZED FOREIGN CORPORATION FILED PURSUANT TO ARTICLE 13 OF THIS CHAPTER, AS SUCH NAMES APPEAR ON THE INDEX OF NAMES OF EXISTING DOMESTIC AND AUTHORIZED FOREIGN CORPORATIONS OF ANY TYPE OR KIND, INCLUDING FICTITIOUS NAMES OF AUTHORIZED FOREIGN CORPORATIONS FILED PURSUANT TO ARTICLE 13 OF THIS CHAPTER, IN THE DEPARTMENT OF STATE, DIVISION OF CORPORATIONS, OR A NAME THE RIGHT TO WHICH IS RESERVED.

(2) SHALL BE SUCH AS TO DISTINGUISH IT FROM (I) THE NAMES OF DOMESTIC LIMITED LIABILITY COMPANIES, (II) THE NAMES OF AUTHORIZED FOREIGN LIMITED LIABILITY COMPANIES, (III) THE FICTITIOUS NAMES OF AUTHORIZED FOREIGN LIMITED LIABILITY COMPANIES, (IV) THE NAMES OF DOMESTIC LIMITED PARTNERSHIPS, (V) THE NAMES OF AUTHORIZED FOREIGN LIMITED PARTNERSHIPS, OR (VI) THE FICTITIOUS NAMES OF AUTHORIZED FOREIGN LIMITED PARTNERSHIPS, IN EACH CASE, AS SUCH NAMES APPEAR ON THE INDEX OF NAMES OF EXISTING DOMESTIC AND AUTHORIZED FOREIGN LIMITED LIABILITY COMPANIES, INCLUDING FICTITIOUS NAMES OF AUTHORIZED FOREIGN LIMITED LIABILITY COMPANIES, IN THE DEPARTMENT OF STATE, OR ON THE INDEX OF NAMES OF EXISTING DOMESTIC OR AUTHORIZED FOREIGN LIMITED PARTNERSHIPS, INCLUDING FICTITIOUS NAMES OF AUTHORIZED FOREIGN LIMITED PARTNERSHIPS, IN THE DEPARTMENT OF STATE, OR NAMES THE RIGHTS TO WHICH ARE RESERVED; PROVIDED, HOWEVER, THAT NO CORPORATION THAT WAS FORMED PRIOR TO THE EFFECTIVE DATE OF THIS CLAUSE AND NO FOREIGN CORPORATION THAT WAS QUALIFIED TO CONDUCT ACTIVITIES IN THIS STATE PRIOR TO SUCH EFFECTIVE DATE SHALL BE REQUIRED TO CHANGE THE NAME OR FICTITIOUS NAME IT HAD ON SUCH EFFECTIVE DATE SOLELY BY REASON OF SUCH NAME OR FICTITIOUS NAME BEING INDISTINGUISHABLE FROM THE NAME OR FICTITIOUS NAME OF ANY DOMESTIC OR AUTHORIZED FOREIGN LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP OR FROM ANY NAME THE RIGHT TO WHICH IS RESERVED BY OR ON BEHALF OF ANY DOMESTIC OR FOREIGN LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP.

(C) SHALL NOT CONTAIN ANY WORD OR PHRASE, OR ANY ABBREVIATION OR DERIVATIVE THEREOF, THE USE OF WHICH IS PROHIBITED OR RESTRICTED BY

SECTION 404 OF THIS CHAPTER OR ANY OTHER STATUTE OF THIS STATE, UNLESS IN THE LATTER CASE THE RESTRICTIONS HAVE BEEN COMPLIED WITH.

(D) SHALL NOT CONTAIN ANY WORD OR PHRASE, OR ANY ABBREVIATION OR DERIVATIVE THEREOF, IN A CONTEXT WHICH INDICATES OR IMPLIES THAT THE CORPORATION, IF DOMESTIC, IS FORMED OR, IF FOREIGN, IS AUTHORIZED FOR ANY PURPOSE OR IS POSSESSED IN THIS STATE OF ANY POWER OTHER THAN A PURPOSE FOR WHICH, OR A POWER WITH WHICH, THE DOMESTIC CORPORATION MAY BE AND IS FORMED OR THE FOREIGN CORPORATION IS AUTHORIZED.

(E) (1) SHALL NOT CONTAIN ANY OF THE FOLLOWING PHRASES, OR ANY ABBREVIATION OR DERIVATIVE THEREOF:

STATE POLICE
STATE TROOPER

(2) SHALL NOT CONTAIN ANY OF THE FOLLOWING WORDS, OR ANY ABBREVIATION OR DERIVATIVE THEREOF:

ACCEPTANCE	FIDELITY	MORTGAGE
ANNUITY	FINANCE	SAVINGS
ASSURANCE	GUARANTY	SURETY
BANK	INDEMNITY	TITLE
BOND	INSURANCE	TRUST
CASUALTY	INVESTMENT	UNDERWRITER
DOCTOR	LAWYER	
ENDOWMENT	LOAN	

UNLESS THE APPROVAL OF THE SUPERINTENDENT OF BANKS OR THE SUPERINTENDENT OF INSURANCE, AS APPROPRIATE, HAS BEEN OBTAINED; OR UNLESS THE WORD "DOCTOR", "LAWYER", OR THE PHRASE "STATE POLICE" OR "STATE TROOPER" OR AN ABBREVIATION OR DERIVATION THEREOF, IS USED IN THE NAME OF A CORPORATION THE MEMBERSHIP OF WHICH IS COMPOSED EXCLUSIVELY OF DOCTORS, LAWYERS, STATE POLICEMEN OR STATE TROOPERS, RESPECTIVELY.

(F) SHALL NOT CONTAIN ANY WORDS OR PHRASES, OR ANY ABBREVIATION OR DERIVATIVE THEREOF IN A CONTEXT WHICH WILL TEND TO MISLEAD THE PUBLIC INTO BELIEVING THAT THE CORPORATION IS AN AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OR THE STATE OF NEW YORK OR A SUBDIVISION THEREOF OR IS A PUBLIC CORPORATION.

(G) SHALL NOT CONTAIN ANY WORD OR PHRASE, OR ANY ABBREVIATION OR DERIVATION THEREOF, WHICH, SEPARATELY, OR IN CONTEXT, SHALL BE INDECENT OR OBSCENE OR SHALL RIDICULE OR DEGRADE ANY PERSON, GROUP, BELIEF, BUSINESS OR AGENCY OF GOVERNMENT OR INDICATE OR IMPLY ANY UNLAWFUL ACTIVITY.

(H) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, MAY, IN THE CASE OF A FOUNDATION ORGANIZED FOR THE SOLE PURPOSE OF PUBLISHING THE LITERARY WORKS OF A DECEASED PERSON, INCLUDE THE WORD "DOCTOR" OR ANY ABBREVIATION OR DERIVATIVE THEREOF AS PART OF ITS NAME IF SUCH WORD, ABBREVIATION OR DERIVATIVE IS USED TO IDENTIFY THE PERSON WHOSE WORKS ARE TO BE PUBLISHED.

S 302. CORPORATE NAME; EXCEPTIONS.

(A) ANY REFERENCE TO A CORPORATION IN THIS SECTION EXCEPT AS OTHERWISE PROVIDED HEREIN SHALL INCLUDE BOTH DOMESTIC AND FOREIGN CORPORATIONS.

(B) THE PROVISIONS OF SECTION 301 OF THIS ARTICLE:

(1) SHALL NOT REQUIRE ANY CORPORATION, EXISTING OR AUTHORIZED UNDER ANY STATUTE ON THE EFFECTIVE DATE OF THIS CHAPTER, TO ADD TO, MODIFY OR OTHERWISE CHANGE ITS CORPORATE NAME.

(2) SHALL NOT PREVENT A CORPORATION WITH WHICH ANOTHER CORPORATION IS MERGED, OR WHICH IS FORMED BY THE CONSOLIDATION OF ONE OR MORE OTHER CORPORATIONS FROM HAVING THE SAME NAME AS ANY OF SUCH CORPORATIONS IF AT

THE TIME SUCH OTHER CORPORATION WAS AUTHORIZED OR EXISTING UNDER ANY STATUTE OF THIS STATE.

(3) SHALL NOT PREVENT A FOREIGN CORPORATION FROM BEING AUTHORIZED UNDER A NAME WHICH IS SIMILAR TO THE NAME OF A CORPORATION OF ANY TYPE OR KIND EXISTING OR AUTHORIZED UNDER ANY STATUTE, IF THE DEPARTMENT OF STATE FINDS, UPON PROOF BY AFFIDAVIT OR OTHERWISE AS IT MAY DETERMINE, THAT A DIFFERENCE BETWEEN SUCH NAMES EXISTS IN THE TERMS OR ABBREVIATIONS INDICATING CORPORATE CHARACTER OR OTHERWISE, THAT THE APPLICANT HAS CONDUCTED ACTIVITIES AS A CORPORATION UNDER ITS SAID NAME FOR NOT LESS THAN TEN CONSECUTIVE YEARS IMMEDIATELY PRIOR TO THE DATE OF ITS APPLICATION, THAT THE ACTIVITIES TO BE CONDUCTED IN THIS STATE ARE NOT THE SAME OR SIMILAR TO THE BUSINESS OR ACTIVITIES CONDUCTED BY THE CORPORATION WITH WHOSE NAME IT MAY CONFLICT AND THAT THE PUBLIC IS NOT LIKELY TO BE CONFUSED OR DECEIVED, AND IF THE APPLICANT SHALL AGREE IN ITS APPLICATION FOR AUTHORITY TO USE WITH ITS CORPORATE NAME, IN THIS STATE, TO BE PLACED IMMEDIATELY UNDER OR FOLLOWING SUCH NAME, THE WORDS "A ..... (NAME OF JURISDICTION OF INCORPORATION) CORPORATION".

S 303. RESERVATION OF NAME.

(A) A CORPORATE NAME MAY BE RESERVED BY:

(1) ANY PERSON INTENDING TO FORM A DOMESTIC CORPORATION.

(2) ANY DOMESTIC CORPORATION INTENDING TO CHANGE ITS NAME.

(3) ANY FOREIGN CORPORATION INTENDING TO APPLY FOR AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE.

(4) ANY AUTHORIZED FOREIGN CORPORATION INTENDING TO CHANGE ITS NAME.

(5) ANY PERSON INTENDING TO INCORPORATE A FOREIGN CORPORATION AND TO HAVE IT APPLY FOR AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE.

(6) ANY DOMESTIC CORPORATION INTENDING TO FILE THE CONSENT OF THE ATTORNEY GENERAL TO REINSTATE SUCH CORPORATION PURSUANT TO SECTION 1014 OF THIS CHAPTER.

(B) A FICTITIOUS NAME FOR USE PURSUANT TO SECTION 1301 OF THIS CHAPTER MAY BE RESERVED BY:

(1) ANY FOREIGN CORPORATION INTENDING TO APPLY FOR AUTHORITY TO DO BUSINESS IN THIS STATE, PURSUANT TO PARAGRAPH (D) OF SECTION 1301 OF THIS CHAPTER.

(2) ANY AUTHORIZED FOREIGN CORPORATION INTENDING TO CHANGE ITS FICTITIOUS NAME UNDER WHICH IT CONDUCTS ACTIVITIES IN THIS STATE.

(3) ANY AUTHORIZED FOREIGN CORPORATION WHICH HAS CHANGED ITS CORPORATE NAME IN ITS JURISDICTION, WHICH NEW CORPORATE NAME IS NOT AVAILABLE IN THIS STATE.

(C) APPLICATION TO RESERVE A CORPORATE NAME SHALL BE DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH THE NAME AND ADDRESS OF THE APPLICANT, THE NAME TO BE RESERVED AND A STATEMENT OF THE BASIS UNDER PARAGRAPH (A) OR (B) OF THIS SECTION FOR THE APPLICATION. THE SECRETARY OF STATE MAY REQUIRE THE APPLICANT TO SET FORTH IN HIS OR HER APPLICATION THE NATURE OF THE ACTIVITIES TO BE CONDUCTED BY THE CORPORATION. IF THE NAME IS AVAILABLE FOR CORPORATE USE, THE DEPARTMENT OF STATE SHALL RESERVE THE NAME FOR THE USE OF THE APPLICANT FOR A PERIOD OF SIXTY DAYS AND ISSUE A CERTIFICATE OF RESERVATION. THE PROHIBITIONS, RESTRICTIONS AND QUALIFICATIONS SET FORTH IN SECTION 301 OF THIS ARTICLE, SECTION 302 OF THIS ARTICLE AND SECTION 404 OF THIS CHAPTER ARE NOT WAIVED BY THE ISSUANCE OF A CERTIFICATE OF RESERVATION. THE CERTIFICATE OF RESERVATION SHALL INCLUDE THE NAME OF THE APPLICANT, THE NAME RESERVED AND THE DATE OF THE RESERVATION. THE CERTIFICATE OF RESERVATION (OR IN LIEU THEREOF AN AFFIDAVIT BY THE APPLICANT OR BY HIS OR HER AGENT OR ATTORNEY THAT THE CERTIFICATE OF RESERVATION HAS BEEN LOST OR DESTROYED) SHALL ACCOM-

PANY THE CERTIFICATE OF INCORPORATION OR THE APPLICATION FOR AUTHORITY WHEN EITHER IS DELIVERED TO THE DEPARTMENT OF STATE.

(D) THE SECRETARY OF STATE MAY EXTEND THE RESERVATION FOR ADDITIONAL PERIODS OF NOT MORE THAN SIXTY DAYS EACH, UPON THE WRITTEN REQUEST OF THE APPLICANT, HIS OR HER ATTORNEY OR AGENT DELIVERED TO THE DEPARTMENT OF STATE, TO BE FILED BEFORE THE EXPIRATION OF THE RESERVATION PERIOD THEN IN EFFECT. SUCH REQUEST SHALL HAVE ATTACHED TO IT THE CERTIFICATE OF RESERVATION OF NAME. NOT MORE THAN TWO SUCH EXTENSIONS SHALL BE GRANTED.

(E) UPON THE REQUEST OF THE APPLICANT, DELIVERED TO THE DEPARTMENT OF STATE BEFORE THE EXPIRATION OF THE RESERVED PERIOD, TOGETHER WITH THE CERTIFICATE OF RESERVATION, THE DEPARTMENT SHALL CANCEL THE RESERVATION.

(F) ANY APPLICATION OR REQUEST UNDER THIS SECTION SHALL BE SIGNED BY THE APPLICANT, HIS OR HER ATTORNEY OR AGENT.

S 304. STATUTORY DESIGNATION OF SECRETARY OF STATE AS AGENT OF DOMESTIC CORPORATIONS FORMED UNDER ARTICLE 4 OF THIS CHAPTER AND AUTHORIZED FOREIGN CORPORATIONS FOR SERVICE OF PROCESS.

(A) THE SECRETARY OF STATE SHALL BE THE AGENT OF EVERY DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER AND EVERY AUTHORIZED FOREIGN CORPORATION UPON WHOM PROCESS AGAINST THE CORPORATION MAY BE SERVED.

(B) ANY DESIGNATION BY A DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR FOREIGN CORPORATION OF THE SECRETARY OF STATE AS SUCH AGENT, WHICH DESIGNATION IS IN EFFECT ON THE EFFECTIVE DATE OF THIS CHAPTER, SHALL CONTINUE. EVERY DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR FOREIGN CORPORATION, EXISTING OR AUTHORIZED ON THE EFFECTIVE DATE OF THIS CHAPTER, WHICH HAS NOT DESIGNATED THE SECRETARY OF STATE AS SUCH AGENT, SHALL BE DEEMED TO HAVE DONE SO.

(C) ANY DESIGNATION BY A DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR FOREIGN CORPORATION OF AN AGENT OTHER THAN THE SECRETARY OF STATE WHICH IS IN EFFECT ON THE EFFECTIVE DATE OF THIS CHAPTER SHALL CONTINUE IN EFFECT UNTIL CHANGED OR REVOKED AS PROVIDED IN THIS CHAPTER.

(D) ANY DESIGNATED POST-OFFICE ADDRESS TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF PROCESS SERVED UPON THE SECRETARY OF STATE AS AGENT OF A DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR FOREIGN CORPORATION, SHALL CONTINUE UNTIL THE FILING OF A CERTIFICATE UNDER THIS CHAPTER DIRECTING THE MAILING TO A DIFFERENT POST-OFFICE ADDRESS.

S 305. REGISTERED AGENT FOR SERVICE OF PROCESS.

(A) EVERY DOMESTIC CORPORATION OR AUTHORIZED FOREIGN CORPORATION MAY DESIGNATE A REGISTERED AGENT IN THIS STATE UPON WHOM PROCESS AGAINST SUCH CORPORATION MAY BE SERVED. THE AGENT SHALL BE A NATURAL PERSON WHO IS A RESIDENT OF OR HAS A BUSINESS ADDRESS IN THIS STATE OR A DOMESTIC CORPORATION OR FOREIGN CORPORATION OF ANY TYPE OR KIND FORMED, OR AUTHORIZED TO DO BUSINESS IN THIS STATE, UNDER THIS CHAPTER OR UNDER ANY OTHER STATUTE OF THIS STATE.

(B) ANY SUCH DESIGNATION OF A REGISTERED AGENT MAY BE MADE, REVOKED OR CHANGED AS PROVIDED IN THIS CHAPTER.

(C) A REGISTERED AGENT MAY RESIGN AS SUCH AGENT. A CERTIFICATE, ENTITLED "CERTIFICATE OF RESIGNATION OF REGISTERED AGENT OF ..... (NAME OF DESIGNATING CORPORATION) UNDER SECTION 305 OF THE NON-PROFIT CORPORATION LAW", SHALL BE SIGNED BY SUCH REGISTERED AGENT AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THAT THE REGISTERED AGENT RESIGNS AS REGISTERED AGENT FOR THE DESIGNATING CORPORATION.

(2) THE DATE THE CERTIFICATE OF INCORPORATION OR THE APPLICATION FOR AUTHORITY OF THE DESIGNATING CORPORATION WAS FILED BY THE DEPARTMENT OF STATE.

(3) THAT THE REGISTERED AGENT HAS SENT A COPY OF THE CERTIFICATE OF RESIGNATION BY REGISTERED MAIL TO THE DESIGNATING CORPORATION AT THE POST-OFFICE ADDRESS ON FILE IN THE DEPARTMENT OF STATE SPECIFIED FOR THE MAILING OF PROCESS OR IF SUCH ADDRESS IS THE ADDRESS OF THE REGISTERED AGENT, THEN TO THE OFFICE OF THE DESIGNATING CORPORATION IN THE JURISDICTION OF ITS FORMATION OR INCORPORATION.

(D) THE DESIGNATION OF A REGISTERED AGENT SHALL TERMINATE THIRTY DAYS AFTER THE FILING BY THE DEPARTMENT OF STATE OF A CERTIFICATE OF RESIGNATION OR A CERTIFICATE CONTAINING A REVOCATION OR CHANGE OF THE DESIGNATION, WHICHEVER IS FILED EARLIER. A CERTIFICATE DESIGNATING A NEW REGISTERED AGENT MAY BE DELIVERED TO THE DEPARTMENT OF STATE BY THE CORPORATION WITHIN THE THIRTY DAYS OR THEREAFTER.

S 306. SERVICE OF PROCESS.

(A) SERVICE OF PROCESS ON A REGISTERED AGENT MAY BE MADE IN THE MANNER PROVIDED BY LAW FOR THE SERVICE OF A SUMMONS, AS IF THE REGISTERED AGENT WAS A DEFENDANT.

(B) SERVICE OF PROCESS ON THE SECRETARY OF STATE AS AGENT OF A DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR AN AUTHORIZED FOREIGN CORPORATION SHALL BE MADE BY PERSONALLY DELIVERING TO AND LEAVING WITH THE SECRETARY OF STATE OR HIS OR HER DEPUTY, OR WITH ANY PERSON AUTHORIZED BY THE SECRETARY OF STATE TO RECEIVE SUCH SERVICE, AT THE OFFICE OF THE DEPARTMENT OF STATE IN THE CITY OF ALBANY, DUPLICATE COPIES OF SUCH PROCESS TOGETHER WITH THE STATUTORY FEE, WHICH FEE SHALL BE A TAXABLE DISBURSEMENT. SERVICE OF PROCESS ON SUCH CORPORATION SHALL BE COMPLETE WHEN THE SECRETARY OF STATE IS SO SERVED. THE SECRETARY OF STATE SHALL PROMPTLY SEND ONE OF SUCH COPIES BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO SUCH CORPORATION, AT THE POST OFFICE ADDRESS, ON FILE IN THE DEPARTMENT OF STATE, SPECIFIED FOR THE PURPOSE. IF A DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR AN AUTHORIZED FOREIGN CORPORATION HAS NO SUCH ADDRESS ON FILE IN THE DEPARTMENT OF STATE, THE SECRETARY OF STATE SHALL SO MAIL SUCH COPY TO SUCH CORPORATION AT THE ADDRESS OF ITS OFFICE WITHIN THIS STATE ON FILE IN THE DEPARTMENT.

(C) IF AN ACTION OR SPECIAL PROCEEDING IS INSTITUTED IN A COURT OF LIMITED JURISDICTION, SERVICE OF PROCESS MAY BE MADE IN THE MANNER PROVIDED IN THIS SECTION IF THE OFFICE OF THE DOMESTIC CORPORATION FORMED UNDER ARTICLE 4 OF THIS CHAPTER OR FOREIGN CORPORATION IS WITHIN THE TERRITORIAL JURISDICTION OF THE COURT.

(D) NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

S 307. SERVICE OF PROCESS ON UNAUTHORIZED FOREIGN CORPORATION.

(A) IN ANY CASE IN WHICH A NON-DOMICILIARY WOULD BE SUBJECT TO THE PERSONAL OR OTHER JURISDICTION OF THE COURTS OF THIS STATE UNDER ARTICLE THREE OF THE CIVIL PRACTICE LAW AND RULES, A FOREIGN CORPORATION NOT AUTHORIZED TO CONDUCT ACTIVITIES IN THIS STATE IS SUBJECT TO A LIKE JURISDICTION. IN ANY SUCH CASE, PROCESS AGAINST SUCH FOREIGN CORPORATION MAY BE SERVED UPON THE SECRETARY OF STATE AS ITS AGENT. SUCH PROCESS MAY ISSUE IN ANY COURT IN THIS STATE HAVING JURISDICTION OF THE SUBJECT MATTER.

(B) SERVICE OF SUCH PROCESS UPON THE SECRETARY OF STATE SHALL BE MADE BY PERSONALLY DELIVERING TO AND LEAVING WITH THE SECRETARY OF STATE OR HIS OR HER DEPUTY, OR WITH ANY PERSON AUTHORIZED BY THE SECRETARY OF STATE TO RECEIVE SUCH SERVICE, AT THE OFFICE OF THE DEPARTMENT OF STATE

IN THE CITY OF ALBANY, A COPY OF SUCH PROCESS TOGETHER WITH THE STATUTORY FEE, WHICH FEE SHALL BE A TAXABLE DISBURSEMENT. SUCH SERVICE SHALL BE SUFFICIENT IF NOTICE THEREOF AND A COPY OF THE PROCESS ARE:

(1) DELIVERED PERSONALLY WITHOUT THIS STATE TO SUCH FOREIGN CORPORATION BY A PERSON AND IN THE MANNER AUTHORIZED TO SERVE PROCESS BY LAW OF THE JURISDICTION IN WHICH SERVICE IS MADE, OR

(2) SENT BY OR ON BEHALF OF THE PLAINTIFF TO SUCH FOREIGN CORPORATION BY REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, TO THE POST OFFICE ADDRESS SPECIFIED FOR THE PURPOSE OF MAILING PROCESS, ON FILE IN THE DEPARTMENT OF STATE, OR WITH ANY OFFICIAL OR BODY PERFORMING THE EQUIVALENT FUNCTION, IN THE JURISDICTION OF ITS INCORPORATION, OR IF NO SUCH ADDRESS IS THERE SPECIFIED, TO ITS REGISTERED OR OTHER OFFICE THERE SPECIFIED, OR IF NO SUCH OFFICE IS THERE SPECIFIED, TO THE LAST ADDRESS OF SUCH FOREIGN CORPORATION KNOWN TO THE PLAINTIFF.

(C) (1) WHERE SERVICE OF A COPY OF PROCESS WAS EFFECTED BY PERSONAL SERVICE, PROOF OF SERVICE SHALL BE BY AFFIDAVIT OF COMPLIANCE WITH THIS SECTION FILED, TOGETHER WITH THE PROCESS, WITHIN THIRTY DAYS AFTER SUCH SERVICE, WITH THE CLERK OF THE COURT IN WHICH THE ACTION OR SPECIAL PROCEEDING IS PENDING. SERVICE OF PROCESS SHALL BE COMPLETE TEN DAYS AFTER SUCH PAPERS ARE FILED WITH THE CLERK OF THE COURT.

(2) WHERE SERVICE OF A COPY OF PROCESS WAS EFFECTED BY MAILING IN ACCORDANCE WITH THIS SECTION, PROOF OF SERVICE SHALL BE BY AFFIDAVIT OF COMPLIANCE WITH THIS SECTION FILED, TOGETHER WITH THE PROCESS, WITHIN THIRTY DAYS AFTER RECEIPT OF THE RETURN RECEIPT SIGNED BY THE FOREIGN CORPORATION, OR OTHER OFFICIAL PROOF OF DELIVERY OR OF THE ORIGINAL ENVELOPE MAILED. IF A COPY OF THE PROCESS IS MAILED IN ACCORDANCE WITH THIS SECTION, THERE SHALL BE FILED WITH THE AFFIDAVIT OF COMPLIANCE EITHER THE RETURN RECEIPT SIGNED BY SUCH FOREIGN CORPORATION OR OTHER OFFICIAL PROOF OF DELIVERY OR, IF ACCEPTANCE WAS REFUSED BY IT, THE ORIGINAL ENVELOPE WITH A NOTATION BY THE POSTAL AUTHORITIES THAT ACCEPTANCE WAS REFUSED. IF ACCEPTANCE WAS REFUSED, A COPY OF THE NOTICE AND PROCESS TOGETHER WITH THE NOTICE OF THE MAILING BY REGISTERED MAIL AND REFUSAL TO ACCEPT SHALL BE PROMPTLY SENT TO SUCH FOREIGN CORPORATION AT THE SAME ADDRESS BY ORDINARY MAIL AND THE AFFIDAVIT OF COMPLIANCE SHALL SO STATE. SERVICE OF PROCESS SHALL BE COMPLETE TEN DAYS AFTER SUCH PAPERS ARE FILED WITH THE CLERK OF THE COURT. THE REFUSAL TO ACCEPT DELIVERY OF THE REGISTERED MAIL OR TO SIGN THE RETURN RECEIPT SHALL NOT AFFECT THE VALIDITY OF THE SERVICE AND SUCH FOREIGN CORPORATION REFUSING TO ACCEPT SUCH REGISTERED MAIL SHALL BE CHARGED WITH KNOWLEDGE OF THE CONTENTS THEREOF.

(D) SERVICE MADE AS PROVIDED IN THIS SECTION SHALL HAVE THE SAME FORCE AS PERSONAL SERVICE MADE WITHIN THIS STATE.

(E) NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

S 308. RECORDS AND CERTIFICATES OF DEPARTMENT OF STATE.

THE DEPARTMENT OF STATE SHALL KEEP A RECORD OF EACH PROCESS SERVED UPON THE SECRETARY OF STATE UNDER THIS CHAPTER, INCLUDING THE DATE OF SERVICE. IT SHALL, UPON REQUEST MADE WITHIN TEN YEARS OF SUCH SERVICE, ISSUE A CERTIFICATE UNDER ITS SEAL CERTIFYING AS TO THE RECEIPT OF THE PROCESS BY AN AUTHORIZED PERSON, THE DATE AND PLACE OF SUCH SERVICE AND THE RECEIPT OF THE STATUTORY FEE. PROCESS SERVED UPON THE SECRETARY OF STATE UNDER THIS CHAPTER MAY BE DESTROYED BY THE SECRETARY OF STATE AFTER A PERIOD OF TEN YEARS FROM SUCH SERVICE.

S 4. Article 4 of the not-for-profit corporation law is REPEALED and a new article 4 is added to read as follows:

ARTICLE 4
FORMATION OF CORPORATIONS

SECTION 401. INCORPORATORS.
402. CERTIFICATE OF INCORPORATION; CONTENTS.
403. CERTIFICATE OF INCORPORATION; EFFECT.
404. NOTICES, APPROVALS AND CONSENTS.
405. ORGANIZATION MEETING.
406. PRIVATE FOUNDATION, AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED: PROVISIONS INCLUDED IN THE CERTIFICATE OF INCORPORATION.

S 401. INCORPORATORS.

ONE OR MORE NATURAL PERSONS AT LEAST EIGHTEEN YEARS OF AGE MAY ACT AS INCORPORATORS OF A CORPORATION TO BE FORMED UNDER THIS CHAPTER.

S 402. CERTIFICATE OF INCORPORATION; CONTENTS.

(A) A CERTIFICATE, ENTITLED "CERTIFICATE OF INCORPORATION OF ..... (NAME OF CORPORATION), UNDER SECTION 402 OF THE NON-PROFIT CORPORATION LAW," SHALL BE SIGNED BY EACH INCORPORATOR WITH THE NAME AND ADDRESS OF SUCH INCORPORATOR INCLUDED IN SUCH CERTIFICATE AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION.

(2) THAT THE CORPORATION IS A CORPORATION AS DEFINED IN SUBPARAGRAPH (8) OF PARAGRAPH (A) OF SECTION 102 OF THIS CHAPTER AND THE PURPOSE OR PURPOSES FOR WHICH IT IS FORMED.

(3) THE COUNTY WITHIN THE STATE IN WHICH THE OFFICE OF THE CORPORATION IS TO BE LOCATED. IT MAY ALSO SET FORTH THE POST OFFICE ADDRESS OF AN OFFICE WITHOUT THE STATE, AT WHICH, PURSUANT TO SECTION 621 OF THIS CHAPTER, THE BOOKS AND RECORDS OF ACCOUNT OF THE CORPORATION SHALL BE KEPT.

(4) THE DURATION OF THE CORPORATION IF OTHER THAN PERPETUAL.

(5) A DESIGNATION OF THE SECRETARY OF STATE AS AGENT OF THE CORPORATION UPON WHOM PROCESS AGAINST IT MAY BE SERVED AND THE POST OFFICE ADDRESS WITHIN OR WITHOUT THIS STATE TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF ANY PROCESS AGAINST IT SERVED UPON THE SECRETARY OF STATE.

(6) IF THE CORPORATION IS TO HAVE A REGISTERED AGENT, THE NAME AND ADDRESS WITHIN THIS STATE OF SUCH AGENT AND A STATEMENT THAT THE REGISTERED AGENT IS TO BE THE AGENT OF THE CORPORATION UPON WHOM PROCESS AGAINST IT MAY BE SERVED.

(7) THE STATEMENTS, IF ANY, WITH RESPECT TO SPECIAL NON-PROFIT CORPORATIONS REQUIRED UNDER ARTICLE 14 OF THIS CHAPTER.

(B) IF THE CERTIFICATE IS FOR THE INCORPORATION OF AN EXISTING UNINCORPORATED ASSOCIATION OR GROUP IT SHALL HAVE ANNEXED THERETO AN AFFIDAVIT OF THE SUBSCRIBERS OF SUCH CERTIFICATE STATING THAT THEY CONSTITUTE A MAJORITY OF THE MEMBERS OF A COMMITTEE DULY AUTHORIZED TO INCORPORATE SUCH ASSOCIATION OR GROUP.

(C) THE CERTIFICATE OF INCORPORATION MAY SET FORTH ANY PROVISION, NOT INCONSISTENT WITH THIS CHAPTER OR ANY OTHER STATUTE OF THE STATE, WHICH PROVISION IS (1) FOR THE REGULATION OF THE INTERNAL AFFAIRS OF THE CORPORATION, INCLUDING TYPES OR CLASSES OF MEMBERSHIP AND THE DISTRIBUTION OF ASSETS ON DISSOLUTION OR FINAL LIQUIDATION, (2) RELATING TO MATTERS THAT ARE REQUIRED OR PERMITTED TO BE SET FORTH IN THE BY-LAWS, OR (3) REQUIRED BY ANY GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY AS A CONDITION FOR INCORPORATION.

(D) THE CERTIFICATE OF INCORPORATION MAY SET FORTH A PROVISION ELIMINATING OR LIMITING THE PERSONAL LIABILITY OF DIRECTORS TO THE CORPO-

RATION OR ITS MEMBERS FOR DAMAGES FOR ANY BREACH OF DUTY IN SUCH CAPACITY, PROVIDED THAT NO SUCH PROVISION SHALL ELIMINATE OR LIMIT:

(1) THE LIABILITY OF ANY DIRECTOR IF A JUDGMENT OR OTHER FINAL ADJUDICATION ADVERSE TO SUCH DIRECTOR ESTABLISHES THAT SUCH DIRECTOR'S ACTS OR OMISSIONS WERE IN BAD FAITH OR INVOLVED INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW OR THAT SUCH DIRECTOR PERSONALLY GAINED IN FACT A FINANCIAL PROFIT OR OTHER ADVANTAGE TO WHICH SUCH DIRECTOR WAS NOT LEGALLY ENTITLED OR THAT SUCH DIRECTOR'S ACTS VIOLATED SECTION 719 OF THIS CHAPTER, OR

(2) THE LIABILITY OF ANY DIRECTOR FOR ANY ACT OR OMISSION PRIOR TO THE ADOPTION OF A PROVISION AUTHORIZED BY THIS PARAGRAPH.

S 403. CERTIFICATE OF INCORPORATION; EFFECT.

UPON THE FILING OF THE CERTIFICATE OF INCORPORATION BY THE DEPARTMENT OF STATE, THE CORPORATE EXISTENCE SHALL BEGIN, AND SUCH CERTIFICATE SHALL BE CONCLUSIVE EVIDENCE THAT ALL CONDITIONS PRECEDENT HAVE BEEN FULFILLED AND THAT THE CORPORATION HAS BEEN FORMED UNDER THIS CHAPTER, EXCEPT IN AN ACTION OR SPECIAL PROCEEDING BROUGHT BY THE ATTORNEY-GENERAL. WHERE THE CERTIFICATE IS FOR THE INCORPORATION OF AN UNINCORPORATED ASSOCIATION OR GROUP, THE MEMBERS OF SUCH ASSOCIATION OR GROUP SHALL BE MEMBERS OF THE CORPORATION SO CREATED, AND ALL PROPERTY OWNED BY OR HELD FOR IT SHALL BELONG TO AND VEST IN THE CORPORATION, SUBJECT TO ALL EXISTING ENCUMBRANCES AND CLAIMS AS IF INCORPORATION HAD NOT TAKEN PLACE. WHERE THE CERTIFICATE IS FOR THE REINCORPORATION OF A CORPORATION CREATED BY SPECIAL LAW FOR PURPOSES FOR WHICH A CORPORATION MAY BE FORMED UNDER THIS CHAPTER, SUCH REINCORPORATION SHALL NOT EFFECT A DISSOLUTION OF THE CORPORATION BUT SHALL BE A CONTINUATION OF ITS CORPORATE EXISTENCE, WITHOUT AFFECTING ITS THEN EXISTING PROPERTY RIGHTS OR LIABILITIES, OR THE LIABILITIES OF ITS MEMBERS OR OFFICERS AS SUCH, BUT THEREAFTER IT SHALL HAVE ONLY SUCH RIGHTS, POWERS AND PRIVILEGES, AND BE SUBJECT TO SUCH OTHER DUTIES AND LIABILITIES AS A CORPORATION FORMED FOR THE SAME PURPOSES UNDER THIS CHAPTER. NOTWITHSTANDING THE ABOVE, A CERTIFICATE OF INCORPORATION MAY SET FORTH A DATE SUBSEQUENT TO FILING, NOT TO EXCEED NINETY DAYS AFTER FILING, UPON WHICH DATE CORPORATE EXISTENCE SHALL BEGIN.

S 404. NOTICES, APPROVALS AND CONSENTS.

(A) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG ITS PURPOSES THE FORMATION OF A TRADE OR BUSINESS ASSOCIATION SHALL PROVIDE A CERTIFIED COPY OF SUCH CERTIFICATE, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE ATTORNEY GENERAL.

(B) (1) EVERY CORPORATION CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG ITS PURPOSES THE CARE OF DESTITUTE, DELINQUENT, ABANDONED, NEGLECTED OR DEPENDENT CHILDREN; THE ESTABLISHMENT OR OPERATION OF ANY ADULT CARE FACILITY, OR THE ESTABLISHMENT OR OPERATION OF A RESIDENTIAL PROGRAM FOR VICTIMS OF DOMESTIC VIOLENCE AS DEFINED IN SUBDIVISION FOUR OF SECTION 459-A OF THE SOCIAL SERVICES LAW, OR THE PLACING-OUT OR BOARDING-OUT OF CHILDREN OR A HOME OR SHELTER FOR UNMARRIED MOTHERS, EXCEPTING THE ESTABLISHMENT OR MAINTENANCE OF A HOSPITAL OR FACILITY PROVIDING HEALTH-RELATED SERVICES AS THOSE TERMS ARE DEFINED IN ARTICLE TWENTY-EIGHT OF THE PUBLIC HEALTH LAW AND A FACILITY FOR WHICH AN OPERATING CERTIFICATE IS REQUIRED BY ARTICLES SIXTEEN, NINETEEN, TWENTY-TWO AND THIRTY-ONE OF THE MENTAL HYGIENE LAW; OR THE SOLICITATION OF CONTRIBUTIONS FOR ANY SUCH PURPOSE OR PURPOSES, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF THE OFFICE OF CHILDREN AND FAMILY SERVICES OR WITH RESPECT TO ANY ADULT CARE FACILITY, THE COMMISSIONER OF HEALTH.

(2) A CORPORATION WHOSE STATEMENT OF PURPOSES SPECIFICALLY INCLUDES THE ESTABLISHMENT OR OPERATION OF A CHILD DAY CARE CENTER, AS THAT TERM IS DEFINED IN SECTION THREE HUNDRED NINETY OF THE SOCIAL SERVICES LAW, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, EACH AMENDMENT THERETO, AND ANY CERTIFICATE OF MERGER, CONSOLIDATION OR DISSOLUTION INVOLVING SUCH CORPORATION TO THE OFFICE OF CHILDREN AND FAMILY SERVICES WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, AMENDMENT, MERGER, CONSOLIDATION OR DISSOLUTION WITH THE DEPARTMENT OF STATE. THIS REQUIREMENT SHALL ALSO APPLY TO ANY FOREIGN CORPORATION FILING AN APPLICATION FOR AUTHORITY UNDER SECTION 1304 OF THIS CHAPTER, ANY AMENDMENTS THERETO, AND ANY SURRENDER OF AUTHORITY OR TERMINATION OF AUTHORITY IN THIS STATE OF SUCH CORPORATION.

(C) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG THE PURPOSES OF THE CORPORATION, THE ESTABLISHMENT, MAINTENANCE AND OPERATION OF A HOSPITAL SERVICE OR A HEALTH SERVICE OR A MEDICAL EXPENSE INDEMNITY PLAN OR A DENTAL EXPENSE INDEMNITY PLAN AS PERMITTED IN ARTICLE FORTY-THREE OF THE INSURANCE LAW, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE SUPERINTENDENT OF INSURANCE AND THE COMMISSIONER OF HEALTH.

(D) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES A PURPOSE FOR WHICH A CORPORATION MIGHT BE CHARTERED BY THE REGENTS OF THE UNIVERSITY OF THE STATE OF NEW YORK SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF EDUCATION.

(E) EVERY CEMETERY CORPORATION, EXCEPT THOSE WITHIN THE EXCLUSIONARY PROVISIONS OF SECTION 1503 OF THIS CHAPTER SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE CEMETERY BOARD.

(F) EVERY CERTIFICATE OF INCORPORATION OF A FIRE CORPORATION SHALL HAVE ENDORSED THEREON OR ANNEXED THERETO THE APPROVAL, SIGNED AND ACKNOWLEDGED, OF THE AUTHORITIES OF EACH CITY, VILLAGE, TOWN OR FIRE DISTRICT IN WHICH THE CORPORATION PROPOSES TO ACT. SUCH AUTHORITIES SHALL BE: IN A CITY, THE MAYOR; IN A VILLAGE, A MAJORITY OF THE TRUSTEES; IN A TOWN, A MAJORITY OF THE MEMBERS OF THE TOWN BOARD; IN A FIRE DISTRICT, A MAJORITY OF THE FIRE COMMISSIONERS. THE MEMBERS OF THE TOWN BOARD OF A TOWN, OR THE TRUSTEES OF A VILLAGE, SHALL NOT CONSENT TO THE FORMATION OF A FIRE CORPORATION AS HEREINBEFORE PROVIDED, UNTIL SUCH BOARD SHALL HAVE HELD A PUBLIC HEARING ON THE QUESTION OF WHETHER THE FIRE COMPANY SHOULD BE INCORPORATED. THE NOTICE SHALL BE PUBLISHED AT LEAST ONCE IN EACH WEEK FOR TWO SUCCESSIVE WEEKS IN THE OFFICIAL NEWSPAPER PUBLISHED IN THE COUNTY IN WHICH SUCH FIRE CORPORATION INTENDS TO LOCATE, PRIOR TO THE REGULAR MEETING OF SUCH BOARD DESIGNATED BY THE CHAIRMAN OF THE BOARD TO CONSIDER THE MATTER. SUCH NOTICE SHALL CONTAIN THE NAME OF THE PROPOSED COMPANY, THE NAMES OF THE PERSONS SIGNING THE CERTIFICATE OF INCORPORATION, A BRIEF DESCRIPTION OF THE TERRITORY TO BE PROTECTED BY THE FIRE COMPANY AND THAT ALL PERSONS INTERESTED SHALL BE HEARD. IF NO NEWSPAPER IS PUBLISHED IN THE COUNTY THE PUBLICATION OF THE NOTICE SHALL BE IN A NEWSPAPER IN AN ADJOINING COUNTY SELECTED BY THE CHAIRMAN OF SUCH BOARD. ALL EXPENSES IN CONNECTION WITH SUCH PUBLICATION SHALL BE BORNE BY THE PARTIES MAKING THE APPLICATION AND PAID BEFORE THE HEARING.

(G) EVERY CORPORATION FOR PREVENTION OF CRUELTY TO ANIMALS SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE APPROVAL OF THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS.

(H) EVERY YOUNG MEN'S CHRISTIAN ASSOCIATION SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE CHAIRMAN OF THE NATIONAL BOARD OF YOUNG MEN'S CHRISTIAN ASSOCIATIONS.

(I) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INDICATES THAT THE PROPOSED CORPORATION IS TO SOLICIT FUNDS FOR OR OTHERWISE BENEFIT THE ARMED FORCES OF THE UNITED STATES OR OF ANY FOREIGN COUNTRY, OR THEIR AUXILIARIES, OR OF THIS OR ANY OTHER STATE OR ANY TERRITORY, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE CHIEF OF STAFF.

(J) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG ITS PURPOSES THE ORGANIZATION OF WAGE-EARNERS FOR THEIR MUTUAL BETTERMENT, PROTECTION AND ADVANCEMENT; THE REGULATION OF HOURS OF LABOR, WORKING CONDITIONS, OR WAGES; OR THE PERFORMANCE, RENDITION OR SALE OF SERVICES AS LABOR CONSULTANT, LABOR-MANAGEMENT ADVISOR, NEGOTIATOR, ARBITRATOR, OR SPECIALIST; AND EVERY CERTIFICATE OF INCORPORATION IN WHICH THE NAME OF THE PROPOSED CORPORATION INCLUDES "UNION", "LABOR", "COUNCIL" OR "INDUSTRIAL ORGANIZATION", OR ANY ABBREVIATION OR DERIVATIVE THEREOF IN A CONTEXT THAT INDICATES OR IMPLIES THAT THE CORPORATION IS FORMED FOR ANY OF THE ABOVE PURPOSES, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE TO THE INDUSTRIAL BOARD OF APPEALS.

(K) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH HAS AS ITS EXCLUSIVE PURPOSE THE PROMOTION OF THE INTERESTS OF SAVINGS BANK LIFE INSURANCE OR THE PROMOTION OF THE INTERESTS OF MEMBER BANKS SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE SUPERINTENDENT OF BANKS.

(L) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH HAS AS ITS EXCLUSIVE PURPOSE THE CREATION OF AN ASSOCIATION OF LICENSED INSURANCE AGENTS, LICENSED INSURANCE BROKERS, OR LICENSED INSURANCE UNDERWRITERS AND EVERY APPLICATION FOR AUTHORITY OF A FOREIGN CORPORATION WHICH IS AN INDEPENDENT LABORATORY ENGAGED IN TESTING FOR PUBLIC SAFETY, OR WHICH HAS AS ITS PURPOSE THE ADVANCEMENT OF CORPORATE, GOVERNMENTAL, AND INSTITUTIONAL RISK AND INSURANCE MANAGEMENT, OR WHICH HAS AS ITS EXCLUSIVE PURPOSE THE CREATION OF AN ASSOCIATION OF INSURERS, EACH OF WHICH IS DULY LICENSED IN THIS STATE OR, IF IT DOES NO BUSINESS OR IS NOT LICENSED IN THIS STATE, IS DULY LICENSED IN ANOTHER STATE OR FOREIGN JURISDICTION SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE SUPERINTENDENT OF INSURANCE.

(M) EVERY CERTIFICATE OF INCORPORATION IN WHICH THE NAME OF THE PROPOSED CORPORATION INCLUDES THE NAME OF A POLITICAL PARTY SHALL HAVE ENDORSED THEREON OR ANNEXED THERETO THE CONSENT OF THE CHAIRMAN OF THE COUNTY COMMITTEE OF SUCH POLITICAL PARTY OF THE COUNTY IN WHICH THE OFFICE OF THE CORPORATION IS TO BE LOCATED, EXCEPT IN CASES WHERE THE SUPREME COURT FINDS THAT THE WITHHOLDING OF SUCH CONSENT OF THE COUNTY CHAIRMAN IS UNREASONABLE.

(N) EVERY CORPORATION, THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES IN ITS NAME THE WORDS "AMERICAN LEGION," SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE DEPARTMENT OF NEW YORK, THE AMERICAN LEGION.

(O) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG ITS CORPORATE PURPOSES OR POWERS THE ESTABLISHMENT OR

MAINTENANCE OF ANY HOSPITAL, AS DEFINED IN ARTICLE TWENTY-EIGHT OF THE PUBLIC HEALTH LAW, OR THE SOLICITATION OF CONTRIBUTIONS FOR ANY SUCH PURPOSE, OR PURPOSES, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE PUBLIC HEALTH COUNCIL.

(P) EVERY MEDICAL CORPORATION AS DEFINED IN ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW AND ORGANIZED PURSUANT THERETO AND PURSUANT TO THIS CHAPTER, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF HEALTH AND THE APPROVAL OF THE PUBLIC HEALTH COUNCIL.

(Q) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG ITS CORPORATE PURPOSES OR POWERS THE ESTABLISHMENT, OR OPERATION OF A FACILITY FOR WHICH AN OPERATING CERTIFICATE FROM THE COMMISSIONER OF MENTAL HEALTH OR MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES IS REQUIRED BY ARTICLE THIRTY-ONE OR SIXTEEN OF THE MENTAL HYGIENE LAW, OR THE SOLICITATION OF CONTRIBUTIONS FOR ANY SUCH PURPOSE, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF MENTAL HEALTH OR MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES.

(R) EVERY HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW AND ORGANIZED PURSUANT THERETO AND PURSUANT TO THIS CHAPTER, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF HEALTH.

(S) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG ITS PURPOSES AND POWERS THE ESTABLISHMENT OR MAINTENANCE OF A HOSPITAL OR FACILITY PROVIDING HEALTH RELATED SERVICES, AS THOSE TERMS ARE DEFINED IN ARTICLE TWENTY-EIGHT OF THE PUBLIC HEALTH LAW, OR THE SOLICITATION OF CONTRIBUTIONS FOR ANY SUCH PURPOSE OR TWO OR MORE OF SUCH PURPOSES, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE PUBLIC HEALTH COUNCIL.

(T) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG THE PURPOSES OF THE CORPORATION, THE ESTABLISHMENT OR OPERATION OF A SUBSTANCE ABUSE, SUBSTANCE DEPENDENCE, ALCOHOL ABUSE, ALCOHOLISM, OR CHEMICAL ABUSE OR DEPENDENCE PROGRAM, OR THE SOLICITATION OF CONTRIBUTIONS FOR ANY SUCH PURPOSE, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF THE OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES.

(U) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES AMONG THE PURPOSES OF THE CORPORATION, THE ESTABLISHMENT, MAINTENANCE AND OPERATION OF A NON-PROFIT PROPERTY/CASUALTY INSURANCE COMPANY, PURSUANT TO ARTICLE SIXTY-SEVEN OF THE INSURANCE LAW, SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE SUPERINTENDENT OF INSURANCE.

(V) EVERY CORPORATION THE CERTIFICATE OF INCORPORATION OF WHICH INCLUDES IN THE NAME OF THE PROPOSED CORPORATION THE TERMS: "SCHOOL," "EDUCATION," "ELEMENTARY," "SECONDARY," "KINDERGARTEN," "PREKINDERGARTEN," "PRESCHOOL," "NURSERY SCHOOL," "MUSEUM," "HISTORY," "HISTORICAL," "HISTORICAL SOCIETY," "ARBORETUM," "LIBRARY," "COLLEGE," "UNIVERSITY" OR OTHER TERM RESTRICTED BY SECTION TWO HUNDRED TWENTY-FOUR OF THE EDUCATION LAW; "CONSERVATORY," "ACADEMY," OR "INSTITUTE," OR ANY ABBREVIATION OR DERIVATIVE OF SUCH TERMS, SHALL PROVIDE A CERTIFIED COPY OF THE

CERTIFICATE OF INCORPORATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO THE COMMISSIONER OF EDUCATION.

S 405. ORGANIZATION MEETING.

(A) AFTER THE CORPORATE EXISTENCE HAS BEGUN, AN ORGANIZATION MEETING OF THE INITIAL DIRECTORS, OR, IF DIRECTORS ARE NOT DESIGNATED IN THE CERTIFICATE OF INCORPORATION, OF THE INCORPORATOR OR INCORPORATORS, SHALL BE HELD WITHIN OR WITHOUT THIS STATE, FOR THE PURPOSE OF ADOPTING BY-LAWS, ELECTING DIRECTORS TO HOLD OFFICE AS PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, AND THE TRANSACTION OF SUCH OTHER BUSINESS AS MAY COME BEFORE THE MEETING. THE MEETING MAY BE HELD AT THE CALL OF ANY DIRECTOR OR, IF DIRECTORS ARE NOT DESIGNATED IN THE CERTIFICATE OF INCORPORATION, ANY INCORPORATOR WHO SHALL GIVE AT LEAST FIVE DAYS' NOTICE THEREOF BY MAIL TO EACH OTHER DIRECTOR OR INCORPORATOR, WHICH NOTICE SHALL SET FORTH THE TIME AND PLACE OF THE MEETING. NOTICE NEED NOT BE GIVEN TO ANY DIRECTOR OR INCORPORATOR WHO SUBMITS A SIGNED WAIVER OF NOTICE BEFORE OR AFTER THE MEETING, OR WHO ATTENDS THE MEETING WITHOUT PROTESTING, PRIOR THERETO OR AT ITS COMMENCEMENT, THE LACK OF NOTICE. IF THERE ARE MORE THAN TWO DIRECTORS OR INCORPORATORS, A MAJORITY SHALL CONSTITUTE A QUORUM AND THE ACT OF THE MAJORITY OF THOSE PRESENT AT A MEETING AT WHICH A QUORUM IS PRESENT SHALL BE THE ACT OF THE DIRECTORS OR INCORPORATORS. FOR THE PURPOSES OF THIS SECTION AN INCORPORATOR OR DIRECTOR MAY ACT IN PERSON OR BY PROXY SIGNED BY SUCH PERSON OR HIS OR HER ATTORNEY IN FACT.

(B) ANY ACTION PERMITTED TO BE TAKEN AT AN ORGANIZATION MEETING MAY BE TAKEN WITHOUT A MEETING IF EACH DIRECTOR OR, IF DIRECTORS ARE NOT DESIGNATED IN THE CERTIFICATE OF INCORPORATION, EACH INCORPORATOR OR HIS OR HER ATTORNEY-IN-FACT SIGNS AN INSTRUMENT SETTING FORTH THE ACTION SO TAKEN.

(C) IF A DESIGNATED DIRECTOR OR AN INCORPORATOR DIES OR IS FOR ANY REASON UNABLE TO ACT, THE OTHER OR OTHERS MAY ACT. IF THERE IS NO DESIGNATED DIRECTOR OR INCORPORATOR ABLE TO ACT, ANY PERSON FOR WHOM AN INCORPORATOR IS ACTING AS AGENT MAY ACT IN HIS OR HER STEAD, OR IF SUCH OTHER PERSON ALSO DIES OR IS FOR ANY REASON UNABLE TO ACT, HIS OR HER LEGAL REPRESENTATIVE MAY ACT.

S 406. PRIVATE FOUNDATION, AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED: PROVISIONS INCLUDED IN THE CERTIFICATE OF INCORPORATION.

(A) THE FOLLOWING PROVISIONS SHALL BE INCLUDED IN THE CERTIFICATE OF INCORPORATION OF EVERY DOMESTIC CORPORATION, HERETOFORE OR HEREAFTER FORMED, TO WHICH THIS CHAPTER APPLIES IN WHOLE OR IN PART, AND WHICH IS A "PRIVATE FOUNDATION" AS DEFINED IN SECTION 509 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED ("CODE"):

(1) THE CORPORATION SHALL DISTRIBUTE SUCH AMOUNTS FOR EACH TAXABLE YEAR AT SUCH TIME AND IN SUCH MANNER AS NOT TO SUBJECT THE CORPORATION TO TAX ON UNDISTRIBUTED INCOME UNDER SECTION 4942 OF THE CODE.

(2) THE CORPORATION SHALL NOT ENGAGE IN ANY ACT OR SELF-DEALING WHICH IS SUBJECT TO TAX UNDER SECTION 4941 OF THE CODE.

(3) THE CORPORATION SHALL NOT RETAIN ANY EXCESS BUSINESS HOLDINGS WHICH ARE SUBJECT TO TAX UNDER SECTION 4943 OF THE CODE.

(4) THE CORPORATION SHALL NOT MAKE ANY INVESTMENTS IN SUCH MANNER AS TO SUBJECT THE CORPORATION TO TAX UNDER SECTION 4944 OF THE CODE.

(5) THE CORPORATION SHALL NOT MAKE ANY TAXABLE EXPENDITURES WHICH ARE SUBJECT TO TAX UNDER SECTION 4945 OF THE CODE.

EXCEPT AS PROVIDED IN PARAGRAPH (B) OF THIS SECTION, THIS PARAGRAPH APPLIES NOTWITHSTANDING ANY OTHER PROVISION OF THE CERTIFICATE OF INCOR-

PORATION OR ANY DIRECTION IN AN INSTRUMENT REFERRED TO IN SECTION 513 OF THIS CHAPTER.

(B) PARAGRAPH (A) OF THIS SECTION SHALL NOT APPLY TO THE EXTENT THAT IT CONFLICTS WITH ANY MANDATORY DIRECTION IN AN INSTRUMENT BY WHICH ASSETS REFERRED TO IN SECTION 513 OF THIS CHAPTER WERE TRANSFERRED TO THE CORPORATION PRIOR TO THE EFFECTIVE DATE OF THIS SECTION UNLESS SUCH CONFLICTING DIRECTION IS REMOVED AS IMPRACTICABLE UNDER ARTICLE EIGHT OF THE ESTATES, POWERS AND TRUSTS LAW OR IN ANY OTHER MANNER PROVIDED BY LAW. THE ABSENCE OF A SPECIFIC PROVISION IN THE SECTION 513 INSTRUMENT FOR THE CURRENT USE OF THE PRINCIPAL OF THE FUND, OR THE PRESENCE IN SUCH AN INSTRUMENT OF A PROVISION, AS TO THE PRINCIPAL OF A FUND, LIMITED TO THE PRINCIPAL'S BEING HELD, INVESTED AND REINVESTED, IS NOT SUCH A CONFLICTING MANDATORY DIRECTION.

(C) ALL REFERENCES IN THIS SECTION TO SECTIONS OF THE CODE SHALL BE TO SUCH SECTIONS AS AMENDED FROM TIME TO TIME, OR TO CORRESPONDING PROVISIONS OF SUBSEQUENT INTERNAL REVENUE LAWS.

(D) NOTHING IN THIS SECTION SHALL IMPAIR THE RIGHTS AND POWERS OF THE COURTS OR THE ATTORNEY GENERAL OF THIS STATE.

S 5. Article 5 of the not-for-profit corporation law is REPEALED, and a new article 5 is added to read as follows:

ARTICLE 5
CORPORATE FINANCE

SECTION 501. STOCK AND SHARES PROHIBITED; MEMBERSHIP CERTIFICATES AUTHORIZED.
502. MEMBERS' CAPITAL CONTRIBUTIONS.
503. CAPITAL CERTIFICATES.
506. BONDS AND SECURITY INTERESTS.
507. FEES, DUES AND ASSESSMENTS; FINES AND PENALTIES.
508. INCOME FROM CORPORATE ACTIVITIES.
509. PURCHASE, SALE, MORTGAGE AND LEASE OF REAL PROPERTY.
510. DISPOSITION OF ALL OR SUBSTANTIALLY ALL ASSETS.
511. PETITION FOR LEAVE OF COURT.
512. INVESTMENT AUTHORITY.
513. ADMINISTRATION OF ASSETS RECEIVED FOR SPECIFIC PURPOSES.
514. DELEGATION OF INVESTMENT MANAGEMENT.
515. DIVIDENDS PROHIBITED; CERTAIN DISTRIBUTIONS OF CASH OR PROPERTY AUTHORIZED.
516. DISTRIBUTIONS TO MEMBERS UPON TERMINATION OF MEMBERSHIP.
517. LIABILITIES OF MEMBERS.
519. ANNUAL REPORT OF DIRECTORS.
520. REPORTS OF CORPORATION.
521. LIABILITY FOR FAILURE TO DISCLOSE REQUIRED INFORMATION.
522. RELEASE OF RESTRICTIONS ON USE OR INVESTMENT.

S 501. STOCK AND SHARES PROHIBITED; MEMBERSHIP CERTIFICATES AUTHORIZED.

A CORPORATION SHALL NOT HAVE STOCK OR SHARES OR CERTIFICATES FOR STOCK OR FOR SHARES, BUT MAY ISSUE MEMBERSHIP CERTIFICATES OR CARDS TO EVIDENCE MEMBERSHIP, WHETHER OR NOT CONNECTED WITH ANY FINANCIAL CONTRIBUTION TO THE CORPORATION, AS PROVIDED IN SECTION 601 OF THIS CHAPTER. THE FACT THAT THE CORPORATION IS A NON-PROFIT CORPORATION, AND WHETHER THE MEMBERSHIP CERTIFICATE OR CARD IS NON-TRANSFERABLE OR TRANSFERABLE, SHALL BE NOTED CONSPICUOUSLY ON THE FACE OR BACK OF EACH SUCH CERTIFICATE OR CARD.

S 502. MEMBERS' CAPITAL CONTRIBUTIONS.

(A) THE CERTIFICATE OF INCORPORATION MAY PROVIDE THAT MEMBERS, UPON OR SUBSEQUENT TO ADMISSION, SHALL MAKE CAPITAL CONTRIBUTIONS IN THE AMOUNT

SPECIFIED THEREIN. THE REQUIREMENT OF A CAPITAL CONTRIBUTION MAY APPLY TO ALL MEMBERS, OR TO THE MEMBERS OF A SINGLE CLASS, OR TO MEMBERS OF DIFFERENT CLASSES IN DIFFERENT AMOUNTS OR PROPORTIONS IN ORDER OF PRIORITY, IF ANY. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF SUCH CERTIFICATES IN THE EVENT OF DISSOLUTION MAY BE FIXED IN THE CERTIFICATE OF INCORPORATION, SUBJECT TO THE LIMITATION THAT, UNLESS THE CERTIFICATE OF INCORPORATION PROVIDES OTHERWISE, IF THE AMOUNTS PAYABLE ON LIQUIDATION ARE NOT PAID IN FULL, THE CAPITAL CERTIFICATES OF THE SAME CLASS OR PREFERENCE SHALL SHARE RATABLY IN REPAYMENT OR REDEMPTION, IN ACCORDANCE WITH THE SUMS WHICH WOULD BE PAYABLE ON SUCH CERTIFICATES IF ALL CERTIFICATES WERE DECLARED AND PAID IN FULL, AND IN ANY DISTRIBUTION OF ASSETS OTHER THAN BY WAY OF CERTIFICATES IN ACCORDANCE WITH THE SUMS WHICH WOULD BE PAYABLE ON SUCH DISTRIBUTION IF ALL SUMS PAYABLE WERE DISCHARGED IN FULL.

(B) A MEMBER'S CAPITAL CONTRIBUTION SHALL CONSIST OF MONEY OR OTHER PROPERTY, TANGIBLE OR INTANGIBLE, OR LABOR OR SERVICES ACTUALLY RECEIVED BY OR PERFORMED FOR THE CORPORATION OR FOR ITS BENEFIT OR IN ITS FORMATION OR REORGANIZATION, A BINDING OBLIGATION TO MAKE THE CONTRIBUTION IN CASH OR OTHER PROPERTY, A BINDING OBLIGATION TO PERFORM SERVICES HAVING AN AGREED VALUE OR A COMBINATION THEREOF. IN THE ABSENCE OF FRAUD IN THE TRANSACTION, THE JUDGMENT OF THE BOARD AS TO THE VALUE OF THE CONSIDERATION RECEIVED BY THE CORPORATION SHALL BE CONCLUSIVE.

(C) A MEMBER'S CAPITAL CONTRIBUTION SHALL BE EVIDENCED BY A CAPITAL CERTIFICATE. A CAPITAL CERTIFICATE SHALL BE NON-TRANSFERABLE, EXCEPT AS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OF A CORPORATION THAT IS NOT ORGANIZED FOR CHARITABLE PURPOSES.

(D) A MEMBER'S CAPITAL CONTRIBUTION SHALL NOT BE REPAID OR REDEEMED BY THE CORPORATION EXCEPT UPON DISSOLUTION OF THE CORPORATION OR UPON REDEMPTION OF THE CAPITAL CERTIFICATE AS PROVIDED IN THIS CHAPTER. A CORPORATION MAY PROVIDE IN ITS CERTIFICATE OF INCORPORATION THAT ITS CAPITAL CERTIFICATES, OR SOME OF THEM, SHALL BE REDEEMABLE, IN WHOLE OR IN PART, AT THE OPTION OF THE CORPORATION ONLY, AT SUCH PRICE OR PRICES (NOT TO EXCEED THE AMOUNT OF THE CAPITAL CONTRIBUTION), WITHIN SUCH PERIOD OR PERIODS, AND ON SUCH TERMS AND CONDITIONS, NOT INCONSISTENT WITH THIS CHAPTER, AS ARE STATED IN THE CERTIFICATE OF INCORPORATION.

(E) IN THE EVENT OF A DEFAULT IN PAYMENT OR OTHER PERFORMANCE UNDER THE INSTRUMENT EVIDENCING A MEMBER'S BINDING OBLIGATION UNDER THIS SECTION, THE CORPORATION MAY PURSUE SUCH REMEDIES AS ARE PROVIDED IN SUCH INSTRUMENT OR A RELATED AGREEMENT OR UNDER LAW.

S 503. CAPITAL CERTIFICATES.

(A) EACH CAPITAL CERTIFICATE SHALL BE SIGNED BY THE CHAIRMAN OR VICE-CHAIRMAN OF THE BOARD OR THE PRESIDENT OR A VICE-PRESIDENT AND THE SECRETARY OR AN ASSISTANT SECRETARY OR THE TREASURER OR AN ASSISTANT TREASURER OF THE CORPORATION, AND MAY BE SEALED WITH THE SEAL OF THE CORPORATION OR A FACSIMILE THEREOF. THE SIGNATURES OF THE OFFICERS UPON A CERTIFICATE MAY BE FACSIMILES IF THE CERTIFICATE IS COUNTERSIGNED BY A TRANSFER AGENT OR REGISTERED BY A REGISTRAR OTHER THAN THE CORPORATION ITSELF OR ITS EMPLOYEE. IN CASE ANY OFFICER WHO HAS SIGNED OR WHOSE FACSIMILE SIGNATURE HAS BEEN PLACED UPON A CERTIFICATE SHALL HAVE CEASED TO BE SUCH OFFICER BEFORE SUCH CERTIFICATE IS ISSUED IT MAY BE ISSUED BY THE CORPORATION WITH THE SAME EFFECT AS IF HE WERE SUCH OFFICER AT THE DATE OF ISSUE.

(B) EACH CAPITAL CERTIFICATE SHALL WHEN ISSUED STATE UPON THE FACE THEREOF:

(1) THE NAME OF THE MEMBER TO WHOM ISSUED.

(2) THE AMOUNT OF THE MEMBER'S CAPITAL CONTRIBUTION EVIDENCED BY SUCH CERTIFICATE.

(3) IF APPLICABLE, THAT THE CERTIFICATE OF INCORPORATION PROVIDES THAT THE CAPITAL CERTIFICATE IS TRANSFERABLE.

(C) THE FACT THAT THE CORPORATION IS A NON-PROFIT CORPORATION, AND THAT THE CAPITAL CERTIFICATE IS NON-TRANSFERABLE OR IS TRANSFERABLE SHALL BE NOTED CONSPICUOUSLY ON THE FACE OR BACK OF EACH SUCH CERTIFICATE.

S 506. BONDS AND SECURITY INTERESTS.

(A) NO CORPORATION SHALL ISSUE BONDS EXCEPT FOR MONEY OR OTHER PROPERTY, TANGIBLE OR INTANGIBLE, OR LABOR OR SERVICES ACTUALLY RECEIVED BY OR PERFORMED FOR THE CORPORATION OR FOR ITS BENEFIT OR IN ITS FORMATION OR REORGANIZATION, OR A COMBINATION THEREOF. IN THE ABSENCE OF FRAUD IN THE TRANSACTION, THE JUDGMENT OF THE BOARD AS TO THE VALUE OF THE CONSIDERATION RECEIVED BY THE CORPORATION SHALL BE CONCLUSIVE.

(B) A CORPORATION MAY PAY REASONABLE INTEREST ON ITS BONDS, MAY ISSUE ITS BONDS AT A REASONABLE DISCOUNT AND MAY PAY A REASONABLE PREMIUM FOR THE REDEMPTION THEREOF PRIOR TO MATURITY, BUT THE HOLDERS OF ITS BONDS SHALL NOT BE ENTITLED AT ANY TIME TO RECEIVE ANY PART OF THE INCOME OR PROFIT OF THE CORPORATION NOR AT MATURITY TO RECEIVE MORE THAN THE PRINCIPAL SUM THEREOF PLUS INTEREST DUE AND ACCRUED THEREON. IN THE ABSENCE OF FRAUD IN THE TRANSACTION, THE JUDGMENT OF THE BOARD AS TO THE REASONABLENESS OF ANY SUCH INTEREST, DISCOUNT OR PREMIUM SHALL BE CONCLUSIVE. HOWEVER, WITH RESPECT TO BONDS NOT A PART OF A PUBLIC OFFERING, NOTWITHSTANDING THE TERMS OF THE INSTRUMENT, NO MEMBER OF A CORPORATION SHALL BE ENTITLED TO RECEIVE, DIRECTLY OR INDIRECTLY, AS A HOLDER OR BENEFICIARY OF SUCH BOND, PRIOR TO MATURITY OR REDEMPTION, MORE THAN SIMPLE INTEREST THEREON AT A RATE EQUAL TO THE HIGHER OF (1) THE MAXIMUM INTEREST AUTHORIZED PURSUANT TO SECTION 5-501 OF THE GENERAL OBLIGATIONS LAW OR (2) ONE PERCENT OVER THE PRIME RATE OF INTEREST GENERALLY PREVAILING ON THE INTEREST DUE DATE IN THE FEDERAL RESERVE DISTRICT OF NEW YORK, NOR AT MATURITY OR REDEMPTION, MORE THAN THE PRINCIPAL SUM THEREOF PLUS ANY INTEREST, NOT EXCEEDING THE MAXIMUM INTEREST HEREIN SPECIFIED, DUE AND ACCRUED THEREON.

(C) A CORPORATION MAY, IN ITS CERTIFICATE OF INCORPORATION OR BY-LAWS, CONFER UPON THE HOLDERS OF ANY BONDS ISSUED OR TO BE ISSUED BY THE CORPORATION, RIGHTS TO INSPECT THE CORPORATE BOOKS AND RECORDS AND, UPON DEFAULT OF INTEREST OR PRINCIPAL, TO VOTE IN THE ELECTION OF DIRECTORS. THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY APPORTION THE NUMBER OF VOTES THAT MAY BE CAST WITH RESPECT TO BONDS ON THE BASIS OF THE AMOUNT OF BONDS HELD.

(D) THE BOARD MAY AUTHORIZE ANY MORTGAGE OR PLEDGE OF, OR THE CREATION OF A SECURITY INTEREST IN, ALL OR ANY PART OF THE CORPORATION'S PERSONAL PROPERTY, OR ANY INTEREST THEREIN. UNLESS THE CERTIFICATE OF INCORPORATION PROVIDES OTHERWISE, NO VOTE OR CONSENT OF THE MEMBERS SHALL BE REQUIRED TO APPROVE SUCH ACTION BY THE BOARD.

(E) IN THE EVENT OF A DEFAULT IN PAYMENT OR OTHER PERFORMANCE UNDER THE SUBSCRIBER'S BINDING OBLIGATION TO PAY THE PURCHASE PRICE OR PERFORM SERVICES, THE CORPORATION MAY PURSUE SUCH REMEDIES AS ARE PROVIDED IN SUCH INSTRUMENT OR A RELATED AGREEMENT OR UNDER LAW.

(F) A CORPORATION MAY PLACE IN ESCROW BONDS TO BE ISSUED FOR A BINDING OBLIGATION TO PAY CASH OR OTHER PROPERTY OR TO PERFORM FUTURE SERVICES, OR MAKE OTHER ARRANGEMENTS TO RESTRICT THE TRANSFER OF SUCH BONDS.

S 507. FEES, DUES AND ASSESSMENTS; FINES AND PENALTIES.

(A) IF AUTHORIZED BY ITS CERTIFICATE OF INCORPORATION OR BY-LAWS AND SUBJECT TO ANY LIMITATIONS STATED THEREIN A CORPORATION MAY LEVY INITI-

ATION FEES, DUES AND ASSESSMENTS ON ITS MEMBERS, WHETHER OR NOT THEY ARE VOTING MEMBERS, AND MAY IMPOSE REASONABLE FINES OR OTHER PENALTIES UPON ITS MEMBERS FOR VIOLATIONS OF ITS RULES AND REGULATIONS.

(B) INITIATION FEES, DUES OR ASSESSMENTS MAY BE LEVIED ON ALL CLASSES OF MEMBERS ALIKE OR IN DIFFERENT AMOUNTS OR PROPORTIONS FOR DIFFERENT CLASSES OF MEMBERS, AS THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY PROVIDE, BUT IN ALL CASES THE FEES, DUES AND ASSESSMENTS PAYABLE BY MEMBERS OF ONE CLASS SHALL BE DETERMINED UPON THE SAME BASIS.

(C) THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY CONTAIN SUCH PROVISIONS AS ARE DEEMED NECESSARY TO ENFORCE THE COLLECTION OF FEES, DUES, ASSESSMENTS, FINES OR OTHER PENALTIES, INCLUDING PROVISIONS FOR THE TERMINATION OF MEMBERSHIP, UPON REASONABLE NOTICE, FOR NON-PAYMENT OF SUCH FEES, DUES, ASSESSMENTS, FINES OR OTHER PENALTIES, AND PROVISIONS FOR REINSTATEMENT OF MEMBERSHIP.

(D) SUBJECT TO THE PROVISIONS OF THIS CHAPTER, THE CERTIFICATE OF INCORPORATION MAY PROVIDE THAT MEMBERS PAYING INITIATION FEES, DUES OR ASSESSMENTS SHALL, UPON DISSOLUTION OF THE CORPORATION, HAVE DISTRIBUTIVE RIGHTS IN ITS ASSETS. THE DISTRIBUTIVE RIGHTS MAY BE DIFFERENT FOR DIFFERENT CLASSES OF MEMBERS, BUT IN ALL CASES THE RIGHTS OF MEMBERS OF ONE CLASS SHALL BE THE SAME.

S 508. INCOME FROM CORPORATE ACTIVITIES.

A CORPORATION WHOSE LAWFUL ACTIVITIES INVOLVE AMONG OTHER THINGS THE CHARGING OF FEES OR PRICES FOR ITS SERVICES OR PRODUCTS SHALL HAVE THE RIGHT TO RECEIVE SUCH INCOME AND, IN SO DOING, MAY MAKE AN INCIDENTAL PROFIT. ALL SUCH INCIDENTAL PROFITS SHALL BE APPLIED TO THE MAINTENANCE, EXPANSION OR OPERATION OF THE LAWFUL ACTIVITIES OF THE CORPORATION, AND IN NO CASE SHALL BE DIVIDED OR DISTRIBUTED IN ANY MANNER WHATSOEVER AMONG THE MEMBERS, DIRECTORS, OR OFFICERS OF THE CORPORATION.

S 509. PURCHASE, SALE, MORTGAGE AND LEASE OF REAL PROPERTY.

NO PURCHASE OF REAL PROPERTY SHALL BE MADE BY A CORPORATION AND NO CORPORATION SHALL SELL, MORTGAGE OR LEASE REAL PROPERTY, UNLESS AUTHORIZED BY THE VOTE OF TWO-THIRDS OF THE ENTIRE BOARD, PROVIDED THAT IF THERE ARE TWENTY-ONE OR MORE DIRECTORS, THE VOTE OF A MAJORITY OF THE ENTIRE BOARD SHALL BE SUFFICIENT.

S 510. DISPOSITION OF ALL OR SUBSTANTIALLY ALL ASSETS.

(A) A SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL, OR SUBSTANTIALLY ALL, THE ASSETS OF A CORPORATION MAY BE MADE UPON SUCH TERMS AND CONDITIONS AND FOR SUCH CONSIDERATION, WHICH MAY CONSIST IN WHOLE OR IN PART OF CASH OR OTHER PROPERTY, REAL OR PERSONAL, INCLUDING SHARES, BONDS OR OTHER SECURITIES OF ANY OTHER DOMESTIC OR FOREIGN CORPORATION OR CORPORATIONS OF ANY TYPE OR KIND, AS MAY BE AUTHORIZED IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:

(1) IF THERE ARE MEMBERS ENTITLED TO VOTE THEREON, THE BOARD SHALL ADOPT A RESOLUTION RECOMMENDING SUCH SALE, LEASE, EXCHANGE OR OTHER DISPOSITION. THE RESOLUTION SHALL SPECIFY THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION, INCLUDING THE CONSIDERATION TO BE RECEIVED BY THE CORPORATION AND THE EVENTUAL DISPOSITION TO BE MADE OF SUCH CONSIDERATION, TOGETHER WITH A STATEMENT THAT THE DISSOLUTION OF THE CORPORATION IS OR IS NOT CONTEMPLATED THEREAFTER. THE RESOLUTION SHALL BE SUBMITTED TO A VOTE AT A MEETING OF MEMBERS ENTITLED TO VOTE THEREON, WHICH MAY BE EITHER AN ANNUAL OR A SPECIAL MEETING. NOTICE OF THE MEETING SHALL BE GIVEN TO EACH MEMBER AND EACH HOLDER OF BONDS OF THE CORPORATION, WHETHER OR NOT ENTITLED TO VOTE. AT SUCH MEETING BY TWO-THIRDS VOTE AS PROVIDED IN PARAGRAPH (C) OF SECTION 613 OF THIS CHAPTER THE MEMBERS MAY APPROVE THE PROPOSED TRANSACTION ACCORDING TO THE TERMS OF THE RESOLUTION OF THE BOARD, OR MAY APPROVE SUCH SALE, LEASE, EXCHANGE

OR OTHER DISPOSITION AND MAY AUTHORIZE THE BOARD TO MODIFY THE TERMS AND CONDITIONS THEREOF.

(2) IF THERE ARE NO MEMBERS ENTITLED TO VOTE THEREON, SUCH SALE, LEASE, EXCHANGE OR OTHER DISPOSITION SHALL BE AUTHORIZED BY THE VOTE OF AT LEAST TWO-THIRDS OF THE ENTIRE BOARD, PROVIDED THAT IF THERE ARE TWENTY-ONE OR MORE DIRECTORS, THE VOTE OF A MAJORITY OF THE ENTIRE BOARD SHALL BE SUFFICIENT.

(3) IF THE CORPORATION IS, OR WOULD BE IF FORMED UNDER THIS CHAPTER, ORGANIZED FOR CHARITABLE PURPOSES OR HOLDS ASSETS RECEIVED FOR SPECIFIC PURPOSES SUCH SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OTHER THAN TO ANOTHER CORPORATION ORGANIZED FOR CHARITABLE PURPOSES AND CONTROLLED BY, OR UNDER COMMON CONTROL WITH, THE CORPORATION, SHALL IN ADDITION REQUIRE LEAVE OF THE SUPREME COURT IN THE JUDICIAL DISTRICT OR OF THE COUNTY COURT OF THE COUNTY IN WHICH THE CORPORATION HAS ITS OFFICE OR PRINCIPAL PLACE OF CARRYING OUT THE PURPOSES FOR WHICH IT WAS FORMED.

(B) AFTER SUCH AUTHORIZATION THE BOARD IN ITS DISCRETION MAY ABANDON SUCH SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ASSETS, SUBJECT TO THE RIGHTS OF THIRD PARTIES UNDER ANY CONTRACT RELATING THERETO, WITHOUT FURTHER ACTION OR APPROVAL.

S 511. PETITION FOR LEAVE OF COURT.

(A) A CORPORATION REQUIRED BY LAW TO OBTAIN LEAVE OF COURT TO SELL, LEASE, EXCHANGE OR OTHERWISE DISPOSE OF ALL OR SUBSTANTIALLY ALL ITS ASSETS, OTHER THAN TO ANOTHER CORPORATION ORGANIZED FOR CHARITABLE PURPOSES AND CONTROLLED BY, OR UNDER COMMON CONTROL WITH, THE CORPORATION, SHALL PRESENT A VERIFIED PETITION TO THE SUPREME COURT OF THE JUDICIAL DISTRICT, OR THE COUNTY COURT OF THE COUNTY, WHEREIN THE CORPORATION HAS ITS OFFICE OR PRINCIPAL PLACE OF CARRYING OUT THE PURPOSES FOR WHICH IT WAS FORMED. THE PETITION SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION, THE LAW UNDER OR BY WHICH IT WAS INCORPORATED.

(2) THE NAMES OF ITS DIRECTORS AND PRINCIPAL OFFICERS, AND THEIR PLACES OF RESIDENCE.

(3) THE ACTIVITIES OF THE CORPORATION.

(4) A DESCRIPTION, WITH REASONABLE CERTAINTY, OF THE ASSETS TO BE SOLD, LEASED, EXCHANGED, OR OTHERWISE DISPOSED OF, OR A STATEMENT THAT IT IS PROPOSED TO SELL, LEASE, EXCHANGE OR OTHERWISE DISPOSE OF ALL OR SUBSTANTIALLY ALL THE CORPORATE ASSETS MORE FULLY DESCRIBED IN A SCHEDULE ATTACHED TO THE PETITION; AND A STATEMENT OF THE FAIR VALUE OF SUCH ASSETS, AND THE AMOUNT OF THE CORPORATION'S DEBTS AND LIABILITIES AND HOW SECURED.

(5) THE CONSIDERATION TO BE RECEIVED BY THE CORPORATION AND THE DISPOSITION PROPOSED TO BE MADE THEREOF, TOGETHER WITH A STATEMENT THAT THE DISSOLUTION OF THE CORPORATION IS OR IS NOT CONTEMPLATED THEREAFTER.

(6) THAT THE CONSIDERATION AND THE TERMS OF THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF THE ASSETS OF THE CORPORATION ARE FAIR AND REASONABLE TO THE CORPORATION, AND THAT THE PURPOSES OF THE CORPORATION, OR THE INTERESTS OF ITS MEMBERS WILL BE PROMOTED THEREBY, AND A CONCISE STATEMENT OF THE REASONS THEREFOR.

(7) THAT SUCH SALE, LEASE, EXCHANGE OR DISPOSITION OF CORPORATE ASSETS, HAS BEEN RECOMMENDED OR AUTHORIZED BY VOTE OF THE DIRECTORS IN ACCORDANCE WITH LAW, AT A MEETING DULY CALLED AND HELD, AS SHOWN IN A SCHEDULE ANNEXED TO THE PETITION SETTING FORTH A COPY OF THE RESOLUTION GRANTING SUCH AUTHORITY WITH A STATEMENT OF THE VOTE THEREON.

(8) WHERE THE CONSENT OF MEMBERS OF THE CORPORATION IS REQUIRED BY LAW, THAT SUCH CONSENT HAS BEEN GIVEN, AS SHOWN IN A SCHEDULE ANNEXED TO THE PETITION SETTING FORTH A COPY OF SUCH CONSENT, IF IN WRITING, OR OF

A RESOLUTION GIVING SUCH CONSENT, ADOPTED AT A MEETING OF MEMBERS DULY CALLED AND HELD, WITH A STATEMENT OF THE VOTE THEREON.

(9) A PRAYER FOR LEAVE TO SELL, LEASE, EXCHANGE OR OTHERWISE DISPOSE OF ALL OR SUBSTANTIALLY ALL THE ASSETS OF THE CORPORATION AS SET FORTH IN THE PETITION.

(B) UPON PRESENTATION OF THE PETITION, THE COURT SHALL DIRECT THAT A MINIMUM OF FIFTEEN DAYS NOTICE BE GIVEN BY MAIL OR IN PERSON TO THE ATTORNEY GENERAL, AND IN ITS DISCRETION MAY DIRECT THAT NOTICE OF THE APPLICATION BE GIVEN, PERSONALLY OR BY MAIL, TO ANY PERSON INTERESTED THEREIN, AS MEMBER, OFFICER OR CREDITOR OF THE CORPORATION. THE COURT SHALL HAVE AUTHORITY TO SHORTEN THE TIME FOR SERVICE ON THE ATTORNEY GENERAL UPON A SHOWING OF GOOD CAUSE. THE NOTICE SHALL SPECIFY THE TIME AND PLACE, FIXED BY THE COURT, FOR A HEARING UPON THE APPLICATION. ANY PERSON INTERESTED, WHETHER OR NOT FORMALLY NOTIFIED, MAY APPEAR AT THE HEARING AND SHOW CAUSE WHY THE APPLICATION SHOULD NOT BE GRANTED.

(C) IF THE CORPORATION BE INSOLVENT, OR IF ITS ASSETS BE INSUFFICIENT TO LIQUIDATE ITS DEBTS AND LIABILITIES IN FULL, THE APPLICATION SHALL NOT BE GRANTED UNLESS ALL THE CREDITORS OF THE CORPORATION SHALL HAVE BEEN SERVED, PERSONALLY OR BY MAIL, WITH A NOTICE OF THE TIME AND PLACE OF THE HEARING.

(D) IF IT SHALL APPEAR, TO THE SATISFACTION OF THE COURT, THAT THE CONSIDERATION AND THE TERMS OF THE TRANSACTION ARE FAIR AND REASONABLE TO THE CORPORATION AND THAT THE PURPOSES OF THE CORPORATION OR THE INTERESTS OF THE MEMBERS WILL BE PROMOTED, IT MAY AUTHORIZE THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL THE ASSETS OF THE CORPORATION, AS DESCRIBED IN THE PETITION, FOR SUCH CONSIDERATION AND UPON SUCH TERMS AS THE COURT MAY PRESCRIBE. THE ORDER OF THE COURT SHALL DIRECT THE DISPOSITION OF THE CONSIDERATION TO BE RECEIVED THEREUNDER BY THE CORPORATION.

S 512. INVESTMENT AUTHORITY.

IN ADDITION TO AN INVESTMENT OTHERWISE AUTHORIZED BY LAW OR BY THE APPLICABLE GIFT INSTRUMENT, AND WITHOUT RESTRICTION TO INVESTMENTS A FIDUCIARY MAY MAKE, THE GOVERNING BOARD, SUBJECT TO ANY SPECIFIC LIMITATIONS SET FORTH IN THE APPLICABLE GIFT INSTRUMENT OR IN THE APPLICABLE LAW OTHER THAN LAW RELATING TO INVESTMENTS BY A FIDUCIARY, AND SUBJECT TO THE PROVISIONS OF SECTION 717 OF THIS CHAPTER, MAY:

(A) INVEST AND REINVEST AN INSTITUTIONAL FUND, IN THE NAME OF THE CORPORATION OR IN THE NAME OF A NOMINEE OF THE CORPORATION, IN ANY REAL OR PERSONAL PROPERTY DEEMED ADVISABLE BY THE GOVERNING BOARD, WHETHER OR NOT IT PRODUCES A CURRENT RETURN, INCLUDING MORTGAGES, STOCKS, BONDS, DEBENTURES, AND OTHER SECURITIES OF PROFIT OR NON-PROFIT CORPORATIONS, SHARES IN OR OBLIGATIONS OF ASSOCIATIONS, PARTNERSHIPS, OR INDIVIDUALS, AND OBLIGATIONS OF ANY GOVERNMENT OR SUBDIVISION OR INSTRUMENTALITY THEREOF;

(B) RETAIN PROPERTY CONTRIBUTED BY A DONOR TO AN INSTITUTIONAL FUND FOR AS LONG AS THE GOVERNING BOARD DEEMS ADVISABLE, TAKING INTO ACCOUNT ANY REQUEST BY THE DONOR TO DO SO;

(C) INCLUDE ALL OR ANY PART OF AN INSTITUTIONAL FUND IN ANY POOLED OR COMMON FUND AVAILABLE FOR INVESTMENT WHICH IS MAINTAINED BY THE CORPORATION; AND

(D) INVEST ALL OR ANY PART OF AN INSTITUTIONAL FUND IN ANY OTHER POOLED OR COMMON FUND AVAILABLE FOR INVESTMENT, INCLUDING SHARES OR INTERESTS IN REGULATED INVESTMENT COMPANIES, MUTUAL FUNDS, COMMON TRUST FUNDS, INVESTMENT PARTNERSHIPS, REAL ESTATE INVESTMENT TRUSTS, OR SIMILAR ORGANIZATIONS IN WHICH FUNDS ARE COMMINGLED AND INVESTMENT DETERMINATIONS ARE MADE BY PERSONS OTHER THAN THE GOVERNING BOARD.

S 513. ADMINISTRATION OF ASSETS RECEIVED FOR SPECIFIC PURPOSES.

(A) A CORPORATION SHALL HOLD FULL OWNERSHIP RIGHTS IN ANY ASSETS CONSISTING OF FUNDS OR OTHER REAL OR PERSONAL PROPERTY OF ANY KIND, THAT MAY BE GIVEN, GRANTED, BEQUEATHED OR DEVISED TO OR OTHERWISE VESTED IN SUCH CORPORATION IN TRUST FOR, OR WITH A DIRECTION TO APPLY THE SAME TO, ANY PURPOSE SPECIFIED IN ITS CERTIFICATE OF INCORPORATION, AND SHALL NOT BE DEEMED A TRUSTEE OF AN EXPRESS TRUST OF SUCH ASSETS.

(B) EXCEPT AS MAY BE OTHERWISE PERMITTED UNDER ARTICLE EIGHT OF THE ESTATES, POWERS AND TRUSTS LAW OR SECTION 522 OF THIS ARTICLE, THE GOVERNING BOARD SHALL APPLY ALL ASSETS THUS RECEIVED TO THE PURPOSES SPECIFIED IN THE GIFT INSTRUMENT AND TO THE PAYMENT OF THE REASONABLE AND PROPER EXPENSES OF ADMINISTRATION OF SUCH ASSETS. THE GOVERNING BOARD SHALL CAUSE ACCURATE ACCOUNTS TO BE KEPT OF SUCH ASSETS SEPARATE AND APART FROM THE ACCOUNTS OF OTHER ASSETS OF THE CORPORATION. UNLESS THE TERMS OF THE PARTICULAR GIFT INSTRUMENT PROVIDE OTHERWISE, THE TREASURER SHALL MAKE AN ANNUAL REPORT TO THE MEMBERS (IF THERE BE MEMBERS) OR TO THE GOVERNING BOARD (IF THERE BE NO MEMBERS) CONCERNING THE ASSETS HELD UNDER THIS SECTION AND THE USE MADE OF SUCH ASSETS AND OF THE INCOME THEREOF.

(C) THE GOVERNING BOARD MAY APPROPRIATE FOR EXPENDITURE FOR THE USES AND PURPOSES FOR WHICH AN ENDOWMENT FUND IS ESTABLISHED SO MUCH OF THE NET APPRECIATION, REALIZED (WITH RESPECT TO ALL ASSETS) AND UNREALIZED (WITH RESPECT ONLY TO READILY MARKETABLE ASSETS), IN THE FAIR VALUE OF THE ASSETS OF AN ENDOWMENT FUND OVER THE HISTORIC DOLLAR VALUE OF THE FUND AS IS PRUDENT UNDER THE STANDARD ESTABLISHED BY SECTION 717 OF THIS CHAPTER. THIS SECTION IS NOT INTENDED TO RESTRICT THE AUTHORITY OF THE GOVERNING BOARD TO EXPEND FUNDS AS PERMITTED UNDER OTHER LAW, THE TERMS OF THE APPLICABLE GIFT INSTRUMENT OR THE CERTIFICATE OF INCORPORATION OF THE CORPORATION.

(D) PARAGRAPH (C) OF THIS SECTION DOES NOT APPLY IF THE APPLICABLE GIFT INSTRUMENT INDICATES THE DONOR'S INTENTION THAT NET APPRECIATION SHALL NOT BE EXPENDED. A RESTRICTION UPON THE EXPENDITURE OF NET APPRECIATION MAY NOT BE IMPLIED FROM A DESIGNATION OF A GIFT AS AN ENDOWMENT, OR FROM A DIRECTION OR AUTHORIZATION IN THE APPLICABLE GIFT INSTRUMENT TO USE ONLY "INCOME," "INTEREST," "DIVIDENDS," OR "RENTS, ISSUES OR PROFITS," OR "TO PRESERVE THE PRINCIPAL INTACT," OR A DIRECTION WHICH CONTAINS OTHER WORDS OF SIMILAR IMPORT. THIS RULE OF CONSTRUCTION APPLIES TO GIFT INSTRUMENTS EXECUTED OR IN EFFECT BEFORE OR AFTER THE EFFECTIVE DATE OF PARAGRAPH (C) OF THIS SECTION.

S 514. DELEGATION OF INVESTMENT MANAGEMENT.

(A) EXCEPT AS OTHERWISE PROVIDED BY THE APPLICABLE GIFT INSTRUMENT, THE GOVERNING BOARD MAY (1) DELEGATE TO ITS COMMITTEES, OFFICERS OR EMPLOYEES OF THE CORPORATION OR THE FUND, OR AGENTS, INCLUDING INVESTMENT COUNSEL, THE AUTHORITY TO ACT IN PLACE OF THE GOVERNING BOARD IN INVESTMENT AND REINVESTMENT OF INSTITUTIONAL FUNDS, (2) CONTRACT WITH INDEPENDENT INVESTMENT ADVISORS, INVESTMENT COUNSEL OR MANAGERS, BANKS, OR TRUST COMPANIES, SO TO ACT, AND (3) AUTHORIZE THE PAYMENT OF COMPENSATION FOR INVESTMENT ADVISORY OR MANAGEMENT SERVICES, ADVISORS, INVESTMENT COUNSEL OR MANAGERS, BANKS OR TRUST COMPANIES, SO TO ACT. EACH CONTRACT PURSUANT TO WHICH AUTHORITY IS SO DELEGATED SHALL PROVIDE THAT IT MAY BE TERMINATED BY THE GOVERNING BOARD AT ANY TIME, WITHOUT PENALTY, UPON NOT MORE THAN SIXTY DAYS' NOTICE.

(B) THE GOVERNING BOARD SHALL EXERCISE THE STANDARD OF CARE REQUIRED BY SECTION 717 OF THIS CHAPTER IN THE SELECTION OF PERSONS TO WHOM AUTHORITY IS DELEGATED OR WITH WHOM CONTRACTS ARE MADE UNDER PARAGRAPH (A) OF THIS SECTION AND IN THE CONTINUATION OR TERMINATION OF SUCH

DELEGATION OR CONTRACTS. THE GOVERNING BOARD SHALL BE RELIEVED OF ALL LIABILITY FOR THE INVESTMENT AND REINVESTMENT OF INSTITUTIONAL FUNDS BY, AND FOR THE OTHER ACTS OR OMISSIONS OF, PERSONS TO WHOM AUTHORITY IS SO DELEGATED OR WITH WHOM CONTRACTS ARE SO MADE.

S 515. DIVIDENDS PROHIBITED; CERTAIN DISTRIBUTIONS OF CASH OR PROPERTY AUTHORIZED.

(A) A CORPORATION SHALL NOT PAY DIVIDENDS OR DISTRIBUTE ANY PART OF ITS INCOME OR PROFIT TO ITS MEMBERS, DIRECTORS, OR OFFICERS.

(B) A CORPORATION MAY PAY COMPENSATION IN A REASONABLE AMOUNT TO MEMBERS, DIRECTORS, OR OFFICERS FOR SERVICES RENDERED, AND MAY MAKE DISTRIBUTIONS OF CASH OR PROPERTY TO MEMBERS UPON DISSOLUTION OR FINAL LIQUIDATION AS PERMITTED BY THIS CHAPTER.

(C) A CORPORATION MAY CONFER BENEFITS UPON MEMBERS OR NONMEMBERS IN CONFORMITY WITH ITS PURPOSES, MAY REDEEM ITS CAPITAL CERTIFICATES, AND MAY MAKE OTHER DISTRIBUTIONS OF CASH OR PROPERTY TO ITS MEMBERS OR FORMER MEMBERS, DIRECTORS, OR OFFICERS PRIOR TO DISSOLUTION OR FINAL LIQUIDATION, AS AUTHORIZED BY THIS ARTICLE, EXCEPT WHEN THE CORPORATION IS CURRENTLY INSOLVENT OR WOULD THEREBY BE MADE INSOLVENT OR RENDERED UNABLE TO CARRY ON ITS CORPORATE PURPOSES, OR WHEN THE FAIR VALUE OF THE CORPORATION'S ASSETS REMAINING AFTER SUCH CONFERRING OF BENEFITS, OR REDEMPTION, OR OTHER DISTRIBUTION WOULD BE INSUFFICIENT TO MEET ITS LIABILITIES.

S 516. DISTRIBUTIONS TO MEMBERS UPON TERMINATION OF MEMBERSHIP.

(A) EXCEPT AS PROVIDED IN THIS CHAPTER OR THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, THE INTEREST OF A MEMBER IN THE PROPERTY OF A CORPORATION SHALL TERMINATE UPON THE TERMINATION OF HIS MEMBERSHIP, WHETHER BY EXPIRATION OF THE TERM OF MEMBERSHIP, OR BY THE DEATH, VOLUNTARY WITHDRAWAL, OR EXPULSION OF THE MEMBER, OR OTHERWISE. SUCH TERMINATION SHALL BE WITHOUT PREJUDICE TO HIS RIGHTS, IF ANY, AS HOLDER OF A CAPITAL CERTIFICATE.

(B) IN THE EVENT OF A TERMINATION OF MEMBERSHIP, WHETHER VOLUNTARY OR INVOLUNTARY, AND SUBJECT TO ANY RESTRICTIONS CONTAINED IN THIS CHAPTER OR THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, A CORPORATION MAY AT ITS OPTION THEREAFTER CALL FOR REDEMPTION ANY CAPITAL CERTIFICATE OR CERTIFICATES HELD BY SUCH FORMER MEMBER, AND REDEEM THE SAME UPON PAYMENT OF A SUM OF MONEY EQUAL TO THE REDEMPTION PRICE THEREOF IF SUCH CERTIFICATES ARE BY THEIR TERMS REDEEMABLE, OR UPON PAYMENT OF A SUM OF MONEY EQUAL TO THE AMOUNT OF THE CAPITAL CONTRIBUTION EVIDENCED BY SUCH CERTIFICATES IF THEY ARE NOT BY THEIR EXPRESS TERMS REDEEMABLE.

(C) IF A MEMBER WHO WOULD UPON DISSOLUTION OF THE CORPORATION HAVE DISTRIBUTIVE RIGHTS IN ITS ASSETS UNDER PARAGRAPH (D) OF SECTION 507 OF THIS ARTICLE IS EXPELLED OTHER THAN FOR CAUSE PURSUANT TO A PROVISION OF THE CERTIFICATE OF INCORPORATION OR BY-LAWS AUTHORIZING SUCH EXPULSION, AND THE CORPORATION IS DISSOLVED WITHIN A PERIOD OF FIVE YEARS AFTER THE DATE OF SUCH EXPULSION, THE EXPELLED MEMBER SHALL BE ENTITLED TO SHARE IN THE DISTRIBUTION OF ASSETS IN THE SAME MANNER AS OTHER MEMBERS OF THE SAME CLASS ENTITLED TO SHARE AT THAT TIME, EXCEPT THAT HIS SHARE SHALL BE CHARGED WITH ANY ARREARAGES AND ALL DUES AND ASSESSMENTS WHICH HE WOULD HAVE PAID IF HE HAD REMAINED A MEMBER, PLUS INTEREST ON ALL SUCH ITEMS.

(D) NOTHING IN THIS SECTION SHALL AUTHORIZE A CORPORATION TO MAKE A DISTRIBUTION OF CASH OR PROPERTY TO A FORMER MEMBER IN CONTRAVENTION OF THE PROVISIONS OF SECTION 515 OF THIS ARTICLE.

S 517. LIABILITIES OF MEMBERS.

(A) THE MEMBERS OF A CORPORATION SHALL NOT BE PERSONALLY LIABLE FOR THE DEBTS, LIABILITIES OR OBLIGATIONS OF THE CORPORATION.

(B) A MEMBER SHALL BE LIABLE TO THE CORPORATION ONLY TO THE EXTENT OF ANY UNPAID PORTION OF THE INITIATION FEES, MEMBERSHIP DUES OR ASSESSMENTS WHICH THE CORPORATION MAY HAVE LAWFULLY IMPOSED UPON SUCH MEMBER, OR FOR ANY OTHER INDEBTEDNESS OWED BY SUCH MEMBER TO THE CORPORATION. NO ACTION SHALL BE BROUGHT BY ANY CREDITOR OF THE CORPORATION TO REACH AND APPLY ANY SUCH LIABILITY TO ANY DEBT OF THE CORPORATION UNTIL AFTER FINAL JUDGMENT SHALL HAVE BEEN RENDERED AGAINST THE CORPORATION IN FAVOR OF THE CREDITOR AND EXECUTION THEREON RETURNED UNSATISFIED, OR THE CORPORATION SHALL HAVE BEEN ADJUDGED BANKRUPT, OR A RECEIVER SHALL HAVE BEEN APPOINTED WITH POWER TO COLLECT DEBTS, AND WHICH RECEIVER, ON DEMAND OF A CREDITOR TO BRING SUIT THEREON, HAS REFUSED TO SUE FOR SUCH UNPAID AMOUNT, OR THE CORPORATION SHALL HAVE BEEN DISSOLVED OR CEASED ITS ACTIVITIES LEAVING DEBTS UNPAID. NO SUCH ACTION SHALL BE BROUGHT MORE THAN THREE YEARS AFTER THE HAPPENING OF ANY ONE OF SUCH EVENTS.

S 519. ANNUAL REPORT OF DIRECTORS.

(A) THE BOARD SHALL PRESENT AT THE ANNUAL MEETING OF MEMBERS A REPORT, VERIFIED BY THE PRESIDENT AND TREASURER OR BY A MAJORITY OF THE DIRECTORS, OR CERTIFIED BY AN INDEPENDENT PUBLIC OR CERTIFIED PUBLIC ACCOUNTANT OR A FIRM OF SUCH ACCOUNTANTS SELECTED BY THE BOARD, SHOWING IN APPROPRIATE DETAIL THE FOLLOWING:

(1) THE ASSETS AND LIABILITIES, INCLUDING THE TRUST FUNDS, OF THE CORPORATION AS OF THE END OF A TWELVE MONTH FISCAL PERIOD TERMINATING NOT MORE THAN SIX MONTHS PRIOR TO SAID MEETING.

(2) THE PRINCIPAL CHANGES IN ASSETS AND LIABILITIES, INCLUDING TRUST FUNDS, DURING SAID FISCAL PERIOD.

(3) THE REVENUE OR RECEIPTS OF THE CORPORATION, BOTH UNRESTRICTED AND RESTRICTED TO PARTICULAR PURPOSES DURING SAID FISCAL PERIOD.

(4) THE EXPENSES OR DISBURSEMENTS OF THE CORPORATION, FOR BOTH GENERAL AND RESTRICTED PURPOSES, DURING SAID FISCAL PERIOD.

(5) THE NUMBER OF MEMBERS OF THE CORPORATION AS OF THE DATE OF THE REPORT, TOGETHER WITH A STATEMENT OF INCREASE OR DECREASE IN SUCH NUMBER DURING SAID FISCAL PERIOD, AND A STATEMENT OF THE PLACE WHERE THE NAMES AND PLACES OF RESIDENCE OF THE CURRENT MEMBERS MAY BE FOUND.

(B) THE ANNUAL REPORT OF DIRECTORS SHALL BE FILED WITH THE RECORDS OF THE CORPORATION AND EITHER A COPY OR AN ABSTRACT THEREOF ENTERED IN THE MINUTES OF THE PROCEEDINGS OF THE ANNUAL MEETING OF MEMBERS.

(C) THE BOARD OF A CORPORATION HAVING NO MEMBERS SHALL DIRECT THE PRESIDENT AND TREASURER TO PRESENT AT THE ANNUAL MEETING OF THE BOARD A REPORT IN ACCORDANCE WITH PARAGRAPH (A) OF THIS SECTION, BUT OMITTING THE REQUIREMENT OF SUBPARAGRAPH (5). THIS REPORT SHALL BE FILED WITH THE MINUTES OF THE ANNUAL MEETING OF THE BOARD.

S 520. REPORTS OF CORPORATION.

EACH DOMESTIC CORPORATION, AND EACH FOREIGN CORPORATION AUTHORIZED TO CONDUCT ACTIVITIES IN THIS STATE, SHALL FROM TIME TO TIME FILE SUCH REPORTS ON ITS ACTIVITIES AS MAY BE REQUIRED BY THE LAWS OF THIS STATE. ALL REGISTRATION AND REPORTING REQUIREMENTS PURSUANT TO SECTION 8-1.4 OF THE ESTATES, POWERS AND TRUSTS LAW, OR RELATED SUCCESSOR PROVISIONS, ARE, WITHOUT LIMITATION ON THE FOREGOING, EXPRESSLY INCLUDED AS REPORTS REQUIRED BY THE LAWS OF THIS STATE TO BE FILED WITHIN THE MEANING OF THIS SECTION. WILLFUL FAILURE OF A CORPORATION TO FILE A REPORT AS REQUIRED BY LAW SHALL SUBJECT THE CORPORATION TO AN ORDER OF THE ATTORNEY GENERAL COMPELLING SUCH REPORT OR REPORTS TO BE FILED WITHIN SIXTY DAYS OF THE ATTORNEY GENERAL'S ORDER; AND, IN THE EVENT OF CONTINUED NONCOMPLIANCE THEREAFTER, TO AN ATTORNEY GENERAL ACTION FOR DISSOLUTION UNDER ARTICLE 11 OF THIS CHAPTER IN THE CASE OF A DOMESTIC CORPORATION,

OR UNDER SECTION 1303 OF THIS CHAPTER IN THE CASE OF A FOREIGN CORPORATION.

S 521. LIABILITY FOR FAILURE TO DISCLOSE REQUIRED INFORMATION.

FAILURE OF THE CORPORATION TO COMPLY IN GOOD FAITH WITH THE NOTICE OR DISCLOSURE OR REPORTING PROVISIONS OF SECTION 501 OF THIS ARTICLE, OR PARAGRAPH (C) OF SECTION 503 OF THIS ARTICLE, OR PARAGRAPH (B) OF SECTION 513 OF THIS ARTICLE, OR SECTION 519 OF THIS ARTICLE, OR SECTION 520 OF THIS ARTICLE, SHALL MAKE THE CORPORATION LIABLE FOR ANY DAMAGE SUSTAINED BY ANY PERSON IN CONSEQUENCE THEREOF.

S 522. RELEASE OF RESTRICTIONS ON USE OR INVESTMENT.

(A) WITH THE CONSENT OF THE DONOR IN A WRITING ACKNOWLEDGED BY THE DONOR, THE GOVERNING BOARD MAY RELEASE, IN WHOLE OR IN PART, A RESTRICTION IMPOSED BY THE APPLICABLE GIFT INSTRUMENT ON THE USE OR INVESTMENT OF AN INSTITUTIONAL FUND.

(B) IF WRITTEN CONSENT OF THE DONOR CANNOT BE OBTAINED BY REASON OF DEATH, DISABILITY, UNAVAILABILITY, OR IMPOSSIBILITY OF IDENTIFICATION, THE GOVERNING BOARD MAY APPLY IN THE NAME OF THE CORPORATION (I) TO THE SUPREME COURT OF THE JUDICIAL DISTRICT WHEREIN THE CORPORATION HAS ITS OFFICE OR PRINCIPAL PLACE OF CARRYING OUT THE PURPOSES FOR WHICH IT WAS FORMED, OR (II) WHERE THE APPLICABLE GIFT INSTRUMENT IS A WILL, TO THE SURROGATE'S COURT IN WHICH SUCH WILL IS PROBATED, FOR RELEASE OF A RESTRICTION IMPOSED BY THE APPLICABLE GIFT INSTRUMENT ON THE USE OR INVESTMENT OF AN INSTITUTIONAL FUND. THE ATTORNEY GENERAL SHALL BE NOTIFIED OF THE APPLICATION AND SHALL BE GIVEN AN OPPORTUNITY TO BE HEARD. IF THE COURT FINDS THAT THE RESTRICTION IS OBSOLETE, INAPPROPRIATE, OR IMPRACTICABLE, IT MAY BY ORDER RELEASE THE RESTRICTION IN WHOLE OR IN PART. A RELEASE UNDER THIS PARAGRAPH MAY NOT CHANGE AN ENDOWMENT FUND TO A FUND THAT IS NOT AN ENDOWMENT FUND.

(C) A RELEASE UNDER THIS SECTION MAY NOT ALLOW A FUND TO BE USED FOR PURPOSES OTHER THAN THE PURPOSES OF THE CORPORATION.

(D) THIS SECTION DOES NOT LIMIT THE APPLICATION OF THE DOCTRINE OF CY PRES.

S 6. Article 6 of the not-for-profit corporation law is REPEALED and a new article 6 is added to read as follows:

ARTICLE 6

MEMBERS

SECTION 601. MEMBERS.
602. BY-LAWS.
603. MEETINGS OF MEMBERS.
604. SPECIAL MEETING FOR ELECTION OF DIRECTORS.
605. NOTICE OF MEETING OF MEMBERS.
606. WAIVERS OF NOTICE.
607. LIST OR RECORD OF MEMBERS AT MEETINGS.
608. QUORUM AT MEETING OF MEMBERS.
609. PROXIES.
610. SELECTION OF INSPECTORS AT MEETING OF MEMBERS; DUTIES.
611. QUALIFICATION OF VOTERS; FIXING RECORD DATE TO DETERMINE ELIGIBILITY TO VOTE; VOTING ENTITLEMENT.
612. LIMITATIONS ON RIGHT TO VOTE.
613. VOTE OF MEMBERS.
614. ACTION BY MEMBERS WITHOUT A MEETING.
615. GREATER REQUIREMENT AS TO QUORUM AND VOTE OF MEMBERS.
616. VOTING BY CLASS OF MEMBERS.
617. CUMULATIVE VOTING.
618. POWER OF SUPREME COURT RESPECTING ELECTIONS.
619. AGREEMENTS BY MEMBERS AS TO VOTING.

620. PREEMPTIVE RIGHTS.
621. BOOKS AND RECORDS; RIGHT OF INSPECTION; PRIMA FACIE EVIDENCE.
622. INFANT MEMBERS.
623. MEMBERS' DERIVATIVE ACTION BROUGHT IN THE RIGHT OF THE CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR.

S 601. MEMBERS.

(A) A CORPORATION MAY HAVE ONE OR MORE CLASSES OF MEMBERS OR NO MEMBERS. A CORPORATION THAT HAS ONE OR MORE CLASSES OF MEMBERS SHALL SET FORTH IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS SUCH PROVISION FOR CLASSES OF MEMBERS. CORPORATIONS, JOINT-STOCK ASSOCIATIONS, UNINCORPORATED ASSOCIATIONS AND PARTNERSHIPS, AS WELL AS ANY OTHER PERSON WITHOUT LIMITATION, MAY BE MEMBERS.

(B) IF THE CORPORATION HAS TWO OR MORE CLASSES OF MEMBERS, THE DESIGNATION AND CHARACTERISTICS OF EACH CLASS AND THE QUALIFICATIONS AND RIGHTS OF, AND LIMITATIONS UPON, THE MEMBERS OF EACH CLASS MAY BE SET FORTH IN THE CERTIFICATE OF INCORPORATION, THE BY-LAWS OR, IF THE BY-LAWS SO PROVIDE, A RESOLUTION OF THE BOARD.

(C) IF THE CORPORATION HAS MEMBERS, MEMBERSHIP MAY BE EFFECTED AND EVIDENCED BY:

(1) SIGNATURE ON THE CERTIFICATE OF INCORPORATION.

(2) DESIGNATION IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS.

(3) MEMBERSHIP CERTIFICATE OR CARD OR CAPITAL CERTIFICATE.

(4) SUCH METHOD, INCLUDING BUT NOT LIMITED TO THE FOREGOING, AS IS PRESCRIBED BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS.

(D) MEMBERSHIP IN A CORPORATION SHALL NOT BE TRANSFERABLE, EXCEPT AS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR BY-LAWS.

(E) MEMBERSHIP CERTIFICATES OR CARDS SHALL NOT BE TRANSFERABLE. IF THE CERTIFICATE OF INCORPORATION OR BY-LAWS PERMITS TRANSFER OF MEMBERSHIP, UPON EACH SUCH TRANSFER THE CERTIFICATE OR CARD ISSUED TO A FORMER MEMBER SHALL BE SURRENDERED, AND A NEW CERTIFICATE OR CARD SHALL BE ISSUED TO THE NEW MEMBER.

(F) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER OR THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, MEMBERSHIP SHALL BE TERMINATED BY DEATH, RESIGNATION, OR EXPULSION, OF A MEMBER; DISSOLUTION OF A CORPORATE MEMBER; EXPIRATION OF A TERM OF MEMBERSHIP OR DISSOLUTION AND LIQUIDATION UNDER ARTICLES 10 AND 11 OF THIS CHAPTER.

S 602. BY-LAWS.

(A) THE INITIAL BY-LAWS OF A CORPORATION MAY BE ADOPTED BY ITS INCORPORATORS AT THE ORGANIZATION MEETING AND, IF NOT SO ADOPTED BY THE INCORPORATORS, BY ITS BOARD. ANY REFERENCE IN THIS CHAPTER TO A "BY-LAW ADOPTED BY THE MEMBERS" INCLUDES A BY-LAW ADOPTED BY THE INCORPORATORS.

(B) SUBJECT TO SECTION 612 OF THIS ARTICLE, THE BY-LAWS MAY BE ADOPTED, AMENDED OR REPEALED BY THE MEMBERS AT THE TIME ENTITLED TO VOTE IN THE ELECTION OF DIRECTORS AND, UNLESS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS ADOPTED BY THE MEMBERS, BY THE BOARD.

(C) BY-LAWS MAY BE AMENDED OR REPEALED BY A MAJORITY OF MEMBERS AT THE TIME ENTITLED TO VOTE IN THE ELECTION OF ANY DIRECTORS. WHEN SO PROVIDED IN THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS, BY-LAWS MAY ALSO BE AMENDED OR REPEALED BY THE BOARD BY SUCH VOTE AS MAY BE THEREIN SPECIFIED, WHICH MAY BE GREATER THAN THE VOTE OTHERWISE PRESCRIBED BY THIS CHAPTER, BUT ANY BY-LAW ADOPTED BY THE BOARD MAY BE AMENDED OR REPEALED BY THE MEMBERS ENTITLED TO VOTE THEREON AS HEREIN PROVIDED. ANY REFERENCE IN THIS CHAPTER TO A "BY-LAW ADOPTED BY THE

MEMBERS" SHALL INCLUDE A BY-LAW ADOPTED BY THE INCORPORATOR OR INCORPORATORS.

(D) IN THE CASE OF A CORPORATION WHICH IS SUBJECT, UNDER ANY OTHER LAW OF THIS STATE, TO REGULATION OR CONTROL BY A GOVERNMENTAL BODY OR OFFICER, SUCH BODY OR OFFICER MAY, TO THE EXTENT PROVIDED IN SUCH OTHER LAW, IN FURTHERANCE OF ITS, HIS OR HER AUTHORITY TO REGULATE OR CONTROL:

(1) ADOPT, AMEND OR REPEAL BY-LAWS.

(2) AMEND OR REPEAL ANY BY-LAW ADOPTED BY THE MEMBERS OR THE BOARD.

(E) IF ANY BY-LAW REGULATING AN IMPENDING ELECTION OF DIRECTORS IS ADOPTED, AMENDED OR REPEALED BY THE BOARD, THERE SHALL BE SET FORTH IN THE NOTICE OF THE NEXT MEETING OF THE MEMBERS FOR THE ELECTION OF DIRECTORS THE BY-LAW SO ADOPTED, AMENDED OR REPEALED, TOGETHER WITH A CONCISE STATEMENT OF THE CHANGES MADE.

(F) THE BY-LAWS MAY CONTAIN ANY PROVISION RELATING TO THE BUSINESS OF THE CORPORATION, THE CONDUCT OF ITS AFFAIRS, ITS RIGHTS OR POWERS OR THE RIGHTS OR POWERS OF ITS MEMBERS, DIRECTORS OR OFFICERS, NOT INCONSISTENT WITH THIS CHAPTER OR ANY OTHER STATUTE OF THIS STATE OR THE CERTIFICATE OF INCORPORATION.

S 603. MEETINGS OF MEMBERS.

(A) MEETINGS OF MEMBERS MAY BE HELD AT SUCH PLACE, WITHIN OR WITHOUT THIS STATE, AS MAY BE FIXED BY OR UNDER THE BY-LAWS OR, IF NOT SO FIXED, AT THE OFFICE OF THE CORPORATION IN THIS STATE.

(B) A MEETING OF THE MEMBERS SHALL BE HELD ANNUALLY FOR THE ELECTION OF DIRECTORS AND THE TRANSACTION OF OTHER BUSINESS ON A DATE FIXED BY OR UNDER THE BY-LAWS. FAILURE TO HOLD THE ANNUAL MEETING ON THE DATE SO FIXED OR TO ELECT A SUFFICIENT NUMBER OF DIRECTORS TO CONDUCT THE BUSINESS OF THE CORPORATION SHALL NOT WORK A FORFEITURE OR GIVE CAUSE FOR DISSOLUTION OF THE CORPORATION, EXCEPT AS PROVIDED IN PARAGRAPH (A) OF SECTION 1102 OF THIS CHAPTER.

(C) SPECIAL MEETINGS OF THE MEMBERS MAY BE CALLED BY THE BOARD AND BY SUCH PERSON OR PERSONS AS MAY BE AUTHORIZED BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS. IN ANY CASE, SUCH MEETINGS MAY BE CONVENED BY THE MEMBERS ENTITLED TO CAST TEN PERCENT OF THE TOTAL NUMBER OF VOTES ENTITLED TO BE CAST AT SUCH MEETING, WHO MAY, IN WRITING, DEMAND THE CALL OF A SPECIAL MEETING SPECIFYING THE DATE AND MONTH THEREOF, WHICH SHALL NOT BE LESS THAN TWENTY (20) NOR MORE THAN SIXTY (60) DAYS FROM THE DATE OF SUCH WRITTEN DEMAND. THE SECRETARY OF THE CORPORATION UPON RECEIVING THE WRITTEN DEMAND SHALL PROMPTLY GIVE NOTICE OF SUCH MEETING, OR IF THE SECRETARY FAILS TO DO SO WITHIN FIVE BUSINESS DAYS THEREAFTER, ANY MEMBER SIGNING SUCH DEMAND MAY GIVE SUCH NOTICE. THE MEETING SHALL BE HELD AT THE PLACE FIXED IN THE BY-LAWS OR, IF NOT SO FIXED, AT THE OFFICE OF THE CORPORATION.

(D) A CORPORATION MAY PROVIDE IN ITS CERTIFICATE OF INCORPORATION OR BY-LAWS ADOPTED BY THE MEMBERS FOR THE ELECTION OF REPRESENTATIVES OR DELEGATES, WHO, WHEN ASSEMBLED WITHIN OR WITHOUT THE STATE AS DIRECTED BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, SHALL HAVE AND MAY EXERCISE ALL OF THE POWERS, RIGHTS AND PRIVILEGES OF MEMBERS AT AN ANNUAL MEETING. WHEN SO EXERCISING THE POWERS, RIGHTS AND PRIVILEGES OF MEMBERS, SUCH REPRESENTATIVES OR DELEGATES SHALL BE SUBJECT IN ALL RESPECTS TO THE PROVISIONS OF THIS CHAPTER GOVERNING MEMBERS.

(E) EXCEPT AS OTHERWISE REQUIRED BY THIS CHAPTER, THE BY-LAWS MAY DESIGNATE REASONABLE PROCEDURES FOR THE CALLING AND CONDUCT OF A MEETING OF MEMBERS, INCLUDED BUT NOT LIMITED TO SPECIFYING:

(1) WHO MAY CALL AND WHO MAY CONDUCT THE MEETING;

(2) THE MEANS BY WHICH THE ORDER OF BUSINESS TO BE CONDUCTED SHALL BE ESTABLISHED;

(3) THE PROCEDURES AND REQUIREMENTS FOR THE NOMINATION OF DIRECTORS;
(4) THE PROCEDURES WITH RESPECT TO THE MAKING OF MEMBER PROPOSALS; AND
(5) THE PROCEDURES TO BE ESTABLISHED FOR THE ADJOURNMENT OF ANY MEETING OF MEMBERS.

S 604. SPECIAL MEETING FOR ELECTION OF DIRECTORS.

(A) IF, FOR A PERIOD OF ONE MONTH AFTER THE DATE FIXED BY OR UNDER THE BY-LAWS FOR THE ANNUAL MEETING OF MEMBERS OR, IF NO DATE HAS BEEN SO FIXED, FOR A PERIOD OF THIRTEEN MONTHS AFTER THE FORMATION OF THE CORPORATION OR THE LAST ANNUAL MEETING, THERE IS A FAILURE TO ELECT A SUFFICIENT NUMBER OF DIRECTORS TO CONDUCT THE BUSINESS OF THE CORPORATION, THE BOARD SHALL CALL A SPECIAL MEETING FOR THE ELECTION OF DIRECTORS. IF SUCH SPECIAL MEETING IS NOT CALLED BY THE BOARD WITHIN TWO WEEKS AFTER THE EXPIRATION OF SUCH PERIOD OR IF IT IS SO CALLED BUT THERE IS A FAILURE TO ELECT SUCH DIRECTORS FOR A PERIOD OF TWO MONTHS AFTER THE EXPIRATION OF SUCH PERIOD, MEMBERS ENTITLED TO CAST ONE HUNDRED VOTES OR TEN PERCENT OF THE TOTAL NUMBER OF VOTES ENTITLED TO BE CAST IN AN ELECTION OF DIRECTORS, WHICHEVER IS LESSER, MAY, IN WRITING, DEMAND THE CALL OF A SPECIAL MEETING FOR THE ELECTION OF DIRECTORS SPECIFYING THE DATE AND MONTH THEREOF, WHICH SHALL NOT BE LESS THAN SIXTY (60) NOR MORE THAN NINETY (90) DAYS FROM THE DATE OF SUCH WRITTEN DEMAND. THE SECRETARY OF THE CORPORATION UPON RECEIVING THE WRITTEN DEMAND SHALL PROMPTLY GIVE NOTICE OF SUCH MEETING OR, IF THE SECRETARY FAILS TO DO SO WITHIN FIVE BUSINESS DAYS THEREAFTER, ANY MEMBER SIGNING SUCH DEMAND MAY GIVE SUCH NOTICE. THE MEETING SHALL BE HELD AT THE PLACE FIXED IN THE BY-LAWS OR, IF NOT SO FIXED, AT THE OFFICE OF THE CORPORATION.

(B) AT ANY SUCH SPECIAL MEETING CALLED ON THE DEMAND OF MEMBERS, NOTWITHSTANDING SECTION 608 OF THIS ARTICLE, THE MEMBERS ATTENDING, IN PERSON OR BY PROXY, AND ENTITLED TO VOTE IN AN ELECTION OF DIRECTORS SHALL CONSTITUTE A QUORUM FOR THE PURPOSE OF ELECTING DIRECTORS, BUT NOT FOR THE TRANSACTION OF ANY OTHER BUSINESS.

S 605. NOTICE OF MEETING OF MEMBERS.

(A) WHENEVER UNDER THE PROVISIONS OF THIS CHAPTER MEMBERS ARE REQUIRED OR PERMITTED TO TAKE ANY ACTION AT A MEETING, WRITTEN NOTICE SHALL STATE THE PLACE, DATE AND HOUR OF THE MEETING AND, UNLESS IT IS AN ANNUAL MEETING, INDICATE THAT IT IS BEING ISSUED BY OR AT THE DIRECTION OF THE PERSON OR PERSONS CALLING THE MEETING. NOTICE OF A SPECIAL MEETING SHALL ALSO STATE THE PURPOSE OR PURPOSES FOR WHICH THE MEETING IS CALLED. NOTICE OF ANY MEETING OF MEMBERS MAY BE WRITTEN OR ELECTRONIC. NOTICE OF ANY MEETING SHALL BE GIVEN NOT FEWER THAN TEN (10) NOR MORE THAN SIXTY (60) DAYS BEFORE THE DATE OF THE MEETING, PROVIDED, HOWEVER, THAT SUCH NOTICE MAY BE GIVEN BY THIRD CLASS MAIL NOT FEWER THAN TWENTY-FOUR (24) NOR MORE THAN SIXTY (60) DAYS BEFORE THE DATE OF THE MEETING TO EACH MEMBER ENTITLED TO VOTE AT SUCH MEETING. IF MAILED, SUCH NOTICE IS GIVEN WHEN DEPOSITED IN THE UNITED STATES MAIL, WITH POSTAGE THEREON PREPAID, DIRECTED TO THE MEMBER AT THE ADDRESS THAT APPEARS ON THE RECORD OF MEMBERS, OR, IF THE MEMBER SHALL HAVE FILED WITH THE SECRETARY OF THE CORPORATION A WRITTEN REQUEST THAT NOTICES BE MAILED TO SOME OTHER ADDRESS, THEN DIRECTED AT SUCH OTHER ADDRESS. IF TRANSMITTED ELECTRONICALLY, SUCH NOTICE IS GIVEN WHEN DIRECTED TO THE MEMBER'S ELECTRONIC MAIL ADDRESS AS SUPPLIED BY THE MEMBER TO THE SECRETARY OF THE CORPORATION OR AS OTHERWISE DIRECTED PURSUANT TO THE MEMBER'S AUTHORIZATION OR INSTRUCTIONS. AN AFFIDAVIT OF THE SECRETARY OR OTHER PERSON GIVING THE NOTICE OR OF A TRANSFER AGENT OF THE CORPORATION THAT THE NOTICE REQUIRED BY THIS SECTION HAS BEEN GIVEN SHALL, IN THE ABSENCE OF FRAUD, BE PRIMA FACIE EVIDENCE OF THE FACTS THEREIN STATED. WHENEVER A CORPORATION HAS MORE THAN FIVE HUNDRED MEMBERS, THE NOTICE MAY BE SERVED BY

PUBLICATION, IN LIEU OF MAILING, IN A NEWSPAPER PUBLISHED IN THE COUNTY IN THE STATE IN WHICH THE PRINCIPAL OFFICE OF THE CORPORATION IS LOCATED, ONCE A WEEK FOR THREE SUCCESSIVE WEEKS NEXT PRECEDING THE DATE OF THE MEETING.

(B) WHEN A MEETING IS ADJOURNED TO ANOTHER TIME OR PLACE, IT SHALL NOT BE NECESSARY, UNLESS THE BY-LAWS REQUIRE OTHERWISE, TO GIVE ANY NOTICE OF THE ADJOURNED MEETING IF THE TIME AND PLACE TO WHICH THE MEETING IS ADJOURNED ARE ANNOUNCED AT THE MEETING AT WHICH THE ADJOURNMENT IS TAKEN, AND AT THE ADJOURNED MEETING ANY BUSINESS MAY BE TRANSACTED THAT MIGHT HAVE BEEN TRANSACTED ON THE ORIGINAL DATE OF THE MEETING. HOWEVER, IF AFTER THE ADJOURNMENT THE BOARD FIXES A NEW RECORD DATE FOR THE ADJOURNED MEETING, A NOTICE OF THE ADJOURNED MEETING SHALL BE GIVEN TO EACH MEMBER OF RECORD ON THE NEW RECORD DATE ENTITLED TO NOTICE UNDER PARAGRAPH (A) OF THIS SECTION.

S 606. WAIVERS OF NOTICE.

NOTICE OF MEETING NEED NOT BE GIVEN TO ANY MEMBER WHO SUBMITS A SIGNED WAIVER OF NOTICE, WHETHER BEFORE OR AFTER THE MEETING. WAIVER OF NOTICE MAY BE WRITTEN OR ELECTRONIC. IF WRITTEN, THE WAIVER MUST BE EXECUTED BY THE MEMBER OR THE MEMBER'S AUTHORIZED OFFICER, DIRECTOR, EMPLOYEE OR AGENT BY SIGNING SUCH WAIVER OR CAUSING HIS OR HER SIGNATURE TO BE AFFIXED TO SUCH WAIVER BY ANY REASONABLE MEANS, INCLUDING, BUT NOT LIMITED TO, FACSIMILE SIGNATURE. IF ELECTRONIC, THE TRANSMISSION OF THE WAIVER MUST EITHER SET FORTH OR BE SUBMITTED WITH INFORMATION FROM WHICH IT CAN REASONABLY BE DETERMINED THAT THE TRANSMISSION WAS AUTHORIZED BY THE MEMBER. THE ATTENDANCE OF ANY MEMBER AT A MEETING, IN PERSON OR BY PROXY, WITHOUT PROTESTING PRIOR TO THE CONCLUSION OF THE MEETING THE LACK OF NOTICE OF SUCH MEETING, SHALL CONSTITUTE A WAIVER OF NOTICE.

S 607. LIST OR RECORD OF MEMBERS AT MEETINGS.

A LIST OR RECORD OF MEMBERS ENTITLED TO VOTE, CERTIFIED BY THE CORPORATE OFFICER RESPONSIBLE FOR ITS PREPARATION OR BY A TRANSFER AGENT, SHALL BE PRODUCED AT ANY MEETING OF MEMBERS UPON THE REQUEST THEREFOR OF ANY MEMBER WHO HAS GIVEN WRITTEN NOTICE TO THE CORPORATION THAT SUCH REQUEST WILL BE MADE AT LEAST TEN DAYS PRIOR TO SUCH MEETING. IF THE RIGHT TO VOTE AT ANY MEETING IS CHALLENGED, THE INSPECTORS OF ELECTION, OR THE PERSON PRESIDING THEREAT, SHALL REQUIRE SUCH LIST OR RECORD OF MEMBERS TO BE PRODUCED AS EVIDENCE OF THE RIGHT OF THE PERSONS CHALLENGED TO VOTE AT SUCH MEETING, AND ALL PERSONS WHO APPEAR FROM SUCH LIST OR RECORD TO BE MEMBERS ENTITLED TO VOTE THEREAT MAY VOTE AT SUCH MEETING.

S 608. QUORUM AT MEETING OF MEMBERS.

(A) MEMBERS ENTITLED TO CAST A MAJORITY OF THE TOTAL NUMBER OF VOTES ENTITLED TO BE CAST THEREAT SHALL CONSTITUTE A QUORUM AT A MEETING OF MEMBERS FOR THE TRANSACTION OF ANY BUSINESS, PROVIDED THAT WHEN A SPECIFIED ITEM OF BUSINESS IS REQUIRED TO BE VOTED ON BY A CLASS OF MEMBERS, VOTING AS A CLASS, MEMBERS ENTITLED TO CAST A MAJORITY OF THE TOTAL NUMBER OF VOTES ENTITLED TO BE CAST BY SUCH CLASS SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF SUCH SPECIFIED ITEMS OF BUSINESS.

(B) THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY PROVIDE FOR ANY LESSER QUORUM NOT LESS THAN THE MEMBERS ENTITLED TO CAST ONE HUNDRED VOTES OR ONE-TENTH OF THE TOTAL NUMBER OF VOTES ENTITLED TO BE CAST, WHICHEVER IS LESSER, AND MAY, UNDER SECTION 615 OF THIS ARTICLE, PROVIDE FOR A GREATER QUORUM.

(C) ACTION TO AMEND THE CERTIFICATE OF INCORPORATION OR BY-LAWS TO CONFORM TO PARAGRAPH (B) OF THIS SECTION MAY BE TAKEN AT A SPECIAL MEETING OF MEMBERS AT WHICH THE QUORUM REQUIREMENTS APPLICABLE TO THE CORPO-

RATION IMMEDIATELY PRIOR TO THE EFFECTIVE DATE OF THIS CHAPTER ARE FULFILLED, BUT ACTION MAY BE TAKEN ONLY ONCE UNDER THIS PARAGRAPH.

(D) THE MEMBERS PRESENT MAY ADJOURN THE MEETING DESPITE THE ABSENCE OF A QUORUM.

(E) IF FOR ANY REASON IT HAS PROVED TO BE IMPRACTICAL OR IMPOSSIBLE FOR A CORPORATION TO OBTAIN A QUORUM IN ORDER TO CONDUCT A MEETING OF ITS MEMBERS IN THE MANNER PRESCRIBED BY ITS CERTIFICATE OR BY-LAWS OR BY STATUTE, THEN UPON THE PETITION OF A DIRECTOR, OFFICER OR MEMBER TO THE SUPREME COURT IN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION IS OR WAS LOCATED ON NOTICE TO THE ATTORNEY GENERAL OR BY THE ATTORNEY GENERAL, THE SUPREME COURT MAY IN ITS DISCRETION DISPENSE WITH THE REQUIREMENT AS TO QUORUMS THAT WOULD OTHERWISE BE IMPOSED BY THE CORPORATION'S CERTIFICATE OF INCORPORATION OR BY-LAWS OR BY STATUTE. THE PETITION SHALL SET FORTH THE REASONABLE EFFORTS THE CORPORATION HAS MADE TO OBTAIN A QUORUM, INCLUDING THE MANNER IN WHICH THE CORPORATION PROVIDED NOTICE TO ITS MEMBERS OF PRIOR MEETINGS. THE SUPREME COURT SHALL, IN AN ORDER ISSUED PURSUANT TO THIS SECTION, PROVIDE FOR A METHOD OF NOTICE REASONABLY DESIGNED TO GIVE ACTUAL NOTICE TO ALL PERSONS WHO WOULD BE ENTITLED TO NOTICE OF A MEETING HELD PURSUANT TO THE CERTIFICATE OF INCORPORATION OR BY-LAWS OR THE STATUTE, WHETHER OR NOT THE METHOD RESULTS IN ACTUAL NOTICE TO ALL SUCH PERSONS OR CONFORMS TO THE NOTICE REQUIREMENTS THAT WOULD OTHERWISE APPLY. IN A PROCEEDING UNDER THIS SECTION THE COURT MAY DETERMINE WHO ARE THE MEMBERS OF THE CORPORATION.

S 609. PROXIES.

(A) EXCEPT AS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS:

(1) EVERY MEMBER ENTITLED TO VOTE AT A MEETING OF MEMBERS OR TO EXPRESS CONSENT OR DISSENT WITHOUT A MEETING MAY AUTHORIZE ANOTHER PERSON OR PERSONS TO ACT BY PROXY.

(2) NO PROXY SHALL BE VALID AFTER THE EXPIRATION OF ELEVEN MONTHS FROM THE DATE THEREOF UNLESS OTHERWISE PROVIDED IN THE PROXY. EVERY PROXY SHALL BE REVOCABLE AT THE PLEASURE OF THE MEMBER EXECUTING IT, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION.

(3) THE AUTHORITY OF THE HOLDER OF A PROXY TO ACT SHALL NOT BE REVOKED BY THE INCOMPETENCE OR DEATH OF THE MEMBER WHO EXECUTED THE PROXY UNLESS, BEFORE THE AUTHORITY IS EXERCISED, WRITTEN NOTICE OF AN ADJUDICATION OF SUCH INCOMPETENCE OR OF SUCH DEATH IS RECEIVED BY THE CORPORATE OFFICER RESPONSIBLE FOR MAINTAINING THE LIST OR RECORD OF MEMBERS.

(4) EXCEPT WHEN OTHER PROVISION SHALL HAVE BEEN MADE BY WRITTEN AGREEMENT BETWEEN THE PARTIES, THE RECORD HOLDER OF CAPITAL CERTIFICATES WHICH HE OR SHE HOLDS AS PLEDGEE OR OTHERWISE AS SECURITY OR WHICH BELONG TO ANOTHER, SHALL ISSUE TO THE PLEDGOR OR TO SUCH OWNER OF SUCH CAPITAL CERTIFICATES, UPON DEMAND THEREFOR AND PAYMENT OF NECESSARY EXPENSES THEREOF, A PROXY TO VOTE OR TAKE OTHER ACTION THEREON.

(5) A MEMBER SHALL NOT SELL HIS OR HER VOTE OR ISSUE A PROXY TO VOTE TO ANY PERSON FOR ANY SUM OF MONEY OR ANYTHING OF VALUE, EXCEPT AS AUTHORIZED IN THIS SECTION AND SECTION 619 OF THIS ARTICLE.

(6) A PROXY WHICH IS ENTITLED "IRREVOCABLE PROXY" AND WHICH STATES THAT IT IS IRREVOCABLE IS IRREVOCABLE WHEN IT IS HELD BY ANY OF THE FOLLOWING OR A NOMINEE OF ANY OF THE FOLLOWING:

(A) A PLEDGEE.

(B) A PERSON WHO HAS PURCHASED OR AGREED TO PURCHASE THE CAPITAL CERTIFICATES.

(C) A CREDITOR OR CREDITORS OF THE CORPORATION WHO EXTEND OR CONTINUE CREDIT TO THE CORPORATION IN CONSIDERATION OF THE PROXY IF THE PROXY

STATES THAT IT WAS GIVEN IN CONSIDERATION OF SUCH EXTENSION OR CONTINUATION OF CREDIT, THE AMOUNT THEREOF, AND THE NAME OF THE PERSON EXTENDING OR CONTINUING CREDIT.

(D) A PERSON WHO HAS CONTRACTED TO PERFORM SERVICES AS AN OFFICER OF THE CORPORATION, IF A PROXY IS REQUIRED BY THE CONTRACT OF EMPLOYMENT, IF THE PROXY STATES THAT IT WAS GIVEN IN CONSIDERATION OF SUCH CONTRACT OF EMPLOYMENT, THE NAME OF THE EMPLOYEE AND THE PERIOD OF EMPLOYMENT CONTRACTED FOR.

(E) A PERSON DESIGNATED BY OR UNDER AN AGREEMENT UNDER SECTION 619 OF THIS ARTICLE.

(7) NOTWITHSTANDING A PROVISION IN A PROXY, STATING THAT IT IS IRREVOCABLE, THE PROXY BECOMES REVOCABLE AFTER THE PLEDGE IS REDEEMED, OR THE DEBT OF THE CORPORATION IS PAID, OR THE PERIOD OF EMPLOYMENT PROVIDED FOR IN THE CONTRACT OF EMPLOYMENT HAS TERMINATED, OR THE AGREEMENT UNDER SECTION 619 OF THIS ARTICLE HAS TERMINATED; AND, IN A CASE PROVIDED FOR IN CLAUSE (C) OR (D) OF SUBPARAGRAPH (6) OF THIS PARAGRAPH, BECOMES REVOCABLE THREE YEARS AFTER THE DATE OF THE PROXY OR THE END OF THE PERIOD, IF ANY, SPECIFIED THEREIN, WHICHEVER PERIOD IS LESS, UNLESS THE PERIOD OF IRREVOCABILITY IS RENEWED FROM TIME TO TIME BY THE EXECUTION OF A NEW IRREVOCABLE PROXY AS PROVIDED IN THIS SECTION. THIS PARAGRAPH DOES NOT AFFECT THE DURATION OF A PROXY UNDER SUBPARAGRAPH (2) OF THIS PARAGRAPH.

(8) A PROXY MAY BE REVOKED, NOTWITHSTANDING A PROVISION MAKING IT IRREVOCABLE, BY A PURCHASER OF CAPITAL CERTIFICATES WITHOUT KNOWLEDGE OF THE EXISTENCE OF THE PROVISION UNLESS THE EXISTENCE OF THE PROXY AND ITS IRREVOCABILITY IS NOTED CONSPICUOUSLY ON THE FACE OR BACK OF THE CAPITAL CERTIFICATE.

(B) WITHOUT LIMITING THE MANNER IN WHICH A MEMBER MAY AUTHORIZE ANOTHER PERSON OR PERSONS TO ACT AS PROXY PURSUANT TO PARAGRAPH (A) OF THIS SECTION, THE FOLLOWING SHALL CONSTITUTE A VALID MEANS BY WHICH A MEMBER MAY GRANT SUCH AUTHORITY:

(1) A MEMBER MAY EXECUTE A WRITING AUTHORIZING ANOTHER PERSON OR PERSONS TO ACT AS PROXY. EXECUTION MAY BE ACCOMPLISHED BY THE MEMBER OR THE MEMBER'S AUTHORIZED OFFICER, DIRECTOR, EMPLOYEE OR AGENT SIGNING SUCH WRITING OR CAUSING HIS OR HER SIGNATURE TO BE AFFIXED TO SUCH WRITING BY ANY REASONABLE MEANS INCLUDING, BUT NOT LIMITED TO, BY FACSIMILE SIGNATURE.

(2) A MEMBER MAY AUTHORIZE ANOTHER PERSON OR PERSONS TO ACT FOR THE MEMBER AS PROXY BY TRANSMITTING OR AUTHORIZING THE TRANSMISSION OF A TELEGRAM, CABLEGRAM OR OTHER MEANS OF ELECTRONIC TRANSMISSION TO THE PERSON WHO WILL BE THE HOLDER OF THE PROXY OR TO A PROXY SOLICITATION FIRM, PROXY SUPPORT SERVICE ORGANIZATION OR LIKE AGENT DULY AUTHORIZED BY THE PERSON WHO WILL BE THE HOLDER OF THE PROXY TO RECEIVE SUCH TRANSMISSION, PROVIDED THAT ANY SUCH TELEGRAM, CABLEGRAM OR OTHER MEANS OF ELECTRONIC TRANSMISSION SHALL EITHER SET FORTH OR BE SUBMITTED WITH INFORMATION FROM WHICH IT CAN BE REASONABLY DETERMINED THAT THE TELEGRAM, CABLEGRAM OR OTHER ELECTRONIC TRANSMISSION WAS AUTHORIZED BY THE MEMBER. IF IT IS DETERMINED THAT SUCH TELEGRAMS, CABLEGRAMS OR OTHER ELECTRONIC TRANSMISSIONS ARE VALID, THE INSPECTORS OR, IF THERE ARE NO INSPECTORS, SUCH OTHER PERSONS MAKING THAT DETERMINATION SHALL SPECIFY THE NATURE OF THE INFORMATION UPON WHICH THEY RELIED.

(C) ANY COPY, FACSIMILE TELECOMMUNICATION OR OTHER RELIABLE REPRODUCTION OF THE WRITING OR TRANSMISSION CREATED PURSUANT TO PARAGRAPH (B) OF THIS SECTION MAY BE SUBSTITUTED OR USED IN LIEU OF THE ORIGINAL WRITING OR TRANSMISSION FOR ANY AND ALL PURPOSES FOR WHICH THE ORIGINAL WRITING OR TRANSMISSION COULD BE USED, PROVIDED THAT SUCH COPY, FACSIM-

ILE TELECOMMUNICATION OR OTHER REPRODUCTION SHALL BE A COMPLETE REPRODUCTION OF THE ENTIRE ORIGINAL WRITING OR TRANSMISSION.

S 610. SELECTION OF INSPECTORS AT MEETING OF MEMBERS; DUTIES.

(A) IF THE BY-LAWS REQUIRE INSPECTORS AT ANY MEETING OF MEMBERS, SUCH REQUIREMENT IS WAIVED UNLESS COMPLIANCE THEREWITH IS REQUESTED BY A MEMBER PRESENT IN PERSON OR BY PROXY AND ENTITLED TO VOTE AT SUCH MEETING. UNLESS OTHERWISE PROVIDED IN THE BY-LAWS, THE BOARD, IN ADVANCE OF ANY MEETING OF MEMBERS, MAY APPOINT ONE OR MORE INSPECTORS TO ACT AT THE MEETING OR ANY ADJOURNMENT THEREOF. IF INSPECTORS ARE NOT SO APPOINTED, THE PERSON PRESIDING AT A MEETING OF MEMBERS MAY, AND ON THE REQUEST OF ANY MEMBER ENTITLED TO VOTE THEREAT SHALL, APPOINT ONE OR MORE INSPECTORS. IN CASE ANY PERSON APPOINTED FAILS TO APPEAR OR ACT, THE VACANCY MAY BE FILLED BY APPOINTMENT MADE BY THE BOARD IN ADVANCE OF THE MEETING OR AT THE MEETING BY THE PERSON PRESIDING THEREAT. EACH INSPECTOR, BEFORE ENTERING UPON THE DISCHARGE OF THE DUTIES OF INSPECTOR, SHALL TAKE AND SIGN AN OATH FAITHFULLY TO EXECUTE THE DUTIES OF INSPECTOR AT SUCH MEETING WITH STRICT IMPARTIALITY AND ACCORDING TO THE BEST OF SUCH INSPECTOR'S ABILITY. THE TERM "INSPECTOR" AS USED HEREIN INCLUDES A PERSON PERFORMING THE FUNCTION OF AN INSPECTOR, WHETHER OR NOT SO DENOMINATED BY THE CORPORATION.

(B) THE INSPECTORS SHALL DETERMINE THE NUMBER OF MEMBERSHIP CERTIFICATES OR CARDS AND CAPITAL CERTIFICATES OUTSTANDING AND THE VOTING POWER OF EACH, THE CERTIFICATES AND CARDS REPRESENTED AT THE MEETING, THE EXISTENCE OF A QUORUM, THE VALIDITY AND EFFECT OF PROXIES, AND SHALL RECEIVE VOTES, BALLOTS OR CONSENTS, HEAR AND DETERMINE ALL CHALLENGES, AND QUESTIONS ARISING IN CONNECTION WITH THE RIGHT TO VOTE, COUNT AND TABULATE ALL VOTES, BALLOTS OR CONSENTS, DETERMINE THE RESULT, AND DO SUCH ACTS AS ARE PROPER TO CONDUCT THE ELECTION OR VOTE WITH FAIRNESS TO ALL MEMBERS. ON REQUEST OF THE PERSON PRESIDING AT THE MEETING OR ANY MEMBERS ENTITLED TO VOTE THEREAT, THE INSPECTORS SHALL MAKE A REPORT IN WRITING OF ANY CHALLENGE, QUESTION OR MATTER DETERMINED BY THEM AND EXECUTE A CERTIFICATE OF ANY FACT FOUND BY THEM. ANY REPORT OR CERTIFICATE MADE BY THEM SHALL BE PRIMA FACIE EVIDENCE OF THE FACTS STATED AND OF THE VOTE AS CERTIFIED BY THEM.

(C) IN DETERMINING THE VALIDITY AND COUNTING OF PROXIES, BALLOTS AND CONSENTS, THE INSPECTORS, IF ANY, SHALL BE LIMITED TO AN EXAMINATION OF THE PROXIES, ANY ENVELOPES SUBMITTED WITH THOSE PROXIES AND CONSENTS, ANY INFORMATION PROVIDED IN ACCORDANCE WITH SECTION 609 OF THIS ARTICLE (PROXIES), BALLOTS AND THE REGULAR BOOKS AND RECORDS OF THE CORPORATION, EXCEPT THAT THE INSPECTORS MAY CONSIDER OTHER RELIABLE INFORMATION FOR THE LIMITED PURPOSE OF RECONCILING PROXIES, BALLOTS AND CONSENTS. IF THE INSPECTORS CONSIDER OTHER RELIABLE INFORMATION FOR THE LIMITED PURPOSE PERMITTED HEREIN, THE INSPECTORS AT THE TIME THEY MAKE THEIR CERTIFICATION PURSUANT TO PARAGRAPH (A) OF THIS SECTION SHALL SPECIFY THE PRECISE INFORMATION CONSIDERED BY THEM INCLUDING THE PERSON OR PERSONS FROM WHOM THEY OBTAINED THE INFORMATION, WHEN THE INFORMATION WAS OBTAINED, THE MEANS BY WHICH THE INFORMATION WAS OBTAINED AND THE BASIS FOR THE INSPECTORS' BELIEF THAT SUCH INFORMATION IS RELIABLE.

(D) THE DATE AND TIME (WHICH NEED NOT BE A PARTICULAR TIME OF DAY) OF THE OPENING AND THE CLOSING OF THE POLLS FOR EACH MATTER UPON WHICH THE MEMBERS WILL VOTE AT A MEETING SHALL BE ANNOUNCED BY THE PERSON PRESIDING AT THE MEETING AT THE BEGINNING OF THE MEETING AND, IF NO DATE AND TIME IS SO ANNOUNCED, THE POLLS SHALL CLOSE AT THE END OF THE MEETING, INCLUDING ANY ADJOURNMENT THEREOF. NO BALLOT, PROXY OR CONSENT, NOR ANY REVOCATION THEREOF OR CHANGES THERETO, SHALL BE ACCEPTED BY THE INSPECTORS AFTER THE CLOSING OF POLLS IN ACCORDANCE WITH SECTION 605 OF THIS

ARTICLE UNLESS THE SUPREME COURT AT A SPECIAL TERM HELD WITHIN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION IS LOCATED UPON APPLICATION BY A MEMBER SHALL DETERMINE OTHERWISE.

S 611. QUALIFICATION OF VOTERS; FIXING RECORD DATE TO DETERMINE ELIGIBILITY TO VOTE; VOTING ENTITLEMENT.

(A) THE BY-LAWS MAY PROVIDE OR, IN THE ABSENCE OF SUCH PROVISION, THE BOARD MAY FIX, IN ADVANCE, A DATE AS THE RECORD DATE FOR THE PURPOSE OF DETERMINING THE MEMBERS ENTITLED TO NOTICE OF ANY MEETING OF MEMBERS OR ANY ADJOURNMENT THEREOF. SUCH RECORD DATE SHALL NOT BE MORE THAN FIFTY NOR LESS THAN TEN DAYS BEFORE THE DATE OF THE MEETING.

(B) ANY MEMBER IN GOOD STANDING, OTHERWISE ELIGIBLE TO VOTE, IS ENTITLED TO VOTE AT ANY MEETING OF MEMBERS, EXCEPT THAT, IF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS SO PROVIDE, THE BY-LAWS MAY PROVIDE OR, IN THE ABSENCE OF SUCH PROVISION, THE BOARD MAY FIX A DATE AS THE RECORD DATE FOR THE PURPOSE OF DETERMINING THE MEMBERS ENTITLED TO VOTE AT ANY MEETING OF MEMBERS OR ANY ADJOURNMENT THEREOF, OR TO EXPRESS CONSENT TO OR DISSENT FROM ANY PROPOSAL WITHOUT A MEETING, OR FOR THE PURPOSE OF DETERMINING MEMBERS ENTITLED TO RECEIVE ANY DISTRIBUTION OR THE ALLOTMENT OF ANY RIGHTS, OR FOR THE PURPOSE OF ANY OTHER ACTION BY THE MEMBERS. SUCH RECORD DATE SHALL NOT BE MORE THAN FIFTY NOR LESS THAN TEN DAYS BEFORE THE DATE OF THE MEETING.

(C) IF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS PROVIDE FOR A RECORD DATE, AS AUTHORIZED BY PARAGRAPH (B) OF THIS SECTION, AND NO RECORD DATE IS FIXED:

(1) THE RECORD DATE FOR THE DETERMINATION OF MEMBERS ENTITLED TO NOTICE OF OR TO VOTE AT A MEETING OF MEMBERS SHALL BE AT THE CLOSE OF BUSINESS ON THE DAY NEXT PRECEDING THE DAY ON WHICH NOTICE IS GIVEN, OR, IF NO NOTICE IS GIVEN, THE DAY ON WHICH THE MEETING IS HELD.

(2) THE RECORD DATE FOR DETERMINING MEMBERS FOR ANY PURPOSE OTHER THAN THAT SPECIFIED IN SUBPARAGRAPH (1) OF THIS PARAGRAPH SHALL BE AT THE CLOSE OF BUSINESS ON THE DAY ON WHICH THE RESOLUTION OF THE BOARD RELATING THERETO IS ADOPTED.

(D) WHEN A DETERMINATION OF MEMBERS OF RECORD ENTITLED TO NOTICE OF OR TO VOTE AT ANY MEETING OF MEMBERS HAS BEEN MADE AS PROVIDED IN THIS SECTION, SUCH DETERMINATION SHALL APPLY TO ANY ADJOURNMENT THEREOF, UNLESS THE BOARD FIXES A NEW RECORD DATE UNDER THIS SECTION FOR THE ADJOURNED MEETING.

(E) IN ANY CASE IN WHICH A MEMBER IS ENTITLED TO VOTE, THE MEMBER SHALL HAVE NO MORE THAN, NOR LESS THAN, ONE VOTE; EXCEPT AS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OF A CORPORATION THAT IS NOT ORGANIZED FOR CHARITABLE PURPOSES; PROVIDED, HOWEVER, THAT IF A CORPORATION HAS AN ORGANIZATION AS A MEMBER, THE CERTIFICATE OF INCORPORATION MAY PROVIDE THAT SUCH ORGANIZATION SHALL BE ENTITLED TO VOTES SUBSTANTIALLY PROPORTIONATE TO ITS MEMBERSHIP. ANY REFERENCE IN THIS CHAPTER TO CORPORATE ACTION BY A MAJORITY OR OTHER PERCENTAGE OF MEMBERS SHALL BE CONSTRUED TO MEAN THAT PERCENTAGE OF VOTES WITH RESPECT TO A CORPORATION THE CERTIFICATE OF INCORPORATION OR BY-LAWS OF WHICH PROVIDES FOR MORE OR LESS THAN ONE VOTE PER MEMBER.

S 612. LIMITATIONS ON RIGHT TO VOTE.

THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY PROVIDE, EITHER ABSOLUTELY OR CONTINGENTLY, THAT THE MEMBERS OF ANY CLASS SHALL NOT BE ENTITLED TO VOTE, OR IT MAY LIMIT OR DEFINE THE MATTERS ON, AND THE CIRCUMSTANCES IN, WHICH A MEMBER OR A CLASS OF MEMBERS SHALL BE ENTITLED TO VOTE, AND, EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, SUCH PROVISIONS OF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS SHALL PREVAIL, ACCORDING TO THEIR TENOR, IN ALL ELECTIONS AND IN ALL

PROCEEDINGS, OVER THE PROVISIONS OF THIS CHAPTER WHICH AUTHORIZE ANY ACTION BY THE MEMBERS, BUT NO SUCH DENIAL, LIMITATION OR DEFINITION OF VOTING RIGHTS SHALL BE EFFECTIVE UNLESS AT THE TIME ONE OR MORE CLASSES OF MEMBERS, SINGLY OR IN THE AGGREGATE, ARE ENTITLED TO FULL VOTING RIGHTS.

S 613. VOTE OF MEMBERS.

(A) EXCEPT AS OTHERWISE REQUIRED BY THIS CHAPTER OR BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS AS PERMITTED BY THIS CHAPTER, DIRECTORS SHALL BE ELECTED BY A PLURALITY OF THE VOTES CAST AT A MEETING OF MEMBERS BY THE MEMBERS ENTITLED TO VOTE IN THE ELECTION.

(B) WHENEVER ANY CORPORATE ACTION, OTHER THAN THE ELECTION OF DIRECTORS, IS TO BE TAKEN UNDER THIS CHAPTER BY VOTE OF THE MEMBERS, IT SHALL, EXCEPT AS OTHERWISE REQUIRED BY THIS CHAPTER OR BY THE CERTIFICATE OF INCORPORATION OR AS PERMITTED BY THIS CHAPTER OR BY THE SPECIFIC PROVISIONS OF A BY-LAW ADOPTED BY THE MEMBERS, BE AUTHORIZED BY A MAJORITY OF THE VOTES CAST AT A MEETING OF MEMBERS BY THE MEMBERS ENTITLED TO VOTE THEREON.

(C) EXCEPT AS PROVIDED IN PARAGRAPH (B) OF THIS SECTION, ANY REFERENCE IN THIS CHAPTER TO CORPORATE ACTION AT A MEETING OF MEMBERS BY "MAJORITY VOTE" OR "TWO-THIRDS VOTE" SHALL REQUIRE THE ACTION TO BE TAKEN BY SUCH PROPORTION OF THE VOTES CAST AT SUCH MEETING, PROVIDED THAT THE AFFIRMATIVE VOTES CAST IN FAVOR OF ANY SUCH ACTION SHALL BE AT LEAST EQUAL TO THE QUORUM. BLANK VOTES OR ABSTENTIONS SHALL NOT BE COUNTED IN THE NUMBER OF VOTES CAST.

S 614. ACTION BY MEMBERS WITHOUT A MEETING.

(A) WHENEVER, UNDER THIS CHAPTER, MEMBERS ARE REQUIRED OR PERMITTED TO TAKE ANY ACTION BY VOTE, SUCH ACTION MAY BE TAKEN WITHOUT A MEETING ON WRITTEN CONSENT, SETTING FORTH THE ACTION SO TAKEN, SIGNED BY ALL OF THE MEMBERS ENTITLED TO VOTE THEREON; OR, IF THE CERTIFICATE OF INCORPORATION SO PERMITS, SIGNED BY THOSE MEMBERS HAVING NOT LESS THAN THE MINIMUM NUMBER OF VOTES THAT WOULD BE NECESSARY TO AUTHORIZE OR TAKE SUCH ACTION AT A MEETING AT WHICH ALL MEMBERS ENTITLED TO VOTE THEREON WERE PRESENT AND VOTED. THIS PARAGRAPH SHALL NOT BE CONSTRUED TO ALTER OR MODIFY ANY PROVISION IN A CERTIFICATE OF INCORPORATION NOT INCONSISTENT WITH THIS CHAPTER UNDER WHICH THE WRITTEN CONSENT OF LESS THAN ALL OF THE MEMBERS IS SUFFICIENT FOR CORPORATE ACTION.

(B) PROMPT NOTICE OF ANY CORPORATE ACTION WITHOUT A MEETING BY LESS THAN UNANIMOUS WRITTEN CONSENT SHALL BE GIVEN TO THOSE MEMBERS WHO HAVE NOT CONSENTED IN WRITING.

(C) WRITTEN CONSENT THUS GIVEN BY MEMBERS PROVIDED IN PARAGRAPH (A) OF THIS SECTION SHALL HAVE THE SAME EFFECT AS A VOTE OF MEMBERS AND ANY CERTIFICATE WITH RESPECT TO THE AUTHORIZATION OR TAKING OF ANY SUCH ACTION WHICH IS DELIVERED TO THE DEPARTMENT OF STATE SHALL RECITE THAT THE AUTHORIZATION WAS BY WRITTEN CONSENT.

(D) WHEN THERE ARE NO MEMBERS, SUCH ACTION MAY BE TAKEN ON THE WRITTEN CONSENT SIGNED BY A MAJORITY IN INTEREST OF THE SUBSCRIBERS FOR CAPITAL CERTIFICATES WHOSE SUBSCRIPTIONS HAVE BEEN ACCEPTED OR THEIR SUCCESSORS IN INTEREST OR, IF NO SUBSCRIPTION HAS BEEN ACCEPTED, ON THE WRITTEN CONSENT SIGNED BY THE DIRECTORS OR MAJORITY OF DIRECTORS OR, IF THERE ARE NO DIRECTORS, BY THE INCORPORATOR OR A MAJORITY OF THE INCORPORATORS. WHEN THERE ARE TWO OR MORE INCORPORATORS, IF ANY DIES OR IS FOR ANY REASON UNABLE TO ACT, THE OTHER OR OTHERS MAY ACT. IF THERE IS NO INCORPORATOR ABLE TO ACT, ANY PERSON FOR WHOM AN INCORPORATOR WAS ACTING AS AGENT MAY ACT IN HIS OR HER STEAD, OR IF SUCH OTHER PERSON ALSO DIES OR IS FOR ANY REASON UNABLE TO ACT, HIS OR HER LEGAL REPRESENTATIVE MAY ACT.

S 615. GREATER REQUIREMENT AS TO QUORUM AND VOTE OF MEMBERS.

(A) THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS MAY CONTAIN PROVISIONS SPECIFYING EITHER OR BOTH OF THE FOLLOWING:

(1) THAT THE PROPORTION OF VOTES OF MEMBERS, OR THE PROPORTION OF THE VOTES OF A CLASS THEREOF, WHO SHALL BE PRESENT IN PERSON OR BY PROXY AT ANY MEETING OF MEMBERS, INCLUDING A SPECIAL MEETING FOR ELECTION OF DIRECTORS UNDER SECTION 604 OF THIS ARTICLE, IN ORDER TO CONSTITUTE A QUORUM FOR THE TRANSACTION OF ANY BUSINESS OR OF ANY SPECIFIED ITEM OF BUSINESS, INCLUDING AMENDMENTS TO THE CERTIFICATE OF INCORPORATION, SHALL BE GREATER THAN THE PROPORTION PRESCRIBED BY THIS CHAPTER IN THE ABSENCE OF SUCH PROVISION.

(2) THAT THE PROPORTION OF VOTES OF THE MEMBERS, OR THE PROPORTION OF THE VOTES OF A CLASS THEREOF, THAT SHALL BE NECESSARY AT ANY MEETING OF MEMBERS FOR THE TRANSACTION OF ANY BUSINESS OR OF ANY SPECIFIED ITEM OF BUSINESS, INCLUDING AMENDMENTS TO THE CERTIFICATE OF INCORPORATION, SHALL BE GREATER THAN THE PROPORTION PRESCRIBED BY THIS CHAPTER IN THE ABSENCE OF SUCH PROVISION.

(B) AN AMENDMENT OF THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS WHICH ADDS A PROVISION PERMITTED BY THIS SECTION OR WHICH CHANGES OR STRIKES OUT SUCH A PROVISION, SHALL BE AUTHORIZED AT A MEETING OF MEMBERS BY VOTE OF THE MEMBERS ENTITLED TO CAST TWO-THIRDS OF THE TOTAL NUMBER OF VOTES ENTITLED TO BE CAST THEREON, OR OF SUCH GREATER PROPORTION OF SUCH TOTAL NUMBER OF VOTES OR THE TOTAL NUMBER OF VOTES OF A CLASS, AS MAY BE PROVIDED SPECIFICALLY IN THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS FOR ADDING, CHANGING OR STRIKING OUT A PROVISION PERMITTED BY THIS SECTION.

(C) IF THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS CONTAINS A PROVISION AUTHORIZED BY THIS SECTION, THE EXISTENCE OF SUCH PROVISION SHALL BE NOTED CONSPICUOUSLY ON THE FACE OR BACK OF EVERY MEMBERSHIP CERTIFICATE OR CARD OR CAPITAL CERTIFICATE, IF ANY, ISSUED BY SUCH CORPORATION.

S 616. VOTING BY CLASS OF MEMBERS.

(A) THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY CONTAIN PROVISIONS SPECIFYING THAT ANY CLASS OR CLASSES OF MEMBERS SHALL VOTE AS A CLASS IN CONNECTION WITH THE TRANSACTION OF ANY BUSINESS OR OF ANY SPECIFIED ITEM OF BUSINESS AT A MEETING OF MEMBERS, INCLUDING AMENDMENTS TO THE CERTIFICATE OF INCORPORATION.

(B) WHERE VOTING AS A CLASS IS PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, IT SHALL BE BY THE PROPORTIONATE VOTE SO PROVIDED OR, IF NO PROPORTIONATE VOTE IS PROVIDED, IN THE ELECTION OF DIRECTORS, BY A PLURALITY OF THE VOTES CAST AT SUCH MEETING BY THE MEMBERS OF SUCH CLASS ENTITLED TO VOTE IN THE ELECTION, OR FOR ANY OTHER CORPORATE ACTION, BY A MAJORITY OF THE VOTES CAST AT SUCH MEETING BY THE MEMBERS OF SUCH CLASS ENTITLED TO VOTE THEREON.

(C) SUCH VOTING BY CLASS SHALL BE IN ADDITION TO ANY OTHER VOTE, INCLUDING VOTE BY CLASS, REQUIRED BY THIS CHAPTER OR BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS AS PERMITTED BY THIS CHAPTER.

S 617. CUMULATIVE VOTING.

THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS OF ANY CORPORATION MAY PROVIDE THAT IN ALL ELECTIONS OF DIRECTORS OF SUCH CORPORATION EACH MEMBER SHALL BE ENTITLED TO AS MANY VOTES AS SHALL EQUAL THE NUMBER OF VOTES WHICH, EXCEPT FOR SUCH PROVISIONS AS TO CUMULATIVE VOTING, SUCH MEMBER WOULD BE ENTITLED TO CAST FOR THE ELECTION OF DIRECTORS MULTIPLIED BY THE NUMBER OF DIRECTORS TO BE ELECTED, AND THAT SUCH MEMBER MAY CAST ALL OF SUCH VOTES FOR A SINGLE DIRECTOR OR MAY DISTRIBUTE THEM

AMONG THE NUMBER TO BE VOTED FOR, OR FOR ANY TWO OR MORE OF THEM, AS SUCH MEMBER MAY SEE FIT, WHICH RIGHT, WHEN EXERCISED, SHALL BE TERMED CUMULATIVE VOTING.

S 618. POWER OF SUPREME COURT RESPECTING ELECTIONS.

UPON THE PETITION OF ANY MEMBER AGGRIEVED BY AN ELECTION AND UPON NOTICE TO THE PERSONS DECLARED ELECTED THEREAT, THE CORPORATION AND SUCH OTHER PERSONS AS THE COURT MAY DIRECT, THE SUPREME COURT AT A SPECIAL TERM HELD WITHIN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION IS LOCATED SHALL FORTHWITH HEAR THE PROOFS AND ALLEGATIONS OF THE PARTIES, AND CONFIRM THE ELECTION, ORDER A NEW ELECTION, OR TAKE SUCH OTHER ACTION AS JUSTICE MAY REQUIRE.

S 619. AGREEMENTS BY MEMBERS AS TO VOTING.

AN AGREEMENT BETWEEN TWO OR MORE MEMBERS, IF IN WRITING AND SIGNED BY THE PARTIES THERETO, MAY PROVIDE THAT IN EXERCISING THEIR VOTING RIGHTS AS MEMBERS THEY SHALL VOTE AS THEREIN PROVIDED, OR AS THEY MAY AGREE, OR AS DETERMINED IN ACCORDANCE WITH A PROCEDURE AGREED UPON BY THEM.

S 620. PREEMPTIVE RIGHTS.

THERE SHALL BE NO PREEMPTIVE RIGHTS IN RELATION TO MEMBERSHIP CERTIFICATES OR CARDS, CAPITAL CERTIFICATES, OR BONDS. IN THE CASE OF BONDS HAVING LAWFUL VOTING RIGHTS, THIS SECTION SHALL NOT INVALIDATE OTHERWISE VALID CONTRACT PROVISIONS DESIGNED TO PROTECT SUCH VOTING RIGHTS.

S 621. BOOKS AND RECORDS; RIGHT OF INSPECTION; PRIMA FACIE EVIDENCE.

(A) EXCEPT AS OTHERWISE PROVIDED HEREIN, EVERY CORPORATION SHALL KEEP, AT THE OFFICE OF THE CORPORATION, CORRECT AND COMPLETE BOOKS AND RECORDS OF ACCOUNT AND MINUTES OF THE PROCEEDINGS OF ITS MEMBERS, BOARD AND EXECUTIVE COMMITTEE, IF ANY, AND SHALL KEEP AT SUCH OFFICE OR AT THE OFFICE OF ITS TRANSFER AGENT OR REGISTRAR IN THIS STATE, A LIST OR RECORD CONTAINING THE NAMES AND ADDRESSES OF ALL MEMBERS, THE CLASS OR CLASSES OF MEMBERSHIP OR CAPITAL CERTIFICATES AND THE NUMBER OF CAPITAL CERTIFICATES HELD BY EACH AND THE DATES WHEN THEY RESPECTIVELY BECAME THE HOLDERS OF RECORD THEREOF. A CORPORATION MAY KEEP ITS BOOKS AND RECORDS OF ACCOUNT IN AN OFFICE OF THE CORPORATION WITHOUT THE STATE, AS SPECIFIED IN ITS CERTIFICATE OF INCORPORATION. ANY OF THE FOREGOING BOOKS, MINUTES AND RECORDS MAY BE IN WRITTEN FORM OR IN ANY OTHER FORM CAPABLE OF BEING CONVERTED INTO WRITTEN FORM WITHIN A REASONABLE TIME.

(B) ANY MEMBER, UPON AT LEAST FIVE DAYS WRITTEN DEMAND SHALL HAVE THE RIGHT TO EXAMINE IN PERSON OR BY AGENT OR ATTORNEY, DURING USUAL BUSINESS HOURS, ITS MINUTES OF THE PROCEEDINGS OF ITS MEMBERS AND LIST OR RECORD OF MEMBERS AND TO MAKE EXTRACTS THEREFROM. A CORPORATION REQUESTED TO PROVIDE INFORMATION PURSUANT TO THIS PARAGRAPH SHALL MAKE AVAILABLE SUCH INFORMATION IN WRITTEN FORM AND IN ANY OTHER FORMAT IN WHICH SUCH INFORMATION IS MAINTAINED BY THE CORPORATION AND SHALL NOT BE REQUIRED TO PROVIDE SUCH INFORMATION IN ANY OTHER FORMAT.

(C) AN INSPECTION AUTHORIZED BY PARAGRAPH (B) OF THIS SECTION MAY BE DENIED TO SUCH MEMBER UPON HIS OR HER REFUSAL TO FURNISH TO THE CORPORATION, ITS TRANSFER AGENT OR REGISTRAR AN AFFIDAVIT THAT SUCH INSPECTION IS NOT DESIRED AND WILL NOT BE USED FOR A PURPOSE WHICH IS IN THE INTEREST OF A BUSINESS OR OBJECT OTHER THAN THE BUSINESS OF THE CORPORATION AND THAT SUCH MEMBER HAS NOT WITHIN FIVE YEARS GIVEN, SOLD OR OFFERED FOR SALE ANY LIST OR RECORD OF MEMBERS OF ANY DOMESTIC OR FOREIGN CORPORATION OR AIDED OR ABETTED, OR ATTEMPTED OR OFFERED TO AID OR ABET, ANY PERSON IN PROCURING ANY SUCH LIST OR RECORD OF MEMBERS FOR ANY SUCH PURPOSE.

(D) UPON REFUSAL BY THE CORPORATION OR BY AN OFFICER OR AGENT OF THE CORPORATION TO PERMIT AN INSPECTION OF THE MINUTES OF THE PROCEEDINGS OF ITS MEMBERS OR OF THE LIST OR RECORD OF MEMBERS, AS HEREIN PROVIDED, THE

PERSON MAKING THE DEMAND FOR INSPECTION MAY APPLY TO THE SUPREME COURT IN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION IS LOCATED, UPON SUCH NOTICE AS THE COURT MAY DIRECT, FOR AN ORDER DIRECTING THE CORPORATION, ITS OFFICER OR AGENT TO SHOW CAUSE WHY AN ORDER SHOULD NOT BE GRANTED PERMITTING SUCH INSPECTION BY THE APPLICANT. UPON THE RETURN DAY OF THE ORDER TO SHOW CAUSE, THE COURT SHALL HEAR THE PARTIES SUMMARILY, BY AFFIDAVIT OR OTHERWISE, AND IF IT APPEARS THAT THE APPLICANT IS QUALIFIED AND ENTITLED TO SUCH INSPECTION, THE COURT SHALL GRANT AN ORDER COMPELLING SUCH INSPECTION AND AWARDING SUCH FURTHER RELIEF AS TO THE COURT MAY SEEM JUST AND PROPER.

(E) UPON THE WRITTEN REQUEST OF ANY MEMBER OR OF ANY PERSON HOLDING, OR THEREUNTO AUTHORIZED IN WRITING BY THE HOLDERS OF, AT LEAST FIVE PERCENT OF ANY CLASS OF THE OUTSTANDING CAPITAL CERTIFICATES, THE CORPORATION SHALL GIVE OR MAIL TO SUCH MEMBER AN ANNUAL BALANCE SHEET AND PROFIT AND LOSS STATEMENT OR A FINANCIAL STATEMENT PERFORMING A SIMILAR FUNCTION FOR THE PRECEDING FISCAL YEAR, AND, IF ANY INTERIM BALANCE SHEET OR PROFIT AND LOSS OR SIMILAR FINANCIAL STATEMENT HAS BEEN DISTRIBUTED TO ITS MEMBERS OR OTHERWISE MADE AVAILABLE TO THE PUBLIC, THE MOST RECENT SUCH INTERIM BALANCE SHEET OR PROFIT AND LOSS OR SIMILAR FINANCIAL STATEMENT. THE CORPORATION SHALL BE ALLOWED A REASONABLE TIME TO PREPARE SUCH ANNUAL BALANCE SHEET AND PROFIT AND LOSS OR SIMILAR FINANCIAL STATEMENT.

(F) NOTHING HEREIN CONTAINED SHALL IMPAIR THE POWER OF COURTS TO COMPEL THE PRODUCTION FOR EXAMINATION OF THE BOOKS AND RECORDS OF A CORPORATION.

(G) THE BOOKS AND RECORDS SPECIFIED IN PARAGRAPH (A) OF THIS SECTION SHALL BE PRIMA FACIE EVIDENCE OF THE FACTS THEREIN STATED IN FAVOR OF THE PLAINTIFF IN ANY ACTION OR SPECIAL PROCEEDING AGAINST SUCH CORPORATION OR ANY OF ITS OFFICERS, DIRECTORS OR MEMBERS.

(H) NOTHING IN THIS CHAPTER SHALL REQUIRE AN EMPLOYEE ORGANIZATION CERTIFIED OR RECOGNIZED FOR ANY COLLECTIVE NEGOTIATING UNIT OF AN EMPLOYER PURSUANT TO ARTICLE FOURTEEN OF THE CIVIL SERVICE LAW TO DISCLOSE THE HOME ADDRESS OF ANY MEMBER OR FORMER MEMBER OF SUCH ORGANIZATION.

S 622. INFANT MEMBERS.

IF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS PROVIDE THAT A MEMBER SHALL BE OF FULL AGE:

(A) A CORPORATION MAY TREAT AN INFANT WHO HOLDS A MEMBERSHIP CERTIFICATE OR CARD OR CAPITAL CERTIFICATE OR A BOND OF SUCH CORPORATION AS HAVING CAPACITY TO RECEIVE AND TO EMPOWER OTHERS TO RECEIVE PAYMENTS OR DISTRIBUTIONS, TO VOTE OR EXPRESS CONSENT OR DISSENT, IN PERSON OR BY PROXY, AND TO MAKE ELECTIONS AND EXERCISE RIGHTS RELATING TO SUCH CERTIFICATES OR BONDS, UNLESS, IN THE CASE OF MEMBERSHIP CERTIFICATES OR CARDS OR CAPITAL CERTIFICATES, THE CORPORATE OFFICER RESPONSIBLE FOR MAINTAINING THE LIST OR RECORD OF MEMBERS OR THE TRANSFER AGENT OF THE CORPORATION OR, IN THE CASE OF BONDS, THE TREASURER OR PAYING OFFICER OR AGENT HAS RECEIVED WRITTEN NOTICE THAT SUCH HOLDER IS AN INFANT.

(B) AN INFANT HOLDER OF A MEMBERSHIP CERTIFICATE OR CARD OR CAPITAL CERTIFICATE OR A BOND OF A CORPORATION WHO HAS RECEIVED OR EMPOWERED OTHERS TO RECEIVE PAYMENTS OR DISTRIBUTIONS, VOTED OR EXPRESSED CONSENT OR DISSENT, OR MADE AN ELECTION OR EXERCISED A RIGHT RELATING THERETO, SHALL HAVE NO RIGHT THEREAFTER TO DISAFFIRM OR AVOID, AS AGAINST THE CORPORATION, ANY SUCH ACT ON HIS OR HER PART, UNLESS PRIOR TO SUCH RECEIPT, VOTE, CONSENT, DISSENT, ELECTION OR EXERCISE, AS TO MEMBERSHIP CERTIFICATES OR CARDS OR CAPITAL CERTIFICATES, THE CORPORATE OFFICER RESPONSIBLE FOR MAINTAINING THE LIST OR RECORD OF MEMBERS OR ITS TRANS-

FER AGENT OR, IN THE CASE OF BONDS, THE TREASURER OR PAYING OFFICER OR AGENT HAD RECEIVED WRITTEN NOTICE THAT SUCH HOLDER WAS AN INFANT.

S 623. MEMBERS' DERIVATIVE ACTION BROUGHT IN THE RIGHT OF THE CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR.

(A) AN ACTION MAY BE BROUGHT IN THE RIGHT OF A DOMESTIC OR FOREIGN CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR BY FIVE PERCENT OR MORE OF ANY CLASS OF MEMBERS OR BY SUCH PERCENTAGE OF THE HOLDERS OF CAPITAL CERTIFICATES OR OF THE OWNERS OF A BENEFICIAL INTEREST IN THE CAPITAL CERTIFICATES OF SUCH CORPORATION.

(B) IN ANY SUCH ACTION, IT SHALL BE MADE TO APPEAR THAT EACH PLAINTIFF IS SUCH A MEMBER, HOLDER OR OWNER AT THE TIME OF BRINGING THE ACTION.

(C) IN ANY SUCH ACTION, THE COMPLAINT SHALL SET FORTH WITH PARTICULARITY THE EFFORTS OF THE PLAINTIFF OR PLAINTIFFS TO SECURE THE INITIATION OF SUCH ACTION BY THE BOARD OF THE REASON FOR NOT MAKING SUCH EFFORT.

(D) SUCH ACTION SHALL NOT BE DISCONTINUED, COMPROMISED OR SETTLED WITHOUT THE APPROVAL OF THE COURT HAVING JURISDICTION OF THE ACTION. IF THE COURT SHALL DETERMINE THAT THE INTERESTS OF THE MEMBERS OR OF ANY CLASS OR CLASSES THEREOF WILL BE SUBSTANTIALLY AFFECTED BY SUCH DISCONTINUANCE, COMPROMISE OR SETTLEMENT, THE COURT, IN ITS DISCRETION, MAY DIRECT THAT NOTICE, BY PUBLICATION OR OTHERWISE, SHALL BE GIVEN TO THE MEMBERS OR CLASS OR CLASSES THEREOF WHOSE INTERESTS IT DETERMINES WILL BE SO AFFECTED; IF NOTICE IS SO DIRECTED TO BE GIVEN, THE COURT MAY DETERMINE WHICH ONE OR MORE OF THE PARTIES TO THE ACTION SHALL BEAR THE EXPENSE OF GIVING THE SAME, IN SUCH AMOUNT AS THE COURT SHALL DETERMINE AND FIND TO BE REASONABLE IN THE CIRCUMSTANCES, AND THE AMOUNT OF SUCH EXPENSE SHALL BE AWARDED AS SPECIAL COSTS OF THE ACTION AND RECOVERABLE IN THE SAME MANNER AS STATUTORY TAXABLE COSTS.

(E) IF THE ACTION ON BEHALF OF THE CORPORATION WAS SUCCESSFUL, IN WHOLE OR IN PART, OR IF ANYTHING WAS RECEIVED BY THE PLAINTIFF OR PLAINTIFFS OR A CLAIMANT OR CLAIMANTS AS THE RESULT OF A JUDGMENT, COMPROMISE OR SETTLEMENT OF AN ACTION OR CLAIM, THE COURT MAY AWARD THE PLAINTIFF OR PLAINTIFFS, CLAIMANT OR CLAIMANTS, REASONABLE EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, AND SHALL DIRECT THE PLAINTIFF OR PLAINTIFFS TO ACCOUNT TO THE CORPORATION FOR THE REMAINDER OF THE PROCEEDS SO RECEIVED BY THE PLAINTIFF OR PLAINTIFFS. THIS PARAGRAPH SHALL NOT APPLY TO ANY JUDGMENT RENDERED FOR THE BENEFIT OF INJURED MEMBERS OR NON-RECORD OWNERS ONLY AND LIMITED TO A RECOVERY OF THE LOSS OR DAMAGE SUSTAINED BY THEM.

S 7. Article 7 of the not-for-profit corporation law is REPEALED and a new article 7 is added to read as follows:

ARTICLE 7
DIRECTORS AND OFFICERS

SECTION 701. BOARD OF DIRECTORS.
702. NUMBER OF DIRECTORS.
703. ELECTION AND TERM OF OFFICE OF DIRECTORS; ALTERNATES.
704. CLASSIFICATION OF DIRECTORS.
705. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.
706. REMOVAL OF DIRECTORS.
707. QUORUM OF DIRECTORS.
708. ACTION BY THE BOARD.
709. GREATER REQUIREMENT AS TO QUORUM AND VOTE OF DIRECTORS.
710. PLACE AND TIME OF MEETINGS OF THE BOARD.
711. NOTICE OF MEETINGS OF THE BOARD.
712. EXECUTIVE COMMITTEE AND OTHER COMMITTEES.

713. OFFICERS.
714. REMOVAL OF OFFICERS.
715. INTERESTED DIRECTORS AND OFFICERS.
716. LOANS TO DIRECTORS AND OFFICERS.
717. DUTY OF DIRECTORS AND OFFICERS.
718. LIST OF DIRECTORS AND OFFICERS.
719. LIABILITY OF DIRECTORS IN CERTAIN CASES.
720. ACTIONS ON BEHALF OF THE CORPORATION.
720-A. LIABILITY OF DIRECTORS, OFFICERS AND TRUSTEES.
721. NONEXCLUSIVITY OF STATUTORY PROVISIONS FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS.
722. AUTHORIZATION FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS.
723. PAYMENT OF INDEMNIFICATION OTHER THAN BY COURT AWARD.
724. INDEMNIFICATION OF DIRECTORS AND OFFICERS BY A COURT.
725. OTHER PROVISIONS AFFECTING INDEMNIFICATION OF DIRECTORS AND OFFICERS.
726. INSURANCE FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS.

S 701. BOARD OF DIRECTORS.

(A) EXCEPT AS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION, A CORPORATION SHALL BE MANAGED BY ITS BOARD OF DIRECTORS. EACH DIRECTOR SHALL BE AT LEAST EIGHTEEN YEARS OF AGE; PROVIDED, HOWEVER, THAT A MEMBER OF THE BOARD OF DIRECTORS OF ANY GIRL SCOUT COUNCIL CHARTERED BY GIRL SCOUTS OF THE UNITED STATES OF AMERICA, INC., OR ANY CAMP FIRE GIRLS CLUB MEMBER SERVING AS A MEMBER OF THE BOARD OF DIRECTORS ON THE NATIONAL BOARD AND NATIONAL COUNCIL OF CAMP FIRE GIRLS, INC. OR ON THE LOCAL BOARD OF THE CAMP FIRE GIRLS, INC. OR ANY MEMBER OF ASPIRA OF AMERICA INC. OR ASPIRA OF NEW YORK INC. SERVING ON THE BOARD OF DIRECTORS, SHALL BE AT LEAST SIXTEEN YEARS OF AGE. NOTWITHSTANDING THE ABOVE, A CORPORATION ORGANIZED FOR EDUCATIONAL PURPOSES PRIMARILY FOR THE BENEFIT OF INDIVIDUALS BELOW EIGHTEEN YEARS OF AGE MAY INCLUDE ONE DIRECTOR BELOW EIGHTEEN YEARS OF AGE WHO IS AT LEAST SIXTEEN YEARS OF AGE. FURTHER, A CORPORATION ORGANIZED FOR RECREATIONAL OR YOUTH DEVELOPMENT AND DELINQUENCY PREVENTION PURPOSES PRIMARILY FOR THE BENEFIT OF INDIVIDUALS BELOW EIGHTEEN YEARS OF AGE MAY INCLUDE ONE OR MORE DIRECTORS, THE NUMBER OF WHICH SHALL NOT EXCEED ONE-HALF OF THE TOTAL NUMBER OF DIRECTORS FOR A QUORUM FOR THE TRANSACTION OF BUSINESS, WHO ARE AT LEAST SIXTEEN YEARS OF AGE BUT NOT OVER EIGHTEEN YEARS OF AGE. THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY PRESCRIBE OTHER QUALIFICATIONS FOR DIRECTORS, PROVIDED, HOWEVER, ANY CORPORATION ORGANIZED FOR RECREATION OR YOUTH DEVELOPMENT AND DELINQUENCY PREVENTION PURPOSES, WHEN INCREASING THE NUMBER OF DIRECTORS BETWEEN THE AGES OF SIXTEEN AND EIGHTEEN YEARS OLD TO MORE THAN ONE, SHALL PRESCRIBE IN ITS CERTIFICATE OF INCORPORATION THE NUMBER OF SUCH DIRECTORS NOT TO EXCEED THE LIMITATIONS OF THIS PARAGRAPH.

(B) IF THE CERTIFICATE OF INCORPORATION VESTS THE MANAGEMENT OF THE CORPORATION, IN WHOLE OR IN PART, IN ONE OR MORE PERSONS OTHER THAN THE BOARD, INDIVIDUALLY OR COLLECTIVELY, SUCH OTHER PERSON OR PERSONS SHALL BE SUBJECT TO THE SAME OBLIGATIONS AND THE SAME LIABILITIES, AND SUBJECT TO THE SAME PROTECTIONS, FOR MANAGERIAL ACTS OR OMISSIONS AS ARE IMPOSED UPON OR AFFORDED TO DIRECTORS BY THIS CHAPTER.

S 702. NUMBER OF DIRECTORS.

(A) THE NUMBER OF DIRECTORS CONSTITUTING THE ENTIRE BOARD SHALL BE NOT LESS THAN THREE. SUBJECT TO SUCH LIMITATION, SUCH NUMBER MAY BE FIXED BY THE BY-LAWS OR, IN THE CASE OF A CORPORATION HAVING MEMBERS, BY

ACTION OF THE MEMBERS OR OF THE BOARD UNDER THE SPECIFIC PROVISIONS OF A BY-LAW ADOPTED BY THE MEMBERS. IF NOT OTHERWISE FIXED UNDER THIS PARAGRAPH, THE NUMBER SHALL BE THREE. AS USED IN THIS ARTICLE, "ENTIRE BOARD" MEANS THE TOTAL NUMBER OF DIRECTORS ENTITLED TO VOTE WHICH THE CORPORATION WOULD HAVE IF THERE WERE NO VACANCIES.

(B) THE NUMBER OF DIRECTORS MAY BE INCREASED OR DECREASED BY AMENDMENT OF THE BY-LAWS, BY ACTION OF THE BOARD IN A CORPORATION WITHOUT MEMBERS, OR, IN THE CASE OF A CORPORATION HAVING MEMBERS, BY ACTION OF THE MEMBERS, OR OF THE BOARD UNDER THE SPECIFIC PROVISIONS OF A BY-LAW ADOPTED BY THE MEMBERS, SUBJECT TO THE FOLLOWING LIMITATIONS:

(1) IF THE BOARD IS AUTHORIZED BY THE BY-LAWS TO CHANGE THE NUMBER OF DIRECTORS, WHETHER BY AMENDING THE BY-LAWS OR BY TAKING ACTION UNDER THE SPECIFIC PROVISIONS OF A BY-LAW ADOPTED BY THE MEMBERS, SUCH AMENDMENT OR ACTION SHALL REQUIRE THE VOTE OF A MAJORITY OF THE ENTIRE BOARD.

(2) NO DECREASE SHALL SHORTEN THE TERM OF ANY INCUMBENT DIRECTOR.

S 703. ELECTION AND TERM OF OFFICE OF DIRECTORS; ALTERNATES.

(A) A CORPORATION MAY PROVIDE IN ITS CERTIFICATE OF INCORPORATION OR BY-LAWS FOR DIRECTORS TO BE ELECTED OR APPOINTED AT LARGE, OR BY SPECIAL DISTRICTS OR MEMBERSHIP SECTIONS, OR BY VIRTUE OF THEIR OFFICE OR FORMER OFFICE IN THE CORPORATION OR OTHER ENTITY, PUBLIC OR PRIVATE, OR BY BONDHOLDERS PURSUANT TO PARAGRAPH (C) OF SECTION 506 OF THIS CHAPTER VOTING AS A CLASS, OR ANY COMBINATION THEREOF.

(B) DIRECTORS SHALL BE ELECTED OR APPOINTED IN THE MANNER AND FOR THE TERM OF OFFICE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS. THE TERM OF OFFICE OF DIRECTORS, OTHER THAN THOSE ELECTED OR APPOINTED BY VIRTUE OF THEIR OFFICE OR FORMER OFFICE IN THE CORPORATION OR OTHER ENTITY, PUBLIC OR PRIVATE, SHALL NOT EXCEED FIVE YEARS; AND, IF THE BOARD IS CLASSIFIED UNDER SECTION 704 OF THIS ARTICLE, SUCH TERM SHALL NOT EXCEED A NUMBER OF YEARS EQUAL TO THE NUMBER OF CLASSES INTO WHICH THE BOARD IS CLASSIFIED. IN THE ABSENCE OF A PROVISION FIXING THE TERM, IT SHALL BE ONE YEAR.

(C) EACH DIRECTOR SHALL HOLD OFFICE UNTIL THE EXPIRATION OF THE TERM FOR WHICH HE OR SHE IS ELECTED OR APPOINTED, AND UNTIL HIS OR HER SUCCESSOR HAS BEEN ELECTED OR APPOINTED AND QUALIFIED.

(D) IF THE CERTIFICATE OF INCORPORATION OR BY-LAWS SO PROVIDE, A SPECIAL DISTRICT OR MEMBERSHIP SECTION ENTITLED TO ELECT OR APPOINT ONE OR MORE DIRECTORS MAY ELECT OR APPOINT AN ALTERNATE FOR EACH SUCH DIRECTOR. IN THE ABSENCE OF A DIRECTOR FROM A MEETING OF THE BOARD, HIS ALTERNATE MAY, UPON WRITTEN NOTICE TO THE SECRETARY OF THE CORPORATION, ATTEND SUCH MEETING AND EXERCISE THEREIN THE RIGHTS, POWERS, AND PRIVILEGES OF THE ABSENT DIRECTOR. WHEN SO EXERCISING THE RIGHTS, POWERS, AND PRIVILEGES OF THE ABSENT DIRECTOR, SUCH ALTERNATE SHALL BE SUBJECT IN ALL RESPECTS TO THE PROVISIONS OF THIS CHAPTER GOVERNING DIRECTORS.

S 704. CLASSIFICATION OF DIRECTORS.

(A) THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS MAY PROVIDE THAT DIRECTORS ELECTED OR APPOINTED AT LARGE SHALL BE DIVIDED INTO EITHER TWO, THREE, FOUR OR FIVE CLASSES FOR THE PURPOSE OF STAGGERING THEIR TERMS OF OFFICE AND THAT ALL OR SOME OF THE DIRECTORS ELECTED OR APPOINTED OTHERWISE THAN AT LARGE SHALL BE DIVIDED INTO THE SAME OR A DIFFERENT NUMBER OF CLASSES, NOT EXCEEDING FIVE, FOR THE SAME PURPOSE. ALL CLASSES OF EACH TYPE SHALL BE AS NEARLY EQUAL IN NUMBER AS POSSIBLE.

(B) THE TERMS OF OFFICE OF THE DIRECTORS INITIALLY CLASSIFIED SHALL BE AS FOLLOWS: THAT OF THE FIRST CLASS SHALL EXPIRE AT THE NEXT ANNUAL MEETING OF MEMBERS IF THERE BE MEMBERS, OR OF THE BOARD IF THERE BE NO MEMBERS, THE SECOND CLASS AT THE SECOND SUCCEEDING ANNUAL MEETING, THE

THIRD CLASS, IF ANY, AT THE THIRD SUCCEEDING ANNUAL MEETING, THE FOURTH CLASS, IF ANY, AT THE FOURTH SUCCEEDING ANNUAL MEETING AND THE FIFTH CLASS, IF ANY, AT THE FIFTH SUCCEEDING ANNUAL MEETING. AFTER SUCH INITIAL CLASSIFICATION, DIRECTORS TO REPLACE THOSE WHOSE TERMS EXPIRE AT EACH ANNUAL MEETING SHALL BE ELECTED OR APPOINTED AT SUCH MEETING TO HOLD OFFICE FOR A FULL TERM IN ACCORDANCE WITH SUCH CLASSIFICATION.

(C) IF DIRECTORS ARE CLASSIFIED AND THE NUMBER OF DIRECTORS IS THEREAFTER CHANGED BY ACTION OF THE BOARD:

(1) ANY NEWLY CREATED DIRECTORSHIPS OR ANY DECREASE IN DIRECTORSHIPS SHALL BE SO APPORTIONED AMONG THE CLASSES AS TO MAKE ALL CLASSES AS NEARLY EQUAL IN NUMBER AS POSSIBLE.

(2) IF NEWLY CREATED DIRECTORSHIPS ARE FILLED BY THE BOARD IN A CORPORATION HAVING MEMBERS, THERE SHALL BE NO CLASSIFICATION OF THE ADDITIONAL DIRECTORS UNTIL THE NEXT ANNUAL MEETING OF MEMBERS.

S 705. NEWLY CREATED DIRECTORSHIPS AND VACANCIES.

(A) NEWLY CREATED DIRECTORSHIPS RESULTING FROM AN INCREASE IN THE NUMBER OF DIRECTORS ELECTED OR APPOINTED AT LARGE, AND VACANCIES AMONG SUCH DIRECTORS FOR ANY REASON, MAY BE FILLED BY VOTE OF A MAJORITY OF THE DIRECTORS THEN IN OFFICE, REGARDLESS OF THEIR NUMBER, UNLESS THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS PROVIDE THAT SUCH NEWLY CREATED DIRECTORSHIPS OR VACANCIES SHALL BE FILLED BY VOTE OF THE MEMBERS.

(B) VACANCIES AMONG DIRECTORS ELECTED OR APPOINTED BY SPECIAL DISTRICTS OR MEMBERSHIP SECTIONS, OR BY BONDHOLDERS VOTING AS A CLASS, SHALL BE FILLED BY ACTION OF THE PERSONS ENTITLED TO VOTE THEREON; EXCEPT THAT, IF A VACANCY REMAINS UNFILLED FOR SIX MONTHS AFTER IT OCCURS, AND BY REASON OF THE ABSENCE, ILLNESS, OR OTHER INABILITY OF ONE OR MORE OF THE REMAINING DIRECTORS A QUORUM OF THE BOARD CANNOT BE OBTAINED, THE REMAINING DIRECTORS, OR A MAJORITY OF THEM, MAY APPOINT A DIRECTOR TO FILL SUCH VACANCY.

(C) A DIRECTOR ELECTED OR APPOINTED TO FILL A VACANCY SHALL HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING AT WHICH THE ELECTION OF DIRECTORS IS IN THE REGULAR ORDER OF BUSINESS, AND UNTIL HIS OR HER SUCCESSOR IS ELECTED OR APPOINTED AND QUALIFIED.

(D) UNLESS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR BY-LAWS, NOTWITHSTANDING THE PROVISIONS OF PARAGRAPHS (A) AND (B) OF THIS SECTION, WHENEVER THE HOLDERS OF ANY CLASS OR CLASSES OF MEMBERS ARE ENTITLED TO ELECT ONE OR MORE DIRECTORS BY THE CERTIFICATE OF INCORPORATION, ANY VACANCY THAT MAY BE FILLED BY THE BOARD OR A MAJORITY OF THE DIRECTORS THEN IN OFFICE, AS THE CASE MAY BE, SHALL BE FILLED BY A MAJORITY OF THE DIRECTORS ELECTED BY SUCH CLASS OR CLASSES THEN IN OFFICE, OR, IF NO SUCH DIRECTOR IS IN OFFICE, THEN AS PROVIDED IN PARAGRAPH (A) OR (B) OF THIS SECTION, AS THE CASE MAY BE.

S 706. REMOVAL OF DIRECTORS.

(A) EXCEPT AS LIMITED IN PARAGRAPH (C) OF THIS SECTION, ANY OR ALL OF THE DIRECTORS MAY BE REMOVED FOR CAUSE BY VOTE OF THE MEMBERS, OR BY VOTE OF THE DIRECTORS PROVIDED THERE IS A QUORUM OF NOT LESS THAN A MAJORITY PRESENT AT THE MEETING OF DIRECTORS AT WHICH SUCH ACTION IS TAKEN.

(B) EXCEPT AS LIMITED IN PARAGRAPH (C) OF THIS SECTION, IF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS SO PROVIDE, ANY OR ALL OF THE DIRECTORS MAY BE REMOVED WITHOUT CAUSE BY VOTE OF THE MEMBERS.

(C) THE REMOVAL OF DIRECTORS, WITH OR WITHOUT CAUSE, AS PROVIDED IN PARAGRAPHS (A) AND (B) OF THIS SECTION IS SUBJECT TO THE FOLLOWING:

(1) IN THE CASE OF A CORPORATION HAVING CUMULATIVE VOTING, NO DIRECTOR MAY BE REMOVED WHEN THE DIRECTOR'S REMOVAL WOULD BE SUFFICIENT TO ELECT

HIM OR HER IF VOTED CUMULATIVELY AT AN ELECTION AT WHICH THE SAME TOTAL NUMBER OF VOTES WERE CAST, WERE THEN BEING ELECTED; AND

(2) WHEN BY THE PROVISIONS OF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS THE MEMBERS OF ANY CLASS OR GROUP, OR THE HOLDERS OF BONDS, VOTING AS A CLASS, ARE ENTITLED TO ELECT ONE OR MORE DIRECTORS, ANY DIRECTOR SO ELECTED MAY BE REMOVED ONLY BY THE APPLICABLE VOTE OF THE MEMBERS OF THAT CLASS OR GROUP, OR THE HOLDERS OF SUCH BONDS, VOTING AS A CLASS.

(D) AN ACTION TO PROCURE A JUDGMENT REMOVING A DIRECTOR FOR CAUSE MAY BE BROUGHT BY THE ATTORNEY-GENERAL OR BY TEN PERCENT OF THE MEMBERS WHETHER OR NOT ENTITLED TO VOTE. THE COURT MAY BAR FROM RE-ELECTION ANY DIRECTOR SO REMOVED FOR A PERIOD FIXED BY THE COURT.

S 707. QUORUM OF DIRECTORS.

UNLESS A GREATER PROPORTION IS REQUIRED BY THIS CHAPTER OR BY THE CERTIFICATE OF INCORPORATION OR BY A BY-LAW ADOPTED BY THE MEMBERS, A MAJORITY OF THE ENTIRE BOARD SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS OR OF ANY SPECIFIED ITEM OF BUSINESS, EXCEPT THAT THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY FIX THE QUORUM AT LESS THAN A MAJORITY OF THE ENTIRE BOARD, PROVIDED THAT IN THE CASE OF A BOARD OF FIFTEEN MEMBERS OR LESS THE QUORUM SHALL BE AT LEAST ONE-THIRD OF THE ENTIRE NUMBER OF MEMBERS AND IN THE CASE OF A BOARD OF MORE THAN FIFTEEN MEMBERS THE QUORUM SHALL BE AT LEAST FIVE MEMBERS PLUS ONE ADDITIONAL MEMBER FOR EVERY TEN MEMBERS (OR FRACTION THEREOF) IN EXCESS OF FIFTEEN.

S 708. ACTION BY THE BOARD.

(A) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, ANY REFERENCE IN THIS CHAPTER TO CORPORATE ACTION TO BE TAKEN BY THE BOARD SHALL MEAN SUCH ACTION AT A MEETING OF THE BOARD.

(B) UNLESS OTHERWISE RESTRICTED BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, ANY ACTION REQUIRED OR PERMITTED TO BE TAKEN BY THE BOARD OR ANY COMMITTEE THEREOF MAY BE TAKEN WITHOUT A MEETING IF ALL MEMBERS OF THE BOARD OR THE COMMITTEE CONSENT IN WRITING TO THE ADOPTION OF A RESOLUTION AUTHORIZING THE ACTION. THE RESOLUTION AND THE WRITTEN CONSENTS THERETO BY THE MEMBERS OF THE BOARD OR COMMITTEE SHALL BE FILED WITH THE MINUTES OF THE PROCEEDINGS OF THE BOARD OR COMMITTEE.

(C) UNLESS OTHERWISE RESTRICTED BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, ANY ONE OR MORE DIRECTORS OR MEMBERS OF ANY COMMITTEE OF THE BOARD MAY PARTICIPATE IN A MEETING OF SUCH BOARD OR COMMITTEE BY MEANS OF A CONFERENCE TELEPHONE OR SIMILAR COMMUNICATIONS EQUIPMENT ALLOWING ALL PERSONS PARTICIPATING IN THE MEETING TO HEAR EACH OTHER AT THE SAME TIME. PARTICIPATION BY SUCH MEANS SHALL CONSTITUTE PRESENCE IN PERSON AT A MEETING.

(D) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, THE VOTE OF A MAJORITY OF THE DIRECTORS PRESENT AT THE TIME OF THE VOTE, IF A QUORUM IS PRESENT AT SUCH TIME, SHALL BE THE ACT OF THE BOARD.

S 709. GREATER REQUIREMENT AS TO QUORUM AND VOTE OF DIRECTORS.

(A) THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS MAY CONTAIN PROVISIONS SPECIFYING EITHER OR BOTH OF THE FOLLOWING:

(1) THAT THE PROPORTION OF DIRECTORS THAT SHALL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS OR OF ANY SPECIFIED ITEM OF BUSINESS SHALL BE GREATER THAN THE PROPORTION PRESCRIBED BY THIS CHAPTER IN THE ABSENCE OF SUCH PROVISION.

(2) THAT THE PROPORTION OF VOTES OF DIRECTORS THAT SHALL BE NECESSARY FOR THE TRANSACTION OF BUSINESS OR OF ANY SPECIFIED ITEM OF BUSINESS

SHALL BE GREATER THAN THE PROPORTION PRESCRIBED BY THIS CHAPTER IN THE ABSENCE OF SUCH PROVISION.

(B) AN AMENDMENT BY THE MEMBERS OF THE CERTIFICATE OF INCORPORATION OR OF THE BY-LAWS WHICH ADDS A PROVISION PERMITTED BY THIS SECTION OR WHICH CHANGES OR STRIKES OUT SUCH A PROVISION, SHALL BE AUTHORIZED BY VOTE OF TWO-THIRDS OF THE MEMBERS ENTITLED TO VOTE OR OF SUCH GREATER PROPORTION AS MAY BE PROVIDED SPECIFICALLY IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAW FOR ADDING, CHANGING OR STRIKING OUT A PROVISION PERMITTED BY THIS SECTION.

(C) IF THERE ARE NO MEMBERS, AN AMENDMENT BY THE BOARD OF DIRECTORS OF THE CERTIFICATE OF INCORPORATION OR THE BY-LAW WHICH ADDS A PROVISION PERMITTED BY THIS SECTION OR WHICH CHANGES OR STRIKES OUT SUCH A PROVISION, SHALL BE AUTHORIZED AT A MEETING BY VOTE OF TWO-THIRDS OF THE ENTIRE BOARD, OR OF SUCH GREATER PROPORTION AS MAY BE PROVIDED SPECIFICALLY IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAW FOR ADDING, CHANGING OR STRIKING OUT A PROVISION PERMITTED BY THIS SECTION.

S 710. PLACE AND TIME OF MEETINGS OF THE BOARD.

(A) MEETINGS OF THE BOARD, ANNUAL, REGULAR OR SPECIAL, MAY BE HELD AT ANY PLACE WITHIN OR WITHOUT THIS STATE, UNLESS OTHERWISE PROVIDED BY THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS.

(B) THE TIME AND PLACE FOR HOLDING ANNUAL OR REGULAR MEETINGS OF THE BOARD SHALL BE FIXED BY OR UNDER THE BY-LAWS, OR, IF NOT SO FIXED, BY THE BOARD.

(C) A SPECIAL MEETING MAY BE CALLED AT ANY TIME BY THE PRESIDENT OR OTHER CORPORATE OFFICER AS PROVIDED IN THE BY-LAWS OR AS DETERMINED BY THE BOARD; AND, IN THE CASE OF A CORPORATION WITHOUT MEMBERS, BY ANY DIRECTOR UPON WRITTEN DEMAND OF NOT LESS THAN ONE-FIFTH OF THE ENTIRE BOARD.

S 711. NOTICE OF MEETINGS OF THE BOARD.

(A) UNLESS OTHERWISE PROVIDED BY THE BY-LAWS, REGULAR MEETINGS OF THE BOARD MAY BE HELD WITHOUT NOTICE IF THE TIME AND PLACE OF SUCH MEETINGS ARE FIXED BY THE BY-LAWS OR THE BOARD. SPECIAL MEETINGS OF THE BOARD SHALL BE HELD UPON NOTICE TO THE DIRECTORS.

(B) THE BY-LAWS MAY PRESCRIBE WHAT SHALL CONSTITUTE NOTICE OF MEETING OF THE BOARD. A NOTICE, OR WAIVER OF NOTICE, NEED NOT SPECIFY THE PURPOSE OF ANY REGULAR OR SPECIAL MEETING OF THE BOARD, UNLESS REQUIRED BY THE BY-LAWS.

(C) NOTICE OF A MEETING NEED NOT BE GIVEN TO ANY ALTERNATE DIRECTOR, NOR TO ANY DIRECTOR WHO SUBMITS A SIGNED WAIVER OF NOTICE WHETHER BEFORE OR AFTER THE MEETING, OR WHO ATTENDS THE MEETING WITHOUT PROTESTING, PRIOR THERETO OR AT ITS COMMENCEMENT, THE LACK OF NOTICE TO SUCH DIRECTOR.

(D) A MAJORITY OF THE DIRECTORS PRESENT, WHETHER OR NOT A QUORUM IS PRESENT, MAY ADJOURN ANY MEETING TO ANOTHER TIME AND PLACE. IF THE BY-LAWS SO PROVIDE, NOTICE OF ANY ADJOURNMENT OF A MEETING OF THE BOARD TO ANOTHER TIME OR PLACE SHALL BE GIVEN TO THE DIRECTORS WHO WERE NOT PRESENT AT THE TIME OF THE ADJOURNMENT AND, UNLESS SUCH TIME AND PLACE ARE ANNOUNCED AT THE MEETING, TO THE OTHER DIRECTORS.

S 712. EXECUTIVE COMMITTEE AND OTHER COMMITTEES.

(A) IF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS SO PROVIDE, THE BOARD, BY RESOLUTION ADOPTED BY A MAJORITY OF THE ENTIRE BOARD, MAY DESIGNATE FROM AMONG ITS MEMBERS AN EXECUTIVE COMMITTEE AND OTHER COMMITTEES, EACH CONSISTING OF THREE OR MORE DIRECTORS, AND EACH OF WHICH, TO THE EXTENT PROVIDED IN THE RESOLUTION OR IN THE CERTIFICATE OF INCORPORATION OR BY-LAWS, SHALL HAVE ALL THE AUTHORITY OF THE BOARD,

EXCEPT THAT NO SUCH COMMITTEE SHALL HAVE AUTHORITY AS TO THE FOLLOWING MATTERS:

(1) THE SUBMISSION TO MEMBERS OF ANY ACTION REQUIRING MEMBERS' APPROVAL UNDER THIS CHAPTER.

(2) THE FILLING OF VACANCIES IN THE BOARD OF DIRECTORS OR IN ANY COMMITTEE.

(3) THE FIXING OF COMPENSATION OF THE DIRECTORS FOR SERVING ON THE BOARD OR ON ANY COMMITTEE.

(4) THE AMENDMENT OR REPEAL OF THE BY-LAWS OR THE ADOPTION OF NEW BY-LAWS.

(5) THE AMENDMENT OR REPEAL OF ANY RESOLUTION OF THE BOARD WHICH BY ITS TERMS SHALL NOT BE SO AMENDABLE OR REPEALABLE.

(B) THE BOARD MAY DESIGNATE ONE OR MORE DIRECTORS AS ALTERNATE MEMBERS OF ANY COMMITTEE, WHO MAY REPLACE ANY ABSENT MEMBER OR MEMBERS AT ANY MEETING OF SUCH COMMITTEE.

(C) EACH COMMITTEE OF THE BOARD SHALL SERVE AT THE PLEASURE OF THE BOARD. THE DESIGNATION OF ANY SUCH COMMITTEE AND THE DELEGATION THERETO OF AUTHORITY SHALL NOT ALONE RELIEVE ANY DIRECTOR OF HIS OR HER DUTY TO THE CORPORATION UNDER SECTION 717 OF THIS ARTICLE.

(D) COMMITTEES, OTHER THAN COMMITTEES OF THE BOARD, WHETHER CREATED BY THE BOARD OR BY THE MEMBERS, SHALL BE COMMITTEES OF THE CORPORATION. SUCH COMMITTEES MAY BE ELECTED OR APPOINTED IN THE SAME MANNER AS OFFICERS OF THE CORPORATION. PROVISIONS OF THIS CHAPTER APPLICABLE TO OFFICERS GENERALLY SHALL APPLY TO MEMBERS OF SUCH COMMITTEES.

S 713. OFFICERS.

(A) THE BOARD MAY ELECT OR APPOINT A PRESIDENT, ONE OR MORE VICE-PRESIDENTS, A SECRETARY AND A TREASURER, AND SUCH OTHER OFFICERS AS IT MAY DETERMINE, OR AS MAY BE PROVIDED IN THE BY-LAWS. THESE OFFICERS MAY BE DESIGNATED BY SUCH ALTERNATE TITLES AS MAY BE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS. ANY TWO OR MORE OFFICES MAY BE HELD BY THE SAME PERSON, EXCEPT THE OFFICES OF PRESIDENT AND SECRETARY, OR THE OFFICES CORRESPONDING THERETO.

(B) THE CERTIFICATE OF INCORPORATION OR A BY-LAW ADOPTED BY THE MEMBERS MAY PROVIDE THAT ALL OFFICERS OR THAT SPECIFIED OFFICERS SHALL BE ELECTED BY THE MEMBERS INSTEAD OF BY THE BOARD, OR IT MAY AUTHORIZE THE PRESIDENT TO APPOINT THE OTHER OFFICERS, OR SOME OF THEM, SUBJECT TO APPROVAL BY THE BOARD.

(C) EACH OFFICER SHALL HOLD OFFICE FOR THE TERM FOR WHICH ELECTED OR APPOINTED, AND UNTIL HIS OR HER SUCCESSOR HAS BEEN ELECTED OR APPOINTED AND QUALIFIED. UNLESS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, ALL OFFICERS SHALL BE ELECTED OR APPOINTED ANNUALLY.

(D) THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS MAY PROVIDE THAT ANY ONE OR MORE OFFICERS SHALL BE EX-OFFICIO MEMBERS OF THE BOARD, WITH VOTING RIGHTS UNLESS SPECIFIED OTHERWISE.

(E) ALL OFFICERS AS BETWEEN THEMSELVES AND THE CORPORATION SHALL HAVE SUCH AUTHORITY AND PERFORM SUCH DUTIES IN THE MANAGEMENT OF THE CORPORATION AS MAY BE PROVIDED IN THE BY-LAWS OR, TO THE EXTENT NOT SO PROVIDED, BY THE BOARD. THE BOARD MAY REQUIRE ANY OFFICER TO GIVE SECURITY FOR THE FAITHFUL PERFORMANCE OF HIS OR HER DUTIES.

S 714. REMOVAL OF OFFICERS.

(A) ANY OFFICER ELECTED OR APPOINTED BY THE BOARD MAY BE REMOVED BY THE BOARD WITH OR WITHOUT CAUSE. AN OFFICER ELECTED BY THE MEMBERS OR A CLASS OF MEMBERS MAY BE REMOVED, WITH OR WITHOUT CAUSE, ONLY BY THE VOTE OF THE MEMBERS OR SUCH CLASS OF MEMBERS, BUT HIS OR HER AUTHORITY TO ACT AS AN OFFICER MAY BE SUSPENDED BY THE BOARD FOR CAUSE.

(B) THE REMOVAL OF AN OFFICER WITHOUT CAUSE SHALL BE WITHOUT PREJUDICE TO HIS OR HER CONTRACT RIGHTS, IF ANY. THE ELECTION OR APPOINTMENT OF AN OFFICER SHALL NOT OF ITSELF CREATE CONTRACT RIGHTS.

(C) AN ACTION TO PROCURE A JUDGMENT REMOVING AN OFFICER FOR CAUSE MAY BE BROUGHT BY THE ATTORNEY-GENERAL, BY ANY DIRECTOR, BY TEN PERCENT OF THE MEMBERS, WHETHER OR NOT ENTITLED TO VOTE, OR BY THE HOLDERS OF TEN PERCENT OF THE FACE VALUE OF THE OUTSTANDING CAPITAL CERTIFICATES OR BONDS HAVING VOTING RIGHTS. THE COURT MAY BAR FROM RE-ELECTION OR REAPPOINTMENT ANY OFFICER SO REMOVED FOR A PERIOD FIXED BY THE COURT.

S 715. INTERESTED DIRECTORS AND OFFICERS.

(A) NO CONTRACT OR OTHER TRANSACTION BETWEEN A CORPORATION AND ONE OR MORE OF ITS DIRECTORS OR OFFICERS, OR BETWEEN A CORPORATION AND ANY OTHER CORPORATION, FIRM, ASSOCIATION OR OTHER ENTITY IN WHICH ONE OR MORE OF ITS DIRECTORS OR OFFICERS ARE DIRECTORS OR OFFICERS, OR HAVE A SUBSTANTIAL FINANCIAL INTEREST, SHALL BE EITHER VOID OR VOIDABLE FOR THIS REASON ALONE OR BY REASON ALONE THAT SUCH DIRECTOR OR DIRECTORS OR OFFICER OR OFFICERS ARE PRESENT AT THE MEETING OF THE BOARD, OR OF A COMMITTEE THEREOF, WHICH AUTHORIZES SUCH CONTRACT OR TRANSACTION, OR THAT HIS, HER, OR THEIR VOTES ARE COUNTED FOR SUCH PURPOSE:

(1) IF THE MATERIAL FACTS AS TO SUCH DIRECTOR'S OR OFFICER'S INTEREST IN SUCH CONTRACT OR TRANSACTION AND AS TO ANY SUCH COMMON DIRECTORSHIP, OFFICERSHIP OR FINANCIAL INTEREST ARE DISCLOSED IN GOOD FAITH OR KNOWN TO THE BOARD OR COMMITTEE, AND THE BOARD OR COMMITTEE AUTHORIZES SUCH CONTRACT OR TRANSACTION BY A VOTE SUFFICIENT FOR SUCH PURPOSE WITHOUT COUNTING THE VOTE OR VOTES OF SUCH INTERESTED DIRECTOR OR OFFICER; OR

(2) IF THE MATERIAL FACTS AS TO SUCH DIRECTOR'S OR OFFICER'S INTEREST IN SUCH CONTRACT OR TRANSACTION AND AS TO ANY SUCH COMMON DIRECTORSHIP, OFFICERSHIP OR FINANCIAL INTEREST ARE DISCLOSED IN GOOD FAITH OR KNOWN TO THE MEMBERS ENTITLED TO VOTE THEREON, IF ANY, AND SUCH CONTRACT OR TRANSACTION IS AUTHORIZED BY VOTE OF SUCH MEMBERS.

(B) IF A CONTRACT OR OTHER TRANSACTION BETWEEN A CORPORATION AND ONE OR MORE OF ITS DIRECTORS, OR BETWEEN A CORPORATION AND ANY OTHER CORPORATION, FIRM, ASSOCIATION OR OTHER ENTITY IN WHICH ONE OR MORE OF ITS DIRECTORS ARE DIRECTORS OR OFFICERS, OR HAVE A SUBSTANTIAL FINANCIAL INTEREST, IS NOT APPROVED IN ACCORDANCE WITH THIS PARAGRAPH, THE CORPORATION MAY AVOID THE CONTRACT OR TRANSACTION UNLESS THE PARTY OR PARTIES THERETO SHALL ESTABLISH AFFIRMATIVELY THAT THE CONTRACT OR TRANSACTION WAS FAIR AND REASONABLE AS TO THE CORPORATION AT THE TIME IT WAS APPROVED BY THE BOARD, A COMMITTEE OR THE MEMBERS.

(C) COMMON OR INTERESTED DIRECTORS MAY BE COUNTED IN DETERMINING THE PRESENCE OF A QUORUM AT A MEETING OF THE BOARD OR OF A COMMITTEE WHICH AUTHORIZES SUCH CONTRACT OR TRANSACTION.

(D) THE CERTIFICATE OF INCORPORATION MAY CONTAIN ADDITIONAL RESTRICTIONS ON CONTRACTS OR TRANSACTIONS BETWEEN A CORPORATION AND ITS DIRECTORS OR OFFICERS OR OTHER PERSONS AND MAY PROVIDE THAT CONTRACTS OR TRANSACTIONS IN VIOLATION OF SUCH RESTRICTIONS SHALL BE VOID OR VOIDABLE.

(E) UNLESS OTHERWISE PROVIDED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, THE BOARD SHALL HAVE AUTHORITY TO FIX THE COMPENSATION OF DIRECTORS FOR SERVICES IN ANY CAPACITY.

S 716. LOANS TO DIRECTORS AND OFFICERS.

NO LOANS, OTHER THAN THROUGH THE PURCHASE OF BONDS, DEBENTURES, OR SIMILAR OBLIGATIONS OF THE TYPE CUSTOMARILY SOLD IN PUBLIC OFFERINGS, OR THROUGH ORDINARY DEPOSIT OF FUNDS IN A BANK, SHALL BE MADE BY A CORPORATION TO ITS DIRECTORS OR OFFICERS, OR TO ANY OTHER CORPORATION, FIRM, ASSOCIATION OR OTHER ENTITY IN WHICH ONE OR MORE OF ITS DIRECTORS OR

OFFICERS ARE DIRECTORS OR OFFICERS OR HOLD A SUBSTANTIAL FINANCIAL INTEREST, EXCEPT A LOAN BY ONE CORPORATION ORGANIZED FOR CHARITABLE PURPOSES TO ANOTHER CORPORATION ORGANIZED FOR CHARITABLE PURPOSES. A LOAN MADE IN VIOLATION OF THIS SECTION SHALL BE A VIOLATION OF THE DUTY TO THE CORPORATION OF THE DIRECTORS OR OFFICERS AUTHORIZING IT OR PARTICIPATING IN IT, BUT THE OBLIGATION OF THE BORROWER WITH RESPECT TO THE LOAN SHALL NOT BE AFFECTED THEREBY.

S 717. DUTY OF DIRECTORS AND OFFICERS.

(A) DIRECTORS AND OFFICERS SHALL DISCHARGE THE DUTIES OF THEIR RESPECTIVE POSITIONS IN GOOD FAITH AND WITH THAT DEGREE OF DILIGENCE, CARE AND SKILL WHICH ORDINARILY PRUDENT PERSONS WOULD EXERCISE UNDER SIMILAR CIRCUMSTANCES IN LIKE POSITIONS. IN THE ADMINISTRATION OF THE POWERS TO MAKE AND RETAIN INVESTMENTS PURSUANT TO SECTION 512 OF THIS CHAPTER, TO APPROPRIATE APPRECIATION PURSUANT TO SECTION 513 OF THIS CHAPTER, AND TO DELEGATE INVESTMENT MANAGEMENT OF INSTITUTIONAL FUNDS PURSUANT TO SECTION 514 OF THIS CHAPTER, A GOVERNING BOARD SHALL CONSIDER AMONG OTHER RELEVANT CONSIDERATIONS THE LONG AND SHORT TERM NEEDS OF THE CORPORATION IN CARRYING OUT ITS PURPOSES, ITS PRESENT AND ANTICIPATED FINANCIAL REQUIREMENTS, EXPECTED TOTAL RETURN ON ITS INVESTMENTS, PRICE LEVEL TRENDS, AND GENERAL ECONOMIC CONDITIONS.

(B) IN DISCHARGING THEIR DUTIES, DIRECTORS AND OFFICERS, WHEN ACTING IN GOOD FAITH, MAY RELY ON INFORMATION, OPINIONS, REPORTS OR STATEMENTS INCLUDING FINANCIAL STATEMENTS AND OTHER FINANCIAL DATA, IN EACH CASE PREPARED OR PRESENTED BY: (1) ONE OR MORE OFFICERS OR EMPLOYEES OF THE CORPORATION, WHOM THE DIRECTOR BELIEVES TO BE RELIABLE AND COMPETENT IN THE MATTERS PRESENTED, (2) COUNSEL, PUBLIC ACCOUNTANTS OR OTHER PERSONS AS TO MATTERS WHICH THE DIRECTORS OR OFFICERS BELIEVE TO BE WITHIN SUCH PERSON'S PROFESSIONAL OR EXPERT COMPETENCE OR (3) A COMMITTEE OF THE BOARD UPON WHICH THEY DO NOT SERVE, DULY DESIGNATED IN ACCORDANCE WITH A PROVISION OF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS, AS TO MATTERS WITHIN ITS DESIGNATED AUTHORITY, WHICH COMMITTEE THE DIRECTORS OR OFFICERS BELIEVE TO MERIT CONFIDENCE, SO LONG AS IN SO RELYING THEY SHALL BE ACTING IN GOOD FAITH AND WITH THAT DEGREE OF CARE SPECIFIED IN PARAGRAPH (A) OF THIS SECTION, BUT THE DIRECTOR OR OFFICER SHALL NOT BE CONSIDERED TO BE ACTING IN GOOD FAITH IF THE DIRECTOR OR OFFICER HAS KNOWLEDGE CONCERNING THE MATTER IN QUESTION THAT WOULD CAUSE SUCH RELIANCE TO BE UNWARRANTED. PERSONS SHALL NOT BE CONSIDERED TO BE ACTING IN GOOD FAITH IF THEY HAVE KNOWLEDGE CONCERNING THE MATTER IN QUESTION THAT WOULD CAUSE SUCH RELIANCE TO BE UNWARRANTED. PERSONS WHO SO PERFORM THEIR DUTIES SHALL HAVE NO LIABILITY BY REASON OF BEING OR HAVING BEEN DIRECTORS OR OFFICERS OF THE CORPORATION.

(C) IN TAKING ACTION, INCLUDING, WITHOUT LIMITATION, ACTION WHICH MAY INVOLVE OR RELATE TO A CHANGE OR POTENTIAL CHANGE IN THE CONTROL OF THE CORPORATION, A DIRECTOR SHALL BE ENTITLED TO CONSIDER, WITHOUT LIMITATION, (1) BOTH THE LONG-TERM AND THE SHORT-TERM INTERESTS OF THE CORPORATION AND ITS MEMBERS AND (2) THE EFFECTS THAT THE CORPORATION'S ACTIONS MAY HAVE IN THE SHORT-TERM OR IN THE LONG-TERM UPON ANY OF THE FOLLOWING:

(A) THE PROSPECTS FOR POTENTIAL GROWTH, DEVELOPMENT, PRODUCTIVITY AND FINANCIAL STABILITY OF THE CORPORATION;

(B) THE CORPORATION'S CURRENT EMPLOYEES;

(C) THE CORPORATION'S RETIRED EMPLOYEES AND OTHER BENEFICIARIES RECEIVING OR ENTITLED TO RECEIVE RETIREMENT, WELFARE OR SIMILAR BENEFITS FROM OR PURSUANT TO ANY PLAN SPONSORED, OR AGREEMENT ENTERED INTO, BY THE CORPORATION;

(D) THE BENEFICIARIES OR RECIPIENTS OF THE CORPORATION'S SERVICES;

(E) THE CORPORATION'S CREDITORS;

(F) THE ABILITY OF THE CORPORATION TO PROVIDE, AS A GOING CONCERN, BENEFITS, GOODS, SERVICES, EMPLOYMENT OPPORTUNITIES AND EMPLOYMENT BENEFITS AND OTHERWISE TO CONTRIBUTE TO THE COMMUNITIES IN WHICH IT CONDUCTS ACTIVITIES; AND

(G) THE ACCOMPLISHMENT OF THE CORPORATION'S PURPOSES AS STATED IN THE CERTIFICATE OF INCORPORATION.

NOTHING IN THIS PARAGRAPH SHALL CREATE ANY DUTIES OWED BY ANY DIRECTOR TO ANY PERSON OR ENTITY TO CONSIDER OR AFFORD ANY PARTICULAR WEIGHT TO ANY OF THE FOREGOING OR ABROGATE ANY DUTY OF THE DIRECTORS, EITHER STATUTORY OR RECOGNIZED BY COMMON LAW OR COURT DECISIONS.

FOR PURPOSES OF THIS PARAGRAPH, "CONTROL" SHALL MEAN THE POSSESSION, DIRECTLY OR INDIRECTLY, OF THE POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND POLICIES OF THE CORPORATION, WHETHER THROUGH MEMBERSHIP OR OTHERWISE.

S 718. LIST OF DIRECTORS AND OFFICERS.

(A) IF A MEMBER OF A CORPORATION, IN PERSON OR BY HIS OR HER ATTORNEY OR AGENT, OR A REPRESENTATIVE OF THE DISTRICT ATTORNEY OR OF THE SECRETARY OF STATE, THE ATTORNEY GENERAL, OR OTHER STATE OFFICIAL, MAKES A WRITTEN DEMAND ON A CORPORATION TO INSPECT A CURRENT LIST OF ITS DIRECTORS AND OFFICERS AND THEIR ADDRESSES, THE CORPORATION SHALL, WITHIN TWO BUSINESS DAYS AFTER RECEIPT OF THE DEMAND AND FOR A PERIOD OF ONE WEEK THEREAFTER, MAKE THE LIST AVAILABLE FOR SUCH INSPECTION AT ITS OFFICE DURING USUAL BUSINESS HOURS. ANY CORRESPONDENCE ADDRESSED TO A DIRECTOR OR OFFICER AND RECEIVED BY THE CORPORATION SHALL BE GIVEN BY THE CORPORATION TO THE DIRECTOR OR OFFICER.

(B) UPON REFUSAL BY THE CORPORATION TO MAKE A CURRENT LIST OF ITS DIRECTORS AND OFFICERS AND THEIR ADDRESSES AVAILABLE, AS PROVIDED IN PARAGRAPH (A) OF THIS SECTION, THE PERSON MAKING A DEMAND FOR SUCH LIST MAY APPLY, EX PARTE, TO THE SUPREME COURT AT A SPECIAL TERM HELD WITHIN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION IS LOCATED FOR AN ORDER DIRECTING THE CORPORATION TO MAKE SUCH LIST AVAILABLE. THE COURT MAY GRANT SUCH ORDER OR TAKE SUCH OTHER ACTION AS IT MAY DEEM JUST AND PROPER.

S 719. LIABILITY OF DIRECTORS IN CERTAIN CASES.

(A) DIRECTORS OF A CORPORATION WHO VOTE FOR OR CONCUR IN ANY OF THE FOLLOWING CORPORATE ACTIONS SHALL BE JOINTLY AND SEVERALLY LIABLE TO THE CORPORATION FOR THE BENEFIT OF ITS CREDITORS OR MEMBERS OR THE ULTIMATE BENEFICIARIES OF ITS ACTIVITIES, TO THE EXTENT OF ANY INJURY SUFFERED BY SUCH PERSONS, RESPECTIVELY, AS A RESULT OF SUCH ACTION, OR, IF THERE BE NO CREDITORS OR MEMBERS OR ULTIMATE BENEFICIARIES SO INJURED, TO THE CORPORATION, TO THE EXTENT OF ANY INJURY SUFFERED BY THE CORPORATION AS A RESULT OF SUCH ACTION:

(1) THE DISTRIBUTION OF THE CORPORATION'S CASH OR PROPERTY TO MEMBERS, DIRECTORS OR OFFICERS, OTHER THAN A DISTRIBUTION PERMITTED UNDER SECTION 515 OF THIS CHAPTER.

(2) THE REDEMPTION OF CAPITAL CERTIFICATES OR BONDS, TO THE EXTENT SUCH REDEMPTION IS CONTRARY TO THE PROVISIONS OF SECTION 502, 504, OR 506 OF THIS CHAPTER.

(3) THE PAYMENT OF INTEREST TO THE HOLDERS OR BENEFICIARIES OF BONDS TO THE EXTENT SUCH PAYMENT IS CONTRARY TO THE PROVISIONS OF SECTION 504 OR 506 OF THIS CHAPTER.

(4) THE DISTRIBUTION OF ASSETS IN VIOLATION OF SECTION 1002-A OF THIS CHAPTER OR WITHOUT PAYING OR ADEQUATELY PROVIDING FOR ALL KNOWN LIABILITIES OF THE CORPORATION, EXCLUDING ANY CLAIMS NOT FILED BY CREDITORS

WITHIN THE TIME LIMIT SET IN A NOTICE GIVEN TO CREDITORS UNDER ARTICLE 10 OR 11 OF THIS CHAPTER.

(5) THE MAKING OF ANY LOAN CONTRARY TO SECTION 716 OF THIS ARTICLE.

(B) A DIRECTOR WHO IS PRESENT AT A MEETING OF THE BOARD, OR ANY COMMITTEE THEREOF, AT WHICH ACTION SPECIFIED IN PARAGRAPH (A) OF THIS SECTION IS TAKEN SHALL BE PRESUMED TO HAVE CONCURRED IN THE ACTION UNLESS HIS OR HER DISSENT THERETO SHALL BE ENTERED IN THE MINUTES OF THE MEETING, OR UNLESS HE OR SHE SHALL SUBMIT A WRITTEN DISSENT TO THE PERSON ACTING AS THE SECRETARY OF THE MEETING BEFORE THE ADJOURNMENT THEREOF, OR SHALL DELIVER OR SEND BY REGISTERED MAIL SUCH DISSENT TO THE SECRETARY OF THE CORPORATION PROMPTLY AFTER THE ADJOURNMENT OF THE MEETING. SUCH RIGHT TO DISSENT SHALL NOT APPLY TO A DIRECTOR WHO VOTED IN FAVOR OF SUCH ACTION. A DIRECTOR WHO IS ABSENT FROM A MEETING OF THE BOARD, OR ANY COMMITTEE THEREOF, AT WHICH SUCH ACTION IS TAKEN SHALL BE PRESUMED TO HAVE CONCURRED IN THE ACTION UNLESS HE OR SHE SHALL DELIVER OR SEND BY REGISTERED MAIL A DISSENT THERETO TO THE SECRETARY OF THE CORPORATION OR SHALL CAUSE SUCH DISSENT TO BE FILED WITH THE MINUTES OF THE PROCEEDINGS OF THE BOARD OR COMMITTEE WITHIN A REASONABLE TIME AFTER LEARNING OF SUCH ACTION.

(C) ANY DIRECTOR AGAINST WHOM A CLAIM IS SUCCESSFULLY ASSERTED UNDER THIS SECTION SHALL BE ENTITLED TO CONTRIBUTION FROM THE OTHER DIRECTORS WHO VOTED FOR OR CONCURRED IN THE ACTION UPON WHICH THE CLAIM IS ASSERTED.

(D) DIRECTORS AGAINST WHOM A CLAIM IS SUCCESSFULLY ASSERTED UNDER THIS SECTION SHALL BE ENTITLED, TO THE EXTENT OF THE AMOUNTS PAID BY THEM TO THE CORPORATION AS A RESULT OF SUCH CLAIMS:

(1) UPON REIMBURSEMENT TO THE CORPORATION OF ANY AMOUNT OF AN IMPROPER DISTRIBUTION OF THE CORPORATION'S CASH OR PROPERTY, TO BE SUBROGATED TO THE RIGHTS OF THE CORPORATION AGAINST MEMBERS, DIRECTORS OR OFFICERS WHO RECEIVED SUCH DISTRIBUTION WITH KNOWLEDGE OF FACTS INDICATING THAT IT WAS NOT AUTHORIZED BY THIS CHAPTER, IN PROPORTION TO THE AMOUNTS RECEIVED BY THEM RESPECTIVELY.

(2) UPON REIMBURSEMENT TO THE CORPORATION OF AN AMOUNT REPRESENTING AN IMPROPER REDEMPTION OF A CAPITAL CERTIFICATE OR BOND, TO HAVE THE CORPORATION RESCIND SUCH IMPROPER REDEMPTION AND RECOVER THE AMOUNT PAID, FOR THEIR BENEFIT BUT AT THEIR EXPENSE, FROM ANY MEMBER OR HOLDER WHO RECEIVED SUCH PAYMENT WITH KNOWLEDGE OF FACTS INDICATING THAT SUCH REDEMPTION BY THE CORPORATION WAS NOT AUTHORIZED BY THIS CHAPTER.

(3) UPON REIMBURSEMENT TO THE CORPORATION OF AN AMOUNT REPRESENTING ALL OR PART OF AN IMPROPER PAYMENT OF INTEREST TO THE HOLDER OR BENEFICIARY OF A BOND, TO HAVE THE CORPORATION RECOVER THE AMOUNT SO PAID, FOR THEIR BENEFIT BUT AT THEIR EXPENSE, FROM ANY HOLDER OR BENEFICIARY WHO RECEIVED SUCH PAYMENT WITH KNOWLEDGE OF FACTS INDICATING THAT SUCH PAYMENT BY THE CORPORATION WAS NOT AUTHORIZED BY THIS CHAPTER.

(4) UPON PAYMENT TO THE CORPORATION OF THE CLAIM OF THE ATTORNEY GENERAL OR OF ANY CREDITOR BY REASON OF A VIOLATION OF SUBPARAGRAPH (4) OF PARAGRAPH (A) OF THIS SECTION, TO BE SUBROGATED TO THE RIGHTS OF THE CORPORATION AGAINST ANY PERSON WHO RECEIVED AN IMPROPER DISTRIBUTION OF ASSETS.

(5) UPON REIMBURSEMENT TO THE CORPORATION OF THE AMOUNT OF ANY LOAN MADE CONTRARY TO SECTION 716 OF THIS ARTICLE, TO BE SUBROGATED TO THE RIGHTS OF THE CORPORATION AGAINST A DIRECTOR OR OFFICER WHO RECEIVED THE IMPROPER LOAN.

(E) A DIRECTOR OR OFFICER SHALL NOT BE LIABLE UNDER THIS SECTION IF, IN THE CIRCUMSTANCES, THE DIRECTOR DISCHARGED HIS OR HER DUTY TO THE CORPORATION UNDER SECTION 717 OF THIS ARTICLE.

(F) THIS SECTION SHALL NOT AFFECT ANY LIABILITY OTHERWISE IMPOSED BY LAW UPON ANY DIRECTOR OR OFFICER.

S 720. ACTIONS ON BEHALF OF THE CORPORATION.

(A) AN ACTION MAY BE BROUGHT AGAINST ONE OR MORE DIRECTORS OR OFFICERS OF A CORPORATION TO PROCURE A JUDGMENT FOR THE FOLLOWING RELIEF:

(1) TO COMPEL THE DEFENDANT TO ACCOUNT FOR OFFICIAL CONDUCT IN THE FOLLOWING CASES:

(A) THE NEGLECT OF, OR FAILURE TO PERFORM, OR OTHER VIOLATION OF DUTIES IN THE MANAGEMENT AND DISPOSITION OF CORPORATE ASSETS COMMITTED TO THE DUTIES OF SUCH PERSON.

(B) THE ACQUISITION BY SUCH PERSON, TRANSFER TO OTHERS, LOSS OR WASTE OF CORPORATE ASSETS DUE TO ANY NEGLECT OF, OR FAILURE TO PERFORM, OR OTHER VIOLATION OF THE DUTIES OF SUCH PERSON.

(2) TO SET ASIDE AN UNLAWFUL CONVEYANCE, ASSIGNMENT OR TRANSFER OF CORPORATE ASSETS, WHERE THE TRANSFEREE KNEW OF ITS UNLAWFULNESS.

(3) TO ENJOIN A PROPOSED UNLAWFUL CONVEYANCE, ASSIGNMENT OR TRANSFER OF CORPORATE ASSETS, WHERE THERE ARE REASONABLE GROUNDS FOR BELIEF THAT IT WILL BE MADE.

(B) AN ACTION MAY BE BROUGHT FOR THE RELIEF PROVIDED IN THIS SECTION AND IN PARAGRAPH (A) OF SECTION 719 OF THIS ARTICLE BY THE ATTORNEY GENERAL, BY THE CORPORATION, OR, IN THE RIGHT OF THE CORPORATION, BY ANY OF THE FOLLOWING:

(1) A DIRECTOR OR OFFICER OF THE CORPORATION.

(2) A RECEIVER, TRUSTEE IN BANKRUPTCY, OR JUDGMENT CREDITOR THEREOF.

(3) UNDER SECTION 623 OF THIS CHAPTER, BY ONE OR MORE OF THE MEMBERS THEREOF.

(4) IF THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS SO PROVIDE, BY ANY CONTRIBUTOR TO THE CORPORATION OF CASH OR PROPERTY OF THE VALUE OF ONE THOUSAND DOLLARS OR MORE.

(C) IN A CORPORATION HAVING NO MEMBERS, AN ACTION MAY BE BROUGHT BY A DIRECTOR AGAINST THIRD PARTIES TO OBTAIN A JUDGMENT IN FAVOR OF THE CORPORATION. THE COMPLAINT SHALL SET FORTH WITH PARTICULARITY THE EFFORTS OF THE PLAINTIFF TO SECURE THE INITIATION OF SUCH ACTION BY THE BOARD OR THE REASON FOR NOT MAKING SUCH EFFORTS. THE COURT IN ITS DISCRETION SHALL DETERMINE WHETHER IT IS IN THE INTEREST OF THE CORPORATION THAT THE ACTION BE MAINTAINED, AND IF THE ACTION IS SUCCESSFUL IN WHOLE OR IN PART, WHAT REIMBURSEMENT IF ANY SHOULD BE MADE OUT OF THE CORPORATE TREASURY TO THE PLAINTIFF FOR REASONABLE EXPENSES INCLUDING ATTORNEY'S FEES, INCURRED IN THE PROSECUTION OF THE ACTION.

S 720-A. LIABILITY OF DIRECTORS, OFFICERS AND TRUSTEES.

EXCEPT AS PROVIDED IN SECTIONS 719 AND 720 OF THIS ARTICLE, AND EXCEPT ANY ACTION OR PROCEEDING BROUGHT BY THE ATTORNEY GENERAL OR, IN THE CASE OF A CHARITABLE TRUST, AN ACTION OR PROCEEDING AGAINST A TRUSTEE BROUGHT BY A BENEFICIARY OF SUCH TRUST, NO PERSON SERVING WITHOUT COMPENSATION AS A DIRECTOR, OFFICER OR TRUSTEE OF A CORPORATION, ASSOCIATION, ORGANIZATION OR TRUST DESCRIBED IN SECTION 501(C)(3) OF THE UNITED STATES INTERNAL REVENUE CODE SHALL BE LIABLE TO ANY PERSON OTHER THAN SUCH CORPORATION, ASSOCIATION, ORGANIZATION OR TRUST BASED SOLELY ON HIS OR HER CONDUCT IN THE EXECUTION OF SUCH OFFICE UNLESS THE CONDUCT OF SUCH DIRECTOR, OFFICER OR TRUSTEE WITH RESPECT TO THE PERSON ASSERTING LIABILITY CONSTITUTED GROSS NEGLIGENCE OR WAS INTENDED TO CAUSE THE RESULTING HARM TO THE PERSON ASSERTING SUCH LIABILITY. FOR PURPOSES OF THIS SECTION, SUCH A DIRECTOR, OFFICER OR TRUSTEE SHALL NOT BE CONSIDERED COMPENSATED SOLELY BY REASON OF PAYMENT OF HIS OR HER ACTUAL EXPENSES INCURRED IN ATTENDING MEETINGS OR OTHERWISE IN THE EXECUTION OF SUCH OFFICE.

S 721. NONEXCLUSIVITY OF STATUTORY PROVISIONS FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS.

THE INDEMNIFICATION AND ADVANCEMENT OF EXPENSES GRANTED PURSUANT TO, OR PROVIDED BY, THIS ARTICLE SHALL NOT BE DEEMED EXCLUSIVE OF ANY OTHER RIGHTS TO WHICH A DIRECTOR OR OFFICER SEEKING INDEMNIFICATION OR ADVANCEMENT OF EXPENSES MAY BE ENTITLED, WHETHER CONTAINED IN THE CERTIFICATE OF INCORPORATION OR THE BY-LAWS OR, WHEN AUTHORIZED BY SUCH CERTIFICATE OF INCORPORATION OR BY-LAWS, (A) A RESOLUTION OF MEMBERS, (B) A RESOLUTION OF DIRECTORS, OR (C) AN AGREEMENT PROVIDING FOR SUCH INDEMNIFICATION, PROVIDED THAT NO INDEMNIFICATION MAY BE MADE TO OR ON BEHALF OF ANY DIRECTOR OR OFFICER IF A JUDGMENT OR OTHER FINAL ADJUDICATION ADVERSE TO THE DIRECTOR OR OFFICER ESTABLISHES THAT HIS OR HER ACTS WERE COMMITTED IN BAD FAITH OR WERE THE RESULT OF ACTIVE AND DELIBERATE DISHONESTY AND WERE MATERIAL TO THE CAUSE OF ACTION SO ADJUDICATED, OR THAT HE OR SHE PERSONALLY GAINED IN FACT A FINANCIAL PROFIT OR OTHER ADVANTAGE TO WHICH HE OR SHE WAS NOT LEGALLY ENTITLED. NOTHING CONTAINED IN THIS ARTICLE SHALL AFFECT ANY RIGHTS TO INDEMNIFICATION TO WHICH CORPORATE PERSONNEL OTHER THAN DIRECTORS AND OFFICERS MAY BE ENTITLED BY CONTRACT OR OTHERWISE UNDER LAW.

S 722. AUTHORIZATION FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS.

(A) A CORPORATION MAY INDEMNIFY ANY PERSON, MADE, OR THREATENED TO BE MADE, A PARTY TO AN ACTION OR PROCEEDING OTHER THAN ONE BY OR IN THE RIGHT OF THE CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR, WHETHER CIVIL OR CRIMINAL, INCLUDING AN ACTION BY OR IN THE RIGHT OF ANY OTHER CORPORATION OF ANY TYPE OR KIND, DOMESTIC OR FOREIGN, OR ANY PARTNERSHIP, JOINT VENTURE, TRUST, EMPLOYEE BENEFIT PLAN OR OTHER ENTERPRISE, WHICH ANY DIRECTOR OR OFFICER OF THE CORPORATION SERVED IN ANY CAPACITY AT THE REQUEST OF THE CORPORATION, BY REASON OF THE FACT THAT HE, HIS TESTATOR OR INTESTATE, WAS A DIRECTOR OR OFFICER OF THE CORPORATION, OR SERVED SUCH OTHER CORPORATION, PARTNERSHIP, JOINT VENTURE, TRUST, EMPLOYEE BENEFIT PLAN OR OTHER ENTERPRISE IN ANY CAPACITY, AGAINST JUDGMENTS, FINES, AMOUNTS PAID IN SETTLEMENT AND REASONABLE EXPENSES, INCLUDING ATTORNEYS' FEES ACTUALLY AND NECESSARILY INCURRED AS A RESULT OF SUCH ACTION OR PROCEEDING, OR ANY APPEAL THEREIN, IF SUCH DIRECTOR OR OFFICER ACTED, IN GOOD FAITH, FOR A PURPOSE WHICH HE OR SHE REASONABLY BELIEVED TO BE IN, OR, IN THE CASE OF SERVICE FOR ANY OTHER CORPORATION OR ANY PARTNERSHIP, JOINT VENTURE, TRUST, EMPLOYEE BENEFIT PLAN OR OTHER ENTERPRISE, NOT OPPOSED TO, THE BEST INTERESTS OF THE CORPORATION AND, IN CRIMINAL ACTIONS OR PROCEEDINGS, IN ADDITION, HAD NO REASONABLE CAUSE TO BELIEVE THAT HIS OR HER CONDUCT WAS UNLAWFUL.

(B) THE TERMINATION OF ANY SUCH CIVIL OR CRIMINAL ACTION OR PROCEEDING BY JUDGMENT, SETTLEMENT, CONVICTION OR UPON A PLEA OF NOLO CONTENDERE, OR ITS EQUIVALENT, SHALL NOT IN ITSELF CREATE A PRESUMPTION THAT ANY SUCH DIRECTOR OR OFFICER DID NOT ACT, IN GOOD FAITH, FOR A PURPOSE WHICH HE OR SHE REASONABLY BELIEVED TO BE IN, OR, IN THE CASE OF SERVICE FOR ANY OTHER CORPORATION OR ANY PARTNERSHIP, JOINT VENTURE, TRUST, EMPLOYEE BENEFIT PLAN OR OTHER ENTERPRISE, NOT OPPOSED TO, THE BEST INTERESTS OF THE CORPORATION OR THAT HE OR SHE HAD REASONABLE CAUSE TO BELIEVE THAT HIS OR HER CONDUCT WAS UNLAWFUL.

(C) A CORPORATION MAY INDEMNIFY ANY PERSON MADE, OR THREATENED TO BE MADE, A PARTY TO AN ACTION BY OR IN THE RIGHT OF THE CORPORATION TO PROCURE A JUDGMENT IN ITS FAVOR BY REASON OF THE FACT THAT HE, HIS TESTATOR OR INTESTATE, IS OR WAS A DIRECTOR OR OFFICER OF THE CORPORATION, OR IS OR WAS SERVING AT THE REQUEST OF THE CORPORATION AS A DIRECTOR OR OFFICER OF ANY OTHER CORPORATION OF ANY TYPE OR KIND, DOMESTIC OR FOREIGN, OF ANY PARTNERSHIP, JOINT VENTURE, TRUST, EMPLOYEE BENE-

FIT PLAN OR OTHER ENTERPRISE, AGAINST AMOUNTS PAID IN SETTLEMENT AND REASONABLE EXPENSES, INCLUDING ATTORNEYS' FEES, ACTUALLY AND NECESSARILY INCURRED BY HIM OR HER IN CONNECTION WITH THE DEFENSE OR SETTLEMENT OF SUCH ACTION, OR IN CONNECTION WITH AN APPEAL THEREIN, IF SUCH DIRECTOR OR OFFICER ACTED, IN GOOD FAITH, FOR A PURPOSE WHICH HE OR SHE REASONABLY BELIEVED TO BE IN, OR, IN THE CASE OF SERVICE FOR ANY OTHER CORPORATION OR ANY PARTNERSHIP, JOINT VENTURE, TRUST, EMPLOYEE BENEFIT PLAN OR OTHER ENTERPRISE, NOT OPPOSED TO, THE BEST INTERESTS OF THE CORPORATION, EXCEPT THAT NO INDEMNIFICATION UNDER THIS PARAGRAPH SHALL BE MADE IN RESPECT OF (1) A THREATENED ACTION, OR A PENDING ACTION WHICH IS SETTLED OR OTHERWISE DISPOSED OF, OR (2) ANY CLAIM, ISSUE OR MATTER AS TO WHICH SUCH PERSON SHALL HAVE BEEN ADJUDGED TO BE LIABLE TO THE CORPORATION, UNLESS AND ONLY TO THE EXTENT THAT THE COURT IN WHICH THE ACTION WAS BROUGHT, OR, IF NO ACTION WAS BROUGHT, ANY COURT OF COMPETENT JURISDICTION, DETERMINES UPON APPLICATION THAT, IN VIEW OF ALL THE CIRCUMSTANCES OF THE CASE, THE PERSON IS FAIRLY AND REASONABLY ENTITLED TO INDEMNITY FOR SUCH PORTION OF THE SETTLEMENT AMOUNT AND EXPENSES AS THE COURT DEEMS PROPER.

(D) FOR THE PURPOSE OF THIS SECTION, A CORPORATION SHALL BE DEEMED TO HAVE REQUESTED A PERSON TO SERVE AN EMPLOYEE BENEFIT PLAN WHERE THE PERFORMANCE BY SUCH PERSON OF HIS OR HER DUTIES TO THE CORPORATION ALSO IMPOSES DUTIES ON, OR OTHERWISE INVOLVES SERVICES BY, SUCH PERSON TO THE PLAN OR PARTICIPANTS OR BENEFICIARIES OF THE PLAN; EXCISE TAXES ASSESSED ON A PERSON WITH RESPECT TO AN EMPLOYEE BENEFIT PLAN PURSUANT TO APPLICABLE LAW SHALL BE CONSIDERED FINES; AND ACTION TAKEN OR OMITTED BY A PERSON WITH RESPECT TO AN EMPLOYEE BENEFIT PLAN IN THE PERFORMANCE OF SUCH PERSON'S DUTIES FOR A PURPOSE REASONABLY BELIEVED BY SUCH PERSON TO BE IN THE INTEREST OF THE PARTICIPANTS AND BENEFICIARIES OF THE PLAN SHALL BE DEEMED TO BE FOR A PURPOSE WHICH IS NOT OPPOSED TO THE BEST INTERESTS OF THE CORPORATION.

S 723. PAYMENT OF INDEMNIFICATION OTHER THAN BY COURT AWARD.

(A) A PERSON WHO HAS BEEN SUCCESSFUL, ON THE MERITS OR OTHERWISE, IN THE DEFENSE OF A CIVIL OR CRIMINAL ACTION OR PROCEEDING OF THE CHARACTER DESCRIBED IN SECTION 722 OF THIS ARTICLE SHALL BE ENTITLED TO INDEMNIFICATION AS AUTHORIZED IN SUCH SECTION.

(B) EXCEPT AS PROVIDED IN PARAGRAPH (A) OF THIS SECTION, ANY INDEMNIFICATION UNDER SECTION 722 OF THIS ARTICLE OR OTHERWISE PERMITTED BY SECTION 721 OF THIS ARTICLE, UNLESS ORDERED BY A COURT UNDER SECTION 724 OF THIS ARTICLE, SHALL BE MADE BY THE CORPORATION, ONLY IF AUTHORIZED IN THE SPECIFIC CASE:

(1) BY THE BOARD ACTING BY A QUORUM CONSISTING OF DIRECTORS WHO ARE NOT PARTIES TO SUCH ACTION OR PROCEEDING UPON A FINDING THAT THE DIRECTOR OR OFFICER HAS MET THE STANDARD OF CONDUCT SET FORTH IN SECTION 722 OF THIS ARTICLE OR ESTABLISHED PURSUANT TO SECTION 721 OF THIS ARTICLE, AS THE CASE MAY BE, OR,

(2) IF A QUORUM UNDER SUBPARAGRAPH (1) OF THIS PARAGRAPH IS NOT OBTAINABLE OR, EVEN IF OBTAINABLE, A QUORUM OF DISINTERESTED DIRECTORS SO DIRECTS:

(A) BY THE BOARD UPON THE OPINION IN WRITING OF INDEPENDENT LEGAL COUNSEL THAT INDEMNIFICATION IS PROPER IN THE CIRCUMSTANCES BECAUSE THE APPLICABLE STANDARD OF CONDUCT SET FORTH IN SUCH SECTIONS HAS BEEN MET BY SUCH DIRECTOR OR OFFICER, OR

(B) BY THE MEMBERS UPON A FINDING THAT THE DIRECTOR OR OFFICER HAS MET THE APPLICABLE STANDARD OF CONDUCT SET FORTH IN SUCH SECTIONS.

(C) EXPENSES INCURRED IN DEFENDING A CIVIL OR CRIMINAL ACTION OR PROCEEDING MAY BE PAID BY THE CORPORATION IN ADVANCE OF THE FINAL DISPO-

SITION OF SUCH ACTION OR PROCEEDING UPON RECEIPT OF AN UNDERTAKING BY OR ON BEHALF OF SUCH DIRECTOR OR OFFICER TO REPAY SUCH AMOUNT AS, AND TO THE EXTENT, REQUIRED BY PARAGRAPH (A) OF SECTION 725 OF THIS ARTICLE.

S 724. INDEMNIFICATION OF DIRECTORS AND OFFICERS BY A COURT.

(A) NOTWITHSTANDING THE FAILURE OF A CORPORATION TO PROVIDE INDEMNIFICATION, AND DESPITE ANY CONTRARY RESOLUTION OF THE BOARD OR OF THE MEMBERS IN THE SPECIFIC CASE UNDER SECTION 723 OF THIS ARTICLE, INDEMNIFICATION SHALL BE AWARDED BY A COURT TO THE EXTENT AUTHORIZED UNDER SECTION 722, AND PARAGRAPH (A) OF SECTION 723 OF THIS ARTICLE. APPLICATION THEREFOR MAY BE MADE, IN EVERY CASE, EITHER:

(1) IN THE CIVIL ACTION OR PROCEEDING IN WHICH THE EXPENSES WERE INCURRED OR OTHER AMOUNTS WERE PAID, OR

(2) TO THE SUPREME COURT IN A SEPARATE PROCEEDING, IN WHICH CASE THE APPLICATION SHALL SET FORTH THE DISPOSITION OF ANY PREVIOUS APPLICATION MADE TO ANY COURT FOR THE SAME OR SIMILAR RELIEF AND ALSO REASONABLE CAUSE FOR THE FAILURE TO MAKE APPLICATION FOR SUCH RELIEF IN THE ACTION OR PROCEEDING IN WHICH THE EXPENSES WERE INCURRED OR OTHER AMOUNTS WERE PAID.

(B) THE APPLICATION SHALL BE MADE IN SUCH MANNER AND FORM AS MAY BE REQUIRED BY THE APPLICABLE RULES OF COURT OR, IN THE ABSENCE THEREOF, BY DIRECTION OF A COURT TO WHICH IT IS MADE. SUCH APPLICATION SHALL BE UPON NOTICE TO THE CORPORATION. THE COURT MAY ALSO DIRECT THAT NOTICE BE GIVEN AT THE EXPENSE OF THE CORPORATION TO THE MEMBERS AND SUCH OTHER PERSONS AS IT MAY DESIGNATE IN SUCH MANNER AS IT MAY REQUIRE.

(C) WHERE INDEMNIFICATION IS SOUGHT BY JUDICIAL ACTION, THE COURT MAY ALLOW A PERSON SUCH REASONABLE EXPENSES, INCLUDING ATTORNEYS' FEES, DURING THE PENDENCY OF THE LITIGATION AS ARE NECESSARY IN CONNECTION WITH SUCH PERSON'S DEFENSE THEREIN, IF THE COURT SHALL FIND THAT THE DEFENDANT HAS BY HIS OR HER PLEADINGS OR DURING THE COURSE OF THE LITIGATION RAISED GENUINE ISSUES OF FACT OR LAW.

S 725. OTHER PROVISIONS AFFECTING INDEMNIFICATION OF DIRECTORS AND OFFICERS.

(A) ALL EXPENSES INCURRED IN DEFENDING A CIVIL OR CRIMINAL ACTION OR PROCEEDING WHICH ARE ADVANCED BY THE CORPORATION UNDER PARAGRAPH (C) OF SECTION 723 OF THIS ARTICLE OR ALLOWED BY A COURT UNDER PARAGRAPH (C) OF SECTION 724 OF THIS ARTICLE SHALL BE REPAID IN CASE THE PERSON RECEIVING SUCH ADVANCEMENT OR ALLOWANCE IS ULTIMATELY FOUND, UNDER THE PROCEDURE SET FORTH IN THIS ARTICLE, NOT TO BE ENTITLED TO INDEMNIFICATION OR, WHERE INDEMNIFICATION IS GRANTED, TO THE EXTENT THE EXPENSES SO ADVANCED BY THE CORPORATION OR ALLOWED BY THE COURT EXCEED THE INDEMNIFICATION TO WHICH HE OR SHE IS ENTITLED.

(B) NO INDEMNIFICATION, ADVANCEMENT OR ALLOWANCE SHALL BE MADE UNDER THIS ARTICLE IN ANY CIRCUMSTANCE WHERE IT APPEARS:

(1) THAT THE INDEMNIFICATION WOULD BE INCONSISTENT WITH THE LAW OF THE JURISDICTION OF INCORPORATION OF A FOREIGN CORPORATION WHICH PROHIBITS OR OTHERWISE LIMITS SUCH INDEMNIFICATION; OR

(2) THAT THE INDEMNIFICATION WOULD BE INCONSISTENT WITH A PROVISION OF THE CERTIFICATE OF INCORPORATION, A BY-LAW, A RESOLUTION OF THE BOARD OR OF THE MEMBERS, AN AGREEMENT OR OTHER PROPER CORPORATE ACTION, IN EFFECT AT THE TIME OF THE ACCRUAL OF THE ALLEGED CAUSE OF ACTION ASSERTED IN THE THREATENED OR PENDING ACTION OR PROCEEDING IN WHICH THE EXPENSES WERE INCURRED OR OTHER AMOUNTS WERE PAID, WHICH PROHIBITS OR OTHERWISE LIMITS INDEMNIFICATION; OR

(3) IF THERE HAS BEEN A SETTLEMENT APPROVED BY THE COURT, THAT THE INDEMNIFICATION WOULD BE INCONSISTENT WITH ANY CONDITION WITH RESPECT TO

INDEMNIFICATION EXPRESSLY IMPOSED BY THE COURT IN APPROVING THE SETTLEMENT.

(C) IF ANY EXPENSES OR OTHER AMOUNTS ARE PAID BY WAY OF INDEMNIFICATION, OTHERWISE THAN BY COURT ORDER OR ACTION BY THE MEMBERS, THE CORPORATION SHALL PREPARE A STATEMENT SPECIFYING THE PERSONS PAID, THE AMOUNTS PAID, AND THE NATURE AND STATUS AT THE TIME OF SUCH PAYMENT OF THE LITIGATION OR THREATENED LITIGATION, AND

(1) NOT LATER THAN THE NEXT ANNUAL MEETING OF MEMBERS, UNLESS SUCH MEETING IS HELD WITHIN THREE MONTHS FROM THE DATE OF SUCH PAYMENT, AND, IN ANY EVENT, WITHIN FIFTEEN MONTHS OF THE DATE OF SUCH PAYMENT, SHALL MAIL THE STATEMENT TO ITS MEMBERS OF RECORD ENTITLED AT THE TIME TO VOTE FOR THE ELECTION OF DIRECTORS; OR

(2) IF THE CORPORATION HAS NO MEMBERS, SHALL INCLUDE THE STATEMENT IN THE RECORDS OF THE CORPORATION OPEN TO PUBLIC INSPECTION; OR

(3) IF THE CORPORATION IS A CEMETERY CORPORATION, AS DEFINED IN PARAGRAPH (A) OF SECTION 1502 OF THIS CHAPTER, WHICH TERM, FOR THE PURPOSES OF THIS SECTION, SHALL INCLUDE A RELIGIOUS CORPORATION HAVING MEMBERS, (A) BY INCLUDING THE STATEMENT REQUIRED BY THIS PARAGRAPH OR PARAGRAPH (D) OF SECTION 726 OF THIS ARTICLE, AS THE CASE MAY BE IN THE RECORDS OF THE CORPORATION OPEN TO PUBLIC INSPECTION; (B) BY INCLUDING THE INFORMATION REQUIRED BY THE STATEMENT IN ANY NOTICE PUBLISHED PURSUANT TO THE PROVISIONS OF SECTION 605 OF THIS ARTICLE, EXCEPT AS OTHERWISE PROVIDED BY LAW; (C) BY ENCLOSING THE STATEMENT WITH THE NOTICE OF ANNUAL MEETING IF SUCH NOTICE IS IN FACT MAILED TO THE MEMBERS; AND (D) BY RAISING THE ISSUE FOR APPROVAL AT THE NEXT ANNUAL MEETING OF THE MEMBERS.

(D) IF ANY ACTION WITH RESPECT TO INDEMNIFICATION OF DIRECTORS AND OFFICERS IS TAKEN BY WAY OF AMENDMENT OF THE BY-LAWS, RESOLUTION OF DIRECTORS, OR BY AGREEMENT, THEN THE CORPORATION SHALL, NOT LATER THAN THE NEXT ANNUAL MEETING OF MEMBERS, UNLESS SUCH MEETING IS HELD WITHIN THREE MONTHS FROM THE DATE OF SUCH ACTION, AND, IN ANY EVENT, WITHIN FIFTEEN MONTHS FROM THE DATE OF SUCH ACTION, MAIL TO ITS MEMBERS OF RECORD AT THE TIME ENTITLED TO VOTE FOR THE ELECTION OF DIRECTORS A STATEMENT SPECIFYING THE ACTION TAKEN. IF THE CORPORATION HAS NO MEMBERS, THE STATEMENT SHALL BE INCLUDED IN THE RECORDS OF THE CORPORATION OPEN TO PUBLIC INSPECTION.

(E) THE PROVISIONS OF THIS ARTICLE RELATING TO INDEMNIFICATION OF DIRECTORS AND OFFICERS AND INSURANCE THEREFOR SHALL APPLY TO DOMESTIC CORPORATIONS AND FOREIGN CORPORATIONS CONDUCTING ACTIVITIES IN THIS STATE, EXCEPT AS PROVIDED IN SECTION 1321 OF THIS CHAPTER.

S 726. INSURANCE FOR INDEMNIFICATION OF DIRECTORS AND OFFICERS.

(A) SUBJECT TO PARAGRAPH (B) OF THIS SECTION, A CORPORATION SHALL HAVE POWER TO PURCHASE AND MAINTAIN INSURANCE:

(1) TO INDEMNIFY THE CORPORATION FOR ANY OBLIGATION WHICH IT INCURS AS A RESULT OF THE INDEMNIFICATION OF DIRECTORS AND OFFICERS UNDER THE PROVISIONS OF THIS ARTICLE, AND

(2) TO INDEMNIFY DIRECTORS AND OFFICERS IN INSTANCES IN WHICH THEY MAY BE INDEMNIFIED BY THE CORPORATION UNDER THE PROVISIONS OF THIS ARTICLE, AND

(3) TO INDEMNIFY DIRECTORS AND OFFICERS IN INSTANCES IN WHICH THEY MAY NOT OTHERWISE BE INDEMNIFIED BY THE CORPORATION UNDER THE PROVISIONS OF THIS ARTICLE PROVIDED THE CONTRACT OF INSURANCE COVERING SUCH DIRECTORS AND OFFICERS PROVIDES, IN A MANNER ACCEPTABLE TO THE SUPERINTENDENT OF INSURANCE, FOR A RETENTION AMOUNT AND FOR CO-INSURANCE.

(B) NO INSURANCE UNDER PARAGRAPH (A) OF THIS SECTION MAY PROVIDE FOR ANY PAYMENT, OTHER THAN COST OF DEFENSE, TO OR ON BEHALF OF ANY DIRECTOR OR OFFICER:

(1) IF A JUDGMENT OR OTHER FINAL ADJUDICATION ADVERSE TO THE INSURED DIRECTOR OR OFFICER ESTABLISHES THAT HIS OR HER ACTS OF ACTIVE AND DELIBERATE DISHONESTY WERE MATERIAL TO THE CAUSE OF ACTION SO ADJUDICATED, OR THAT HE OR SHE PERSONALLY GAINED IN FACT A FINANCIAL PROFIT OR OTHER ADVANTAGE TO WHICH HE OR SHE WAS NOT LEGALLY ENTITLED, OR

(2) IN RELATION TO ANY RISK THE INSURANCE OF WHICH IS PROHIBITED UNDER THE INSURANCE LAW OF THIS STATE.

(C) INSURANCE UNDER ANY OR ALL SUBPARAGRAPHS OF PARAGRAPH (A) OF THIS SECTION MAY BE INCLUDED IN A SINGLE CONTRACT OR SUPPLEMENT THERETO. RETROSPECTIVE RATED CONTRACTS ARE PROHIBITED.

(D) THE CORPORATION SHALL, WITHIN THE TIME AND TO THE PERSONS PROVIDED IN PARAGRAPH (C) OF SECTION 725 OF THIS ARTICLE, MAIL A STATEMENT IN RESPECT TO ANY INSURANCE IT HAS PURCHASED OR RENEWED UNDER THIS SECTION, SPECIFYING THE INSURANCE CARRIER, DATE OF THE CONTRACT, COST OF THE INSURANCE, CORPORATE POSITIONS INSURED, AND A STATEMENT EXPLAINING ALL SUMS, NOT PREVIOUSLY REPORTED IN A STATEMENT TO MEMBERS, PAID UNDER ANY INDEMNIFICATION INSURANCE CONTRACT. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A CEMETERY CORPORATION OR A RELIGIOUS CORPORATION HAVING MEMBERS WHICH PURCHASES OR RENEWS ANY INSURANCE UNDER THIS SECTION AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH, WHICH CORPORATION HAD TWO HUNDRED FIFTY OR MORE INTERMENTS IN THE CALENDAR YEAR PRECEDING SUCH PURCHASE OR RENEWAL, SHALL MAIL THE STATEMENT REQUIRED BY THIS SECTION TO EVERY PERSON TO WHOM A CARE NOTICE OR SOLICITATION FOR SERVICES HAS BEEN SENT DURING SUCH CALENDAR YEAR AND TO EVERY PERSON TO WHOM A NOTICE OF ANNUAL MEETING WAS MAILED DURING SUCH CALENDAR YEAR, BUT IN NO EVENT TO LESS THAN TEN PER CENTUM OF THE LOT OWNERS OF RECORD DURING SUCH CALENDAR YEAR. SUCH CORPORATION SHALL NOT BE REQUIRED TO MAIL SUCH STATEMENT DURING ANY SUBSEQUENT YEAR, UNLESS SUCH CORPORATION ELECTS TO MAIL NOTICES OF ANNUAL MEETING TO ITS MEMBERS IN WHICH EVENT THE STATEMENT SHALL BE ENCLOSED AS PROVIDED IN CLAUSE (C) OF SUBPARAGRAPH (3) OF PARAGRAPH (C) OF SECTION 725 OF THIS ARTICLE. A CORPORATION HAVING LESS THAN TWO HUNDRED FIFTY INTERMENTS IN THE CALENDAR YEAR PRECEDING SUCH PURCHASE OR RENEWAL SHALL NOT BE REQUIRED TO MAIL SUCH STATEMENT UNLESS SUCH CORPORATION ELECTS TO MAIL NOTICES OF ANNUAL MEETING TO ITS MEMBERS IN WHICH EVENT THE STATEMENT SHALL BE ENCLOSED AS PROVIDED IN CLAUSE (C) OF SUBPARAGRAPH (3) OF PARAGRAPH (C) OF SECTION 725 OF THIS ARTICLE.

S 8. Article 8 of the not-for-profit corporation law is REPEALED and a new article 8 is added to read as follows:

ARTICLE 8

AMENDMENTS AND CHANGES

SECTION 801. RIGHT TO AMEND CERTIFICATE OF INCORPORATION.
802. AUTHORIZATION OF AMENDMENT OR CHANGE, CLASS VOTE.
803. CLASS VOTING ON AMENDMENT.
804. CERTIFICATE OF AMENDMENT; CONTENTS.
805. CERTIFICATE OF CHANGE; CONTENTS.
806. APPROVALS AND EFFECT.
807. RESTATED CERTIFICATE OF INCORPORATION.

S 801. RIGHT TO AMEND CERTIFICATE OF INCORPORATION.

(A) A CORPORATION MAY AMEND ITS CERTIFICATE OF INCORPORATION, FROM TIME TO TIME, IN ANY AND AS MANY RESPECTS AS MAY BE DESIRED, IF SUCH AMENDMENT CONTAINS ONLY SUCH PROVISIONS AS MIGHT BE LAWFULLY CONTAINED IN AN ORIGINAL CERTIFICATE OF INCORPORATION FILED AT THE TIME OF MAKING SUCH AMENDMENT. NO AMENDMENT TO A CERTIFICATE OF INCORPORATION SHALL BE ADOPTED THE EFFECT OF WHICH WOULD BE TO USE ANY ASSETS RECEIVED FOR SPECIFIC PURPOSES IN A MANNER INCONSISTENT WITH SUCH PURPOSES.

(B) IN PARTICULAR, AND WITHOUT LIMITATION UPON SUCH GENERAL POWER OF AMENDMENT, A CORPORATION MAY AMEND ITS CERTIFICATE OF INCORPORATION, FROM TIME TO TIME, SO AS:

(1) TO CHANGE ITS CORPORATE NAME.

(2) TO ENLARGE, LIMIT OR OTHERWISE CHANGE ITS CORPORATE PURPOSES.

(3) TO SPECIFY, CHANGE OR REVOKE THE VOTING RIGHTS OF ITS DIRECTORS OR MEMBERS OR OF ANY CLASS OF MEMBERS.

(4) TO SPECIFY OR CHANGE THE LOCATION OF THE OFFICE OF THE CORPORATION.

(5) TO SPECIFY OR CHANGE THE POST OFFICE ADDRESS TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF ANY PROCESS AGAINST THE CORPORATION SERVED UPON THE SECRETARY OF STATE.

(6) TO MAKE, REVOKE OR CHANGE THE DESIGNATION OF A REGISTERED AGENT, OR TO SPECIFY OR CHANGE THE ADDRESS OF ITS REGISTERED AGENT.

(7) TO EXTEND THE DURATION OF THE CORPORATION OR, IF THE CORPORATION CEASED TO EXIST BECAUSE OF THE EXPIRATION OF THE DURATION SPECIFIED IN ITS CERTIFICATE OF INCORPORATION, TO REVIVE ITS EXISTENCE.

(8) TO AUTHORIZE THE ISSUANCE OF CAPITAL CERTIFICATES AND TO FIX THE FACE VALUE AND TERMS OF SUCH CERTIFICATES AND THE RIGHTS AND PRIVILEGES OF THEIR HOLDERS AND THE MANNER IN WHICH THE TERMS, RIGHTS AND PRIVILEGES MAY BE AMENDED AND TO CONFER UPON THE HOLDERS OF SUCH CERTIFICATES THE RIGHT TO VOTE IN THE ELECTION OF DIRECTORS AND UPON ANY OTHER MATTERS AS MAY BE SET FORTH.

(9) TO STRIKE OUT, CHANGE OR ADD ANY PROVISION NOT INCONSISTENT WITH THIS CHAPTER OR ANY OTHER STATUTE RELATING TO THE AFFAIRS OF THE CORPORATION, ITS RIGHTS OR POWERS OR THE RIGHTS OR POWERS OF ITS MEMBERS, DIRECTORS OR OFFICERS, INCLUDING ANY PROVISION WHICH UNDER THIS CHAPTER IS REQUIRED OR PERMITTED TO BE SET FORTH IN THE BY-LAWS, EXCEPT THAT A CERTIFICATE OF AMENDMENT MAY NOT BE FILED WHEREIN THE DURATION OF THE CORPORATION SHALL BE REDUCED.

(C) A CORPORATION CREATED BY SPECIAL ACT MAY ACCOMPLISH ANY OR ALL AMENDMENTS PERMITTED IN THIS ARTICLE, IN THE MANNER AND SUBJECT TO THE CONDITIONS PROVIDED IN THIS ARTICLE.

S 802. AUTHORIZATION OF AMENDMENT OR CHANGE, CLASS VOTE.

(A) AMENDMENT OR CHANGE OF THE CERTIFICATE OF INCORPORATION SHALL BE AUTHORIZED:

(1) IF THERE ARE MEMBERS ENTITLED TO VOTE THEREON, BY MAJORITY VOTE OF SUCH MEMBERS AT A MEETING AS PROVIDED IN PARAGRAPH (C) OF SECTION 613 OF THIS CHAPTER;

(2) IF THERE ARE NO MEMBERS ENTITLED TO VOTE THEREON, BY VOTE OF A MAJORITY OF THE ENTIRE BOARD;

PROVIDED, HOWEVER, THAT WHENEVER THE CERTIFICATE OF INCORPORATION SHALL REQUIRE ACTION BY THE BOARD OF DIRECTORS OR THE MEMBERS BY A VOTE OF A GREATER NUMBER OR PERCENTAGE THAN IS REQUIRED BY ANY SECTION OF THIS ARTICLE, THE PROVISION OF THE CERTIFICATE OF INCORPORATION REQUIRING SUCH GREATER VOTE SHALL NOT BE ALTERED, AMENDED OR REPEALED EXCEPT BY SUCH GREATER VOTE.

(B) ALTERNATIVELY, ANY ONE OR MORE OF THE FOLLOWING CHANGES MAY BE AUTHORIZED BY OR PURSUANT TO AUTHORIZATION OF THE BOARD:

(1) TO SPECIFY OR CHANGE THE LOCATION OF THE CORPORATION'S OFFICE.

(2) TO SPECIFY OR CHANGE THE POST OFFICE ADDRESS TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF ANY PROCESS AGAINST THE CORPORATION SERVED UPON THE SECRETARY OF STATE.

(3) TO MAKE, REVOKE OR CHANGE THE DESIGNATION OF A REGISTERED AGENT, OR TO SPECIFY OR CHANGE THE ADDRESS OF ITS REGISTERED AGENT.

(C) THIS SECTION SHALL NOT ALTER THE VOTE REQUIRED UNDER ANY OTHER SECTION FOR THE AUTHORIZATION OF AN AMENDMENT REFERRED TO THEREIN, NOR ALTER THE AUTHORITY OF THE BOARD TO AUTHORIZE AMENDMENTS UNDER ANY OTHER SECTION.

S 803. CLASS VOTING ON AMENDMENT.

NOTWITHSTANDING ANY PROVISION IN THE CERTIFICATE OF INCORPORATION OR BY-LAWS, MEMBERS OF A CLASS SHALL BE ENTITLED TO VOTE AND TO VOTE AS A CLASS UPON THE AUTHORIZATION OF AN AMENDMENT AND, IN ADDITION TO THE AUTHORIZATION OF THE AMENDMENT BY A MAJORITY OF ALL MEMBERS ENTITLED TO VOTE THEREON, THE AMENDMENT SHALL BE AUTHORIZED BY A MAJORITY OF THE MEMBERS OF THE CLASS WHEN A PROPOSED AMENDMENT WOULD EXCLUDE OR LIMIT THEIR RIGHT TO VOTE ON ANY MATTER, EXCEPT AS SUCH RIGHT MAY BE LIMITED BY VOTING RIGHTS GIVEN TO MEMBERS OF ANY EXISTING OR NEW CLASS.

S 804. CERTIFICATE OF AMENDMENT; CONTENTS.

(A) TO ACCOMPLISH ANY AMENDMENT, A CERTIFICATE OF AMENDMENT ENTITLED "CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION OF ..... (NAME OF CORPORATION) UNDER SECTION 804 OF THE NON-PROFIT CORPORATION LAW" SHALL BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION AND, IF IT HAS BEEN CHANGED, THE NAME UNDER WHICH IT WAS FORMED.

(2) THE DATE ITS CERTIFICATE OF INCORPORATION WAS FILED BY THE DEPARTMENT OF STATE AND THE LAW UNDER WHICH IT WAS FORMED.

(3) EACH AMENDMENT EFFECTED THEREBY, SETTING FORTH THE SUBJECT MATTER OF EACH PROVISION OF THE CERTIFICATE OF INCORPORATION WHICH IS TO BE AMENDED OR ELIMINATED AND THE FULL TEXT OF THE PROVISION OR PROVISIONS, IF ANY, WHICH ARE TO BE SUBSTITUTED OR ADDED.

(4) THE MANNER IN WHICH THE AMENDMENT OF THE CERTIFICATE OF INCORPORATION WAS AUTHORIZED.

(B) ANY NUMBER OF AMENDMENTS OR CHANGES MAY BE INCLUDED IN ONE CERTIFICATE UNDER THIS SECTION. SUCH CERTIFICATE MAY ALSO INCLUDE ANY AMENDMENTS OR CHANGES PERMITTED BY OTHER SECTIONS AND IN THAT CASE THE CERTIFICATE SHALL SET FORTH ANY ADDITIONAL STATEMENT REQUIRED BY ANY OTHER SECTION SPECIFYING THE CONTENTS OF A CERTIFICATE TO EFFECT SUCH AMENDMENT OR CHANGE.

S 805. CERTIFICATE OF CHANGE; CONTENTS.

(A) ANY ONE OR MORE OF THE CHANGES AUTHORIZED BY PARAGRAPH (B) OF SECTION 802 OF THIS ARTICLE (AUTHORIZATION OF AMENDMENT OR CHANGE, CLASS VOTE) MAY BE ACCOMPLISHED BY FILING A CERTIFICATE OF CHANGE WHICH SHALL BE ENTITLED "CERTIFICATE OF CHANGE OF ..... (NAME OF CORPORATION) UNDER SECTION 805 OF THE NON-PROFIT CORPORATION LAW" AND SHALL BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION AND IF IT HAS BEEN CHANGED, THE NAME UNDER WHICH IT WAS FORMED.

(2) THE DATE ITS CERTIFICATE OF INCORPORATION WAS FILED BY THE DEPARTMENT OF STATE.

(3) EACH CHANGE EFFECTED THEREBY.

(4) THE MANNER IN WHICH THE CHANGE WAS AUTHORIZED.

(B) A CERTIFICATE OF CHANGE WHICH CHANGES ONLY THE POST OFFICE ADDRESS TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF ANY PROCESS AGAINST THE CORPORATION SERVED UPON THE SECRETARY OF STATE OR THE ADDRESS OF THE REGISTERED AGENT, PROVIDED SUCH ADDRESS BEING CHANGED IS THE ADDRESS OF A PERSON, PARTNERSHIP OR OTHER CORPORATION WHOSE ADDRESS, AS AGENT, IS THE ADDRESS TO BE CHANGED OR WHO HAS BEEN DESIGNATED AS REGISTERED AGENT FOR SUCH CORPORATION, MAY BE SIGNED AND DELIVERED TO THE DEPARTMENT OF

STATE BY SUCH AGENT. THE CERTIFICATE OF CHANGE SHALL SET FORTH THE STATEMENTS REQUIRED UNDER SUBPARAGRAPHS (1), (2) AND (3) OF PARAGRAPH (A) OF THIS SECTION; THAT A NOTICE OF THE PROPOSED CHANGE WAS MAILED TO THE CORPORATION BY THE PARTY SIGNING THE CERTIFICATE NOT LESS THAN THIRTY DAYS PRIOR TO THE DATE OF DELIVERY TO THE DEPARTMENT AND THAT SUCH CORPORATION HAS NOT OBJECTED THERETO; AND THAT THE PARTY SIGNING THE CERTIFICATE IS THE AGENT OF SUCH CORPORATION TO WHOSE ADDRESS THE SECRETARY OF STATE IS REQUIRED TO MAIL COPIES OF PROCESS OR THE REGISTERED AGENT, IF SUCH BE THE CASE. A CERTIFICATE SIGNED AND DELIVERED UNDER THIS PARAGRAPH SHALL NOT BE DEEMED TO EFFECT A CHANGE OF LOCATION OF THE OFFICE OF THE CORPORATION IN WHOSE BEHALF SUCH CERTIFICATE IS FILED.

S 806. APPROVALS AND EFFECT.

(A) A CERTIFICATE OF AMENDMENT SHALL BE DELIVERED TO THE DEPARTMENT OF STATE. UPON THE FILING OF A CERTIFICATE OF AMENDMENT BY THE DEPARTMENT OF STATE, THE CORPORATION SHALL SUBMIT A CERTIFIED COPY OF SUCH CERTIFICATE WITHIN THIRTY DAYS OF THE FILING THEREOF TO SUCH OTHER PERSON OR GOVERNMENTAL BODY AS DESIGNATED IN SECTION 404 OF THIS CHAPTER.

(B) THE DEPARTMENT OF STATE SHALL NOT FILE A CERTIFICATE OF AMENDMENT REVIVING THE EXISTENCE OF A CORPORATION IF THE NAME OF THE CORPORATION BEING REVIVED IS NOT AVAILABLE UNDER SECTION 301 OF THIS CHAPTER FOR USE BY A CORPORATION THEN BEING FORMED UNDER THIS CHAPTER, UNLESS THE CERTIFICATE OF AMENDMENT SHALL CHANGE THE NAME TO ONE WHICH IS AVAILABLE FOR SUCH USE.

(C) NO AMENDMENT OR CHANGE SHALL AFFECT ANY EXISTING CAUSE OF ACTION IN FAVOR OF OR AGAINST THE CORPORATION, OR ANY PENDING SUIT TO WHICH IT SHALL BE A PARTY, OR THE EXISTING RIGHTS OF PERSONS OTHER THAN MEMBERS; AND IN THE EVENT THE CORPORATE NAME SHALL BE CHANGED, NO SUIT BROUGHT BY OR AGAINST THE CORPORATION UNDER ITS FORMER NAME SHALL ABATE FOR THAT REASON.

(D) AMENDMENT OF PURPOSES SHALL NOT PREVENT THE CORPORATION FROM APPLYING ASSETS ACQUIRED PRIOR TO SUCH AMENDMENT TO SUCH AMENDED PURPOSES, PROVIDED THAT THE CORPORATION SHALL ABIDE BY ANY GIFT INSTRUMENT FOR ASSETS RECEIVED FOR SPECIFIC PURPOSES PRIOR TO SUCH AMENDMENT.

S 807. RESTATED CERTIFICATE OF INCORPORATION.

(A) A CORPORATION, WHEN AUTHORIZED BY THE BOARD, MAY RESTATE IN A SINGLE CERTIFICATE THE TEXT OF ITS CERTIFICATE OF INCORPORATION WITHOUT MAKING ANY AMENDMENT OR CHANGE THEREBY, EXCEPT THAT IT MAY INCLUDE ANY ONE OR MORE OF THE AMENDMENTS OR CHANGES WHICH MAY BE AUTHORIZED BY THE BOARD WITHOUT A VOTE OF MEMBERS UNDER THIS CHAPTER. ALTERNATIVELY, A CORPORATION MAY RESTATE IN A SINGLE CERTIFICATE THE TEXT OF ITS CERTIFICATE OF INCORPORATION AS AMENDED THEREBY TO EFFECT ANY ONE OR MORE OF THE AMENDMENTS OR CHANGES AUTHORIZED BY THIS CHAPTER, WHEN AUTHORIZED AS REQUIRED BY SECTION 802 OF THIS ARTICLE.

(B) A RESTATED CERTIFICATE OF INCORPORATION, ENTITLED "RESTATED CERTIFICATE OF INCORPORATION OF ..... (NAME OF CORPORATION) UNDER SECTION 807 OF THE NON-PROFIT CORPORATION LAW", SHALL BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION AND, IF IT HAS BEEN CHANGED, THE NAME UNDER WHICH IT WAS FORMED.

(2) THE DATE ITS CERTIFICATE OF INCORPORATION WAS FILED BY THE DEPARTMENT OF STATE.

(3) IF THE RESTATED CERTIFICATE RESTATES THE TEXT OF THE CERTIFICATE OF INCORPORATION WITHOUT MAKING ANY AMENDMENT OR CHANGE, THEN A STATEMENT THAT THE TEXT OF THE CERTIFICATE OF INCORPORATION IS THEREBY

RESTATED WITHOUT AMENDMENT OR CHANGE TO READ AS THEREIN SET FORTH IN FULL.

(4) IF THE RESTATED CERTIFICATE RESTATES THE TEXT OF THE CERTIFICATE OF INCORPORATION AS AMENDED OR CHANGED THEREBY, THEN A STATEMENT THAT THE CERTIFICATE OF INCORPORATION IS AMENDED OR CHANGED TO EFFECT ONE OR MORE OF THE AMENDMENTS OR CHANGES AUTHORIZED BY THIS CHAPTER, SPECIFYING EACH SUCH AMENDMENT OR CHANGE AND THAT THE TEXT OF THE CERTIFICATE OF INCORPORATION IS THEREBY RESTATED AS AMENDED OR CHANGED TO READ AS THEREIN SET FORTH IN FULL.

(5) THE MANNER IN WHICH THE RESTATEMENT OF THE CERTIFICATE OF INCORPORATION WAS AUTHORIZED.

(C) A RESTATED CERTIFICATE NEED NOT INCLUDE STATEMENTS AS TO THE INCORPORATOR OR INCORPORATORS, OR THE FIRST DIRECTORS.

(D) ANY AMENDMENT OR CHANGE UNDER THIS SECTION SHALL BE SUBJECT TO ANY OTHER SECTION, NOT INCONSISTENT WITH THIS SECTION, WHICH WOULD BE APPLICABLE IF A SEPARATE CERTIFICATE WERE FILED TO EFFECT SUCH AMENDMENT OR CHANGE.

(E) NOTWITHSTANDING THAT THE CORPORATION WOULD BE REQUIRED BY ANY STATUTE TO SECURE FROM ANY SUPREME COURT JUSTICE, GOVERNMENTAL BODY OR OFFICER, OR OTHER PERSON OR BODY, ANY CONSENT OR APPROVAL TO THE FILING OF ITS CERTIFICATE OF INCORPORATION OR A CERTIFICATE OF AMENDMENT, SUCH CONSENT OR APPROVAL SHALL NOT BE REQUIRED WITH RESPECT TO A RESTATED CERTIFICATE IF SUCH CERTIFICATE MAKES NO AMENDMENT AND IF ANY PREVIOUSLY REQUIRED CONSENT OR APPROVAL HAD BEEN SECURED.

(F) UPON FILING BY THE DEPARTMENT, THE ORIGINAL CERTIFICATE OF INCORPORATION SHALL BE SUPERSEDED AND THE RESTATED CERTIFICATE OF INCORPORATION, INCLUDING ANY AMENDMENTS AND CHANGES MADE THEREBY, SHALL BE THE CERTIFICATE OF INCORPORATION OF THE CORPORATION.

S 9. Article 9 of the not-for-profit corporation law is REPEALED and a new article 9 is added to read as follows:

ARTICLE 9

MERGER OR CONSOLIDATION

SECTION 901. POWER OF MERGER OR CONSOLIDATION.
902. PLAN OF MERGER OR CONSOLIDATION.
903. APPROVAL OF PLAN.
904. CERTIFICATE OF MERGER OR CONSOLIDATION; CONTENTS.
905. EFFECT OF MERGER OR CONSOLIDATION.
906. MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS.
907. APPROVAL BY THE SUPREME COURT.
908. MERGER OR CONSOLIDATION OF BUSINESS AND NON-PROFIT CORPORATIONS.
909. FILING NOTICES, APPROVALS OR CONSENTS.
910. MERGER OR CONSOLIDATION OF CORPORATIONS FORMED UNDER THE RELIGIOUS CORPORATIONS LAW AND CERTAIN OTHER CORPORATIONS FORMED FOR RELIGIOUS PURPOSES.

S 901. POWER OF MERGER OR CONSOLIDATION.

(A) TWO OR MORE DOMESTIC CORPORATIONS OR ONE OR MORE DOMESTIC CORPORATIONS AND ONE OR MORE FOREIGN CORPORATIONS MAY, AS PROVIDED IN THIS CHAPTER:

(1) MERGE INTO A SINGLE CORPORATION WHICH SHALL BE ONE OF THE CONSTITUENT CORPORATIONS; OR

(2) CONSOLIDATE INTO A SINGLE CORPORATION WHICH SHALL BE A NEW CORPORATION TO BE FORMED PURSUANT TO THE CONSOLIDATION.

(B) WHENEVER USED IN THIS ARTICLE:

(1) "MERGER" MEANS A PROCEDURE OF THE CHARACTER DESCRIBED IN SUBPARAGRAPH (1) OF PARAGRAPH (A) OF THIS SECTION.

(2) "CONSOLIDATION" MEANS A PROCEDURE OF THE CHARACTER DESCRIBED IN SUBPARAGRAPH (2) OF PARAGRAPH (A) OF THIS SECTION.

(3) "CONSTITUENT CORPORATION" MEANS AN EXISTING DOMESTIC OR FOREIGN CORPORATION THAT IS PARTICIPATING IN THE MERGER OR CONSOLIDATION WITH ONE OR MORE OTHER CORPORATIONS.

(4) "SURVIVING CORPORATION" MEANS THE CONSTITUENT CORPORATION INTO WHICH ONE OR MORE OTHER CONSTITUENT CORPORATIONS ARE MERGED.

(5) "CONSOLIDATED CORPORATION" MEANS THE NEW CORPORATION INTO WHICH TWO OR MORE CONSTITUENT CORPORATIONS ARE CONSOLIDATED.

S 902. PLAN OF MERGER OR CONSOLIDATION.

(A) THE BOARD OF EACH CONSTITUENT CORPORATION PROPOSING TO PARTICIPATE IN A MERGER OR CONSOLIDATION UNDER SECTION 901 OF THIS ARTICLE SHALL ADOPT A PLAN OF MERGER OR CONSOLIDATION, SETTING FORTH:

(1) THE NAME OF EACH CONSTITUENT CORPORATION AND IF THE NAME OF ANY OF THEM HAS BEEN CHANGED, THE NAME UNDER WHICH IT WAS FORMED, AND THE NAME OF THE SURVIVING CORPORATION, OR THE NAME OR THE METHOD OF DETERMINING IT, OF THE CONSOLIDATED CORPORATION.

(2) AS TO EACH CONSTITUENT CORPORATION, A DESCRIPTION OF THE MEMBERSHIP AND HOLDERS OF ANY CERTIFICATES EVIDENCING CAPITAL CONTRIBUTIONS, INCLUDING THEIR NUMBER, CLASSIFICATION, AND VOTING RIGHTS, IF ANY.

(3) THE TERMS AND CONDITIONS OF THE PROPOSED MERGER OR CONSOLIDATION, INCLUDING THE MANNER AND BASIS OF CONVERTING MEMBERSHIP OR OTHER INTEREST IN EACH CONSTITUENT CORPORATION INTO MEMBERSHIP OR OTHER INTEREST IN THE SURVIVING OR CONSOLIDATED CORPORATION, OR THE CASH OR OTHER CONSIDERATION TO BE PAID OR DELIVERED IN EXCHANGE FOR MEMBERSHIP OR OTHER INTEREST IN EACH CONSTITUENT CORPORATION, OR A COMBINATION THEREOF.

(4) IN CASE OF MERGER, A STATEMENT OF ANY AMENDMENTS OR CHANGES IN THE CERTIFICATE OF INCORPORATION OF THE SURVIVING CORPORATION TO BE EFFECTED BY SUCH MERGER; IN CASE OF CONSOLIDATION, ALL STATEMENTS REQUIRED TO BE INCLUDED IN A CERTIFICATE OF INCORPORATION FOR A CORPORATION FORMED UNDER THIS CHAPTER, EXCEPT STATEMENTS AS TO FACTS NOT AVAILABLE AT THE TIME THE PLAN OF CONSOLIDATION IS ADOPTED BY THE BOARD.

(5) IN CASE OF A MERGER OR CONSOLIDATION UNDER SECTION 906 OF THIS ARTICLE, A STATEMENT OF ANY AGREEMENTS REQUIRED BY CLAUSE (D) OF SUBPARAGRAPH (2) OF PARAGRAPH (D) OF SECTION 906 OF THIS ARTICLE.

(6) SUCH OTHER PROVISIONS WITH RESPECT TO THE PROPOSED MERGER OR CONSOLIDATION AS THE BOARD CONSIDERS NECESSARY OR DESIRABLE.

S 903. APPROVAL OF PLAN.

(A) THE PLAN OF MERGER OR CONSOLIDATION OF EACH DOMESTIC CONSTITUENT CORPORATION SHALL BE APPROVED IN ACCORDANCE WITH THE FOLLOWING:

(1) IF THE MERGING OR CONSOLIDATING CORPORATION HAS NO MEMBERS ENTITLED TO VOTE THEREON, UPON ADOPTION BY THE BOARD OF SUCH CORPORATION PURSUANT TO SECTION 902 OF THIS ARTICLE.

(2) IF THE MERGING OR CONSOLIDATING CORPORATION HAS MEMBERS ENTITLED TO VOTE THEREON, AFTER ADOPTION BY THE BOARD OF SUCH CORPORATION, UPON ADOPTION AT A MEETING OF THE MEMBERS BY TWO-THIRDS VOTE AS PROVIDED IN PARAGRAPH (C) OF SECTION 613 OF THIS CHAPTER. NOTICE OF MEETING SHALL BE GIVEN TO EACH MEMBER WHETHER OR NOT ENTITLED TO VOTE. A COPY OF THE PLAN OF MERGER OR CONSOLIDATION OR AN OUTLINE OF THE MATERIAL FEATURES OF THE PLAN SHALL ACCOMPANY SUCH NOTICE.

(B) NOTWITHSTANDING AUTHORIZATION AS PROVIDED HEREIN, AT ANY TIME PRIOR TO THE FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION, THE PLAN OF MERGER OR CONSOLIDATION MAY BE ABANDONED PURSUANT TO A PROVISION

FOR SUCH ABANDONMENT, IF ANY, CONTAINED IN THE PLAN OF MERGER OR CONSOLIDATION.

S 904. CERTIFICATE OF MERGER OR CONSOLIDATION; CONTENTS.

(A) AFTER ADOPTION OF THE PLAN OF MERGER OR CONSOLIDATION UNLESS THE MERGER OR CONSOLIDATION IS ABANDONED IN ACCORDANCE WITH PARAGRAPH (B) OF SECTION 903 OF THIS ARTICLE A CERTIFICATE OF MERGER OR CONSOLIDATION, ENTITLED "CERTIFICATE OF MERGER (OR CONSOLIDATION) OF _____ AND _____ INTO (NAMES OF CORPORATIONS) UNDER SECTION 904 OF THE NON-PROFIT CORPORATION LAW," SHALL BE EXECUTED ON BEHALF OF EACH CONSTITUENT CORPORATION AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE STATEMENTS REQUIRED BY SUBPARAGRAPHS (1), (2), (3) AND (4) OF PARAGRAPH (A) OF SECTION 902 OF THIS ARTICLE.

(2) THE EFFECTIVE DATE OF THE MERGER OR CONSOLIDATION IF OTHER THAN THE DATE OF FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION BY THE DEPARTMENT OF STATE.

(3) IN THE CASE OF CONSOLIDATION, ANY STATEMENT REQUIRED TO BE INCLUDED IN A CERTIFICATE OF INCORPORATION FORMED UNDER THIS CHAPTER BUT WHICH WAS OMITTED UNDER SUBPARAGRAPH (4) OF PARAGRAPH (A) OF SECTION 902 OF THIS ARTICLE.

(4) THE DATE WHEN THE CERTIFICATE OF INCORPORATION OF EACH CONSTITUENT CORPORATION WAS FILED BY THE DEPARTMENT OF STATE OR, IN THE CASE OF CONSTITUENT CORPORATIONS CREATED BY SPECIAL LAW, THE CHAPTER NUMBER AND YEAR OF PASSAGE OF SUCH LAW.

(5) THE MANNER IN WHICH THE MERGER OR CONSOLIDATION WAS AUTHORIZED WITH RESPECT TO EACH CONSTITUENT CORPORATION.

(B) THE SURVIVING OR CONSOLIDATED CORPORATION SHALL THEREAFTER CAUSE A COPY OF SUCH CERTIFICATE CERTIFIED BY THE DEPARTMENT OF STATE, TO BE FILED IN THE OFFICE OF THE CLERK OF EACH COUNTY IN WHICH THE OFFICE OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS LOCATED, AND IN THE OFFICE OF THE OFFICIAL WHO IS THE RECORDING OFFICER OF EACH COUNTY IN THIS STATE IN WHICH REAL PROPERTY OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS SITUATED.

S 905. EFFECT OF MERGER OR CONSOLIDATION.

(A) UPON THE FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION BY THE DEPARTMENT OF STATE OR ON SUCH DATE SUBSEQUENT THERETO, NOT TO EXCEED THIRTY DAYS, AS SHALL BE SET FORTH IN SUCH CERTIFICATE, THE MERGER OR CONSOLIDATION SHALL BE EFFECTED.

(B) WHEN SUCH MERGER OR CONSOLIDATION HAS BEEN EFFECTED:

(1) SUCH SURVIVING OR CONSOLIDATED CORPORATION SHALL THEREAFTER, CONSISTENTLY WITH ITS CERTIFICATE OF INCORPORATION AS ALTERED OR ESTABLISHED BY THE MERGER OR CONSOLIDATION, POSSESS ALL THE RIGHTS, PRIVILEGES, IMMUNITIES, POWERS AND PURPOSES OF EACH OF THE CONSTITUENT CORPORATIONS.

(2) ALL THE PROPERTY, REAL AND PERSONAL, INCLUDING CAUSES OF ACTION AND EVERY OTHER ASSET OF EACH OF THE CONSTITUENT CORPORATIONS, SHALL VEST IN SUCH SURVIVING OR CONSOLIDATED CORPORATION WITHOUT FURTHER ACT OR DEED, EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (B) OF SECTION 907 OF THIS ARTICLE. EXCEPT AS THE COURT MAY OTHERWISE DIRECT, ANY DISPOSITION MADE IN A WILL OR IN ANY OTHER INSTRUMENT EXECUTED UNDER THE LAWS OF THIS STATE, AND TAKING EFFECT AFTER SUCH MERGER OR CONSOLIDATION, TO OR FOR THE BENEFIT OF ANY OF THE CONSTITUENT CORPORATIONS SHALL INURE TO THE BENEFIT OF THE SURVIVING OR CONSOLIDATED CORPORATION.

(3) THE SURVIVING OR CONSOLIDATED CORPORATION SHALL ASSUME AND BE LIABLE FOR ALL THE LIABILITIES, OBLIGATIONS AND PENALTIES OF EACH OF THE CONSTITUENT CORPORATIONS. NO LIABILITY OR OBLIGATION DUE OR TO BECOME

DUE, CLAIM OR DEMAND FOR ANY CAUSE EXISTING AGAINST ANY SUCH CORPORATION, OR ANY MEMBER, OFFICER OR DIRECTOR THEREOF, SHALL BE RELEASED OR IMPAIRED BY SUCH MERGER OR CONSOLIDATION. NO ACTION OR PROCEEDING, WHETHER CIVIL OR CRIMINAL, THEN PENDING BY OR AGAINST ANY SUCH CONSTITUENT CORPORATION, OR ANY MEMBER, OFFICER OR DIRECTOR THEREOF, SHALL ABATE OR BE DISCONTINUED BY SUCH MERGER OR CONSOLIDATION, BUT MAY BE ENFORCED, PROSECUTED, SETTLED OR COMPROMISED AS IF SUCH MERGER OR CONSOLIDATION HAD NOT OCCURRED, OR SUCH SURVIVING OR CONSOLIDATED CORPORATION MAY BE SUBSTITUTED IN SUCH ACTION OR SPECIAL PROCEEDING IN PLACE OF ANY CONSTITUENT CORPORATION. EXCEPT AS THE COURT MAY OTHERWISE DIRECT, ANY OBLIGATION WITH RESPECT TO ANY ASSETS RECEIVED FOR SPECIFIC PURPOSES SHALL BE DEEMED TO CONTINUE IN AND THROUGH THE SURVIVING OR CONSOLIDATED CORPORATION.

(4) IN THE CASE OF A MERGER, THE CERTIFICATE OF INCORPORATION OF THE SURVIVING CORPORATION SHALL BE AUTOMATICALLY AMENDED TO THE EXTENT, IF ANY, THAT CHANGES IN ITS CERTIFICATE OF INCORPORATION ARE SET FORTH IN THE PLAN OF MERGER; AND, IN THE CASE OF A CONSOLIDATION, THE STATEMENTS SET FORTH IN THE CERTIFICATE OF CONSOLIDATION AND WHICH ARE REQUIRED OR PERMITTED TO BE SET FORTH IN A CERTIFICATE OF INCORPORATION OF A CORPORATION FORMED UNDER THIS CHAPTER SHALL BE ITS CERTIFICATE OF INCORPORATION.

S 906. MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS.

(A) ONE OR MORE FOREIGN CORPORATIONS AND ONE OR MORE DOMESTIC CORPORATIONS MAY BE MERGED OR CONSOLIDATED INTO A CORPORATION OF THIS STATE OR OF ANOTHER JURISDICTION, IF SUCH MERGER OR CONSOLIDATION IS PERMITTED BY THE LAWS OF THE JURISDICTION UNDER WHICH EACH SUCH FOREIGN CORPORATION IS INCORPORATED. WITH RESPECT TO SUCH MERGER OR CONSOLIDATION, ANY REFERENCE IN PARAGRAPH (B) OF SECTION 901 OF THIS ARTICLE TO A CORPORATION SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES, INCLUDE BOTH DOMESTIC AND FOREIGN CORPORATIONS.

(B) WITH RESPECT TO PROCEDURE, INCLUDING ANY REQUIREMENT OF APPROVAL BY MEMBERS, EACH DOMESTIC CORPORATION SHALL COMPLY WITH THE PROVISIONS OF THIS CHAPTER RELATING TO MERGER OR CONSOLIDATION OF DOMESTIC CORPORATIONS, AND EACH FOREIGN CORPORATION SHALL COMPLY WITH THE APPLICABLE PROVISIONS OF THE LAW OF THE JURISDICTION UNDER WHICH IT IS INCORPORATED.

(C) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, A DOMESTIC CORPORATION, A CERTIFICATE OF MERGER OR CONSOLIDATION SHALL BE SIGNED, VERIFIED AND DELIVERED TO THE DEPARTMENT OF STATE AS PROVIDED IN SECTION 904 OF THIS ARTICLE. IN ADDITION TO THE MATTERS SPECIFIED IN SUCH SECTION, THE CERTIFICATE SHALL SET FORTH AS TO EACH CONSTITUENT FOREIGN CORPORATION THE JURISDICTION AND DATE OF ITS INCORPORATION AND THE DATE WHEN ITS APPLICATION FOR AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE WAS FILED BY THE DEPARTMENT OF STATE, AND ITS FICTITIOUS NAME USED IN THIS STATE PURSUANT TO ARTICLE 13 OF THIS CHAPTER, IF APPLICABLE, OR, IF NO SUCH APPLICATION HAS BEEN FILED, A STATEMENT TO SUCH EFFECT.

(D) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, FORMED UNDER THE LAW OF ANY JURISDICTION OTHER THAN THIS STATE:

(1) IT SHALL COMPLY WITH THE PROVISIONS OF THIS CHAPTER RELATING TO FOREIGN CORPORATIONS IF IT IS TO CONDUCT ACTIVITIES IN THIS STATE.

(2) IT SHALL DELIVER TO THE DEPARTMENT OF STATE A CERTIFICATE, ENTITLED "CERTIFICATE OF MERGER (OR CONSOLIDATION) OF ..... AND ..... INTO ..... (NAMES OF CORPORATIONS) UNDER SECTION 906 OF THE NON-PROFIT CORPORATION LAW", WHICH SHALL BE SIGNED ON BEHALF OF EACH CONSTITUENT DOMESTIC AND FOREIGN CORPORATION. IT SHALL SET FORTH:

(A) THE STATEMENTS REQUIRED BY SUBPARAGRAPHS (1), (2), (3), (4) AND (5) OF PARAGRAPH (A) OF SECTION 902 OF THIS ARTICLE.

(B) THE JURISDICTION AND DATE OF INCORPORATION OF THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION, THE DATE WHEN ITS APPLICATION FOR AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE WAS FILED BY THE DEPARTMENT OF STATE, AND ITS FICTITIOUS NAME USED IN THIS STATE PURSUANT TO ARTICLE 13 OF THIS CHAPTER, IF APPLICABLE, OR, IF NO SUCH APPLICATION HAS BEEN FILED, A STATEMENT TO SUCH EFFECT AND THAT IT IS NOT TO CONDUCT ACTIVITIES IN THIS STATE UNTIL AN APPLICATION FOR SUCH AUTHORITY SHALL HAVE BEEN FILED BY SUCH DEPARTMENT.

(C) THE DATE WHEN THE CERTIFICATE OF INCORPORATION OF EACH CONSTITUENT DOMESTIC CORPORATION WAS FILED BY THE DEPARTMENT OF STATE AND THE JURISDICTION AND DATE OF INCORPORATION OF EACH CONSTITUENT FOREIGN CORPORATION, OTHER THAN THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION, AND; IN THE CASE OF EACH SUCH CORPORATION AUTHORIZED TO CONDUCT ACTIVITIES IN THIS STATE, THE DATE WHEN ITS APPLICATION FOR AUTHORITY WAS FILED BY THE DEPARTMENT OF STATE.

(D) AN AGREEMENT THAT THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION MAY BE SERVED WITH PROCESS IN THIS STATE IN ANY ACTION OR SPECIAL PROCEEDING FOR THE ENFORCEMENT OF ANY LIABILITY OR OBLIGATION OF ANY DOMESTIC CORPORATION OR OF ANY FOREIGN CORPORATION, PREVIOUSLY AMENABLE TO SUIT IN THIS STATE, WHICH IS A CONSTITUENT CORPORATION IN SUCH MERGER OR CONSOLIDATION, AND AN AGREEMENT THAT THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION MAY BE SUED IN THIS STATE IN RESPECT OF ANY PROPERTY TRANSFERRED OR CONVEYED TO IT AS PROVIDED IN SECTION 907 OF THIS ARTICLE, OR THE USE MADE OF SUCH PROPERTY, OR ANY TRANSACTION IN CONNECTION THEREWITH.

(E) A DESIGNATION OF THE SECRETARY OF STATE AS ITS AGENT UPON WHOM PROCESS AGAINST IT MAY BE SERVED IN THE MANNER SET FORTH IN PARAGRAPH (B) OF SECTION 306 OF THIS CHAPTER, IN ANY ACTION OR SPECIAL PROCEEDING DESCRIBED IN CLAUSE (D) OF THIS SUBPARAGRAPH AND A POST OFFICE ADDRESS, WITHIN OR WITHOUT THIS STATE, TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF THE PROCESS IN SUCH ACTION.

(F) THE MANNER IN WHICH THE PLAN OF MERGER OR CONSOLIDATION WAS APPROVED WITH RESPECT TO EACH CONSTITUENT DOMESTIC CORPORATION AND THAT THE MERGER OR CONSOLIDATION IS PERMITTED BY THE LAWS OF THE JURISDICTION OF EACH CONSTITUENT FOREIGN CORPORATION AND IS IN COMPLIANCE THEREWITH.

(G) THE EFFECTIVE DATE OF THE MERGER OR CONSOLIDATION IF OTHER THAN THE DATE OF FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION BY THE DEPARTMENT OF STATE.

(E) UPON THE FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION BY THE DEPARTMENT OF STATE OR ON SUCH DATE SUBSEQUENT THERETO, NOT TO EXCEED NINETY DAYS AS SHALL BE SET FORTH IN SUCH CERTIFICATE, THE MERGER OR CONSOLIDATION SHALL BE EFFECTED.

(F) THE SURVIVING OR CONSOLIDATED DOMESTIC OR FOREIGN CORPORATION SHALL THEREAFTER CAUSE A COPY OF SUCH CERTIFICATE, CERTIFIED BY THE DEPARTMENT OF STATE, TO BE FILED IN THE OFFICE OF THE CLERK OF EACH COUNTY IN WHICH THE OFFICE OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS LOCATED, AND IN THE OFFICE OF THE OFFICIAL WHO IS THE RECORDING OFFICER OF EACH COUNTY IN THIS STATE IN WHICH REAL PROPERTY OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS SITUATED.

(G) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, FORMED UNDER THE LAW OF THIS STATE, THE EFFECT OF SUCH MERGER OR CONSOLIDATION SHALL BE THE SAME AS IN THE CASE OF THE MERGER OR CONSOLIDATION OF DOMESTIC CORPORATIONS UNDER SECTION 905 OF THIS ARTICLE. IF THE

SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, INCORPORATED UNDER THE LAW OF ANY JURISDICTION OTHER THAN THIS STATE, THE EFFECT OF SUCH MERGER OR CONSOLIDATION SHALL BE THE SAME AS IN THE CASE OF THE MERGER OR CONSOLIDATION OF DOMESTIC CORPORATIONS, EXCEPT INSOFAR AS THE LAW OF SUCH OTHER JURISDICTION PROVIDES OTHERWISE.

S 907. APPROVAL BY THE SUPREME COURT.

(A) NO CERTIFICATE SHALL BE FILED PURSUANT TO SECTION 904 OF THIS ARTICLE, SECTION 906 OF THIS ARTICLE OR SECTION 908 OF THIS ARTICLE WITH RESPECT TO A DOMESTIC CONSTITUENT CORPORATION THAT IS ORGANIZED FOR CHARITABLE PURPOSES AND THAT HOLDS ASSETS RECEIVED FOR SPECIFIC PURPOSES UNTIL AN ORDER APPROVING THE PLAN OF MERGER OR CONSOLIDATION AND AUTHORIZING THE FILING OF THE CERTIFICATE HAS BEEN MADE BY THE SUPREME COURT, AS PROVIDED IN THIS SECTION. A CERTIFIED COPY OF SUCH ORDER SHALL BE ANNEXED TO THE CERTIFICATE OF MERGER OR CONSOLIDATION. APPLICATION FOR THE ORDER MAY BE MADE IN THE JUDICIAL DISTRICT IN WHICH THE PRINCIPAL OFFICE OF THE SURVIVING OR CONSOLIDATED CORPORATION IS TO BE LOCATED, OR IN WHICH THE OFFICE OF ONE OF THE DOMESTIC CONSTITUENT CORPORATIONS IS LOCATED. THE APPLICATION SHALL BE MADE BY DOMESTIC CONSTITUENT CORPORATION AND SHALL SET FORTH BY AFFIDAVIT (1) THE PLAN OF MERGER OR CONSOLIDATION, (2) THE APPROVAL REQUIRED BY SECTION 903 OF THIS ARTICLE OR PARAGRAPH (B) OF SECTION 906 OF THIS ARTICLE FOR EACH CONSTITUENT CORPORATION, AND THE MANNER IN WHICH THEY ARE HELD.

(B) UPON THE FILING OF THE APPLICATION THE COURT SHALL FIX A TIME FOR HEARING THEREOF AND SHALL DIRECT THAT NOTICE THEREOF BE GIVEN TO SUCH PERSONS AS THE COURT MAY DEEM INTERESTED, INCLUDING THE ATTORNEY GENERAL, ANY GOVERNMENTAL BODY OR OFFICER AND ANY OTHER PERSON OR BODY WHOSE CONSENT OR APPROVAL IS REQUIRED BY SECTION 909 OF THIS ARTICLE, IN SUCH FORM AND MANNER AS THE COURT MAY PRESCRIBE, WHICH PERSONS MAY APPEAR AND SHOW CAUSE WHY THE APPLICATION SHOULD NOT BE GRANTED.

(C) IF THE COURT SHALL FIND THAT ANY OF THE ASSETS OF A DOMESTIC CONSTITUENT CORPORATION RECEIVED FOR SPECIFIC PURPOSES WILL BE ADVERSELY AFFECTED BY THE MERGER OR CONSOLIDATION, IT MAY APPROVE THE TRANSFER OR CONVEYANCE OF THE SUBJECT ASSETS TO ONE OR MORE OTHER DOMESTIC OR FOREIGN CORPORATIONS OR ORGANIZATIONS ENGAGED IN SUBSTANTIALLY SIMILAR ACTIVITIES.

S 908. MERGER OR CONSOLIDATION OF BUSINESS AND NON-PROFIT CORPORATIONS.

(A) ONE OR MORE DOMESTIC OR FOREIGN CORPORATIONS WHICH IS, OR WOULD BE IF FORMED UNDER THIS CHAPTER, A CORPORATION ORGANIZED AND OPERATED UNDER SECTION 201 OF THIS CHAPTER MAY BE MERGED OR CONSOLIDATED INTO A DOMESTIC OR FOREIGN CORPORATION WHICH IS, OR WOULD BE IF FORMED UNDER THE LAWS OF THIS STATE, A CORPORATION FORMED UNDER THE BUSINESS CORPORATION LAW OF THIS STATE IF SUCH MERGER OR CONSOLIDATION IS NOT CONTRARY TO THE LAW OF THE STATE OF INCORPORATION OF ANY CONSTITUENT CORPORATION. WITH RESPECT TO SUCH MERGER OR CONSOLIDATION, ANY REFERENCE IN PARAGRAPH (B) OF SECTION 901 OF THIS ARTICLE OR PARAGRAPH (B) OF SECTION 901 OF THE BUSINESS CORPORATION LAW TO A CORPORATION SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES, INCLUDE BOTH DOMESTIC AND FOREIGN CORPORATIONS.

(B) WITH RESPECT TO PROCEDURE INCLUDING AUTHORIZATION BY SHAREHOLDERS OR APPROVAL BY MEMBERS, EACH DOMESTIC BUSINESS CORPORATION SHALL COMPLY WITH THE BUSINESS CORPORATION LAW, EACH DOMESTIC NON-PROFIT CORPORATION SHALL COMPLY WITH THE PROVISIONS OF THIS CHAPTER AND EACH FOREIGN CORPORATION SHALL COMPLY WITH THE APPLICABLE PROVISIONS OF THE LAW OF THE JURISDICTION UNDER WHICH IT IS INCORPORATED.

(C) THE PLAN OF MERGER OR CONSOLIDATION SHALL SET FORTH ALL MATTERS REQUIRED BY SECTION 902 OF THE BUSINESS CORPORATION LAW OR SECTION 902 OF THIS ARTICLE AND THE TERMS AND CONDITIONS OF THE PROPOSED MERGER OR

CONSOLIDATION, INCLUDING THE MANNER AND BASIS OF CONVERTING SHARES, MEMBERSHIP OR OTHER INTEREST IN EACH CONSTITUENT CORPORATION INTO SHARES, BONDS OR OTHER SECURITIES OF THE SURVIVING OR CONSOLIDATED CORPORATION, OR THE CASH OR OTHER CONSIDERATION TO BE PAID OR DELIVERED IN EXCHANGE FOR SHARES, MEMBERSHIP OR OTHER INTEREST IN EACH CONSTITUENT CORPORATION, OR A COMBINATION THEREOF.

(D) AFTER ADOPTION OF THE PLAN OF MERGER OR CONSOLIDATION BY THE BOARD AND MEMBERS OR SHAREHOLDERS OF EACH CONSTITUENT CORPORATION, UNLESS THE MERGER OR CONSOLIDATION IS ABANDONED IN ACCORDANCE WITH PARAGRAPH (B) OF SECTION 903 OF THIS ARTICLE AND PARAGRAPH (B) OF SECTION 903 OF THE BUSINESS CORPORATION LAW, A CERTIFICATE OF MERGER OR CONSOLIDATION, ENTITLED "CERTIFICATE OF MERGER (OR CONSOLIDATION) OF ..... AND ..... INTO ..... (NAMES OF CORPORATIONS) UNDER SECTION 908 OF THE NON-PROFIT CORPORATION LAW", SHALL BE SIGNED ON BEHALF OF EACH CONSTITUENT CORPORATION AND DELIVERED TO THE DEPARTMENT OF STATE.

(1) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, A DOMESTIC CORPORATION SUCH CERTIFICATE SHALL SET FORTH THE STATEMENTS REQUIRED BY PARAGRAPH (A) OF SECTION 904 OF THE BUSINESS CORPORATION LAW OR PARAGRAPH (A) OF SECTION 904 OF THIS ARTICLE AND, AS TO EACH CONSTITUENT FOREIGN CORPORATION THE JURISDICTION AND DATE OF ITS INCORPORATION AND THE DATE WHEN ITS APPLICATION FOR AUTHORITY TO CONDUCT ACTIVITIES OR DO BUSINESS IN THIS STATE WAS FILED BY THE DEPARTMENT OF STATE OR, IF NO SUCH APPLICATION HAS BEEN FILED, A STATEMENT TO SUCH EFFECT.

(2) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE FORMED UNDER THE LAW OF ANY JURISDICTION OTHER THAN THIS STATE SUCH CERTIFICATE SHALL SET FORTH:

(A) THE STATEMENTS REQUIRED BY SUBPARAGRAPHS (1) AND (2) OF PARAGRAPH (A) OF SECTION 902 OF THE BUSINESS CORPORATION LAW OR SUBPARAGRAPHS (1) AND (2) OF PARAGRAPH (A) OF SECTION 902 OF THIS ARTICLE, AND THE MANNER IN WHICH THE MERGER OR CONSOLIDATION WAS AUTHORIZED WITH RESPECT TO EACH CONSTITUENT DOMESTIC CORPORATION.

(B) THE JURISDICTION AND DATE OF INCORPORATION OF THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION, THE DATE WHEN ITS APPLICATION FOR AUTHORITY TO DO BUSINESS IN THIS STATE WAS FILED BY THE DEPARTMENT OF STATE OR, IF NO SUCH APPLICATION HAS BEEN FILED, A STATEMENT TO SUCH EFFECT AND THAT IT IS NOT TO DO BUSINESS IN THIS STATE UNTIL AN APPLICATION FOR SUCH AUTHORITY SHALL HAVE BEEN FILED BY SUCH DEPARTMENT.

(C) THE DATE WHEN THE CERTIFICATE OF INCORPORATION OF EACH CONSTITUENT DOMESTIC CORPORATION WAS FILED BY THE DEPARTMENT OF STATE AND THE JURISDICTION AND DATE OF INCORPORATION OF EACH CONSTITUENT FOREIGN CORPORATION, OTHER THAN THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION, AND, IN THE CASE OF EACH SUCH CORPORATION AUTHORIZED TO DO BUSINESS OR CONDUCT ACTIVITIES IN THIS STATE, THE DATE WHEN ITS APPLICATION FOR AUTHORITY WAS FILED BY THE DEPARTMENT OF STATE.

(D) AN AGREEMENT THAT THE SURVIVING OR CONSOLIDATED FOREIGN CORPORATION MAY BE SERVED WITH PROCESS IN THIS STATE IN ANY ACTION OR SPECIAL PROCEEDING FOR THE ENFORCEMENT OF ANY LIABILITY OR OBLIGATION OF ANY DOMESTIC CORPORATION OR OF ANY FOREIGN CORPORATION, PREVIOUSLY AMENABLE TO SUIT IN THIS STATE, WHICH IS A CONSTITUENT CORPORATION IN SUCH MERGER OR CONSOLIDATION, AND FOR THE ENFORCEMENT, AS PROVIDED IN THE BUSINESS CORPORATION LAW, OF THE RIGHTS OF SHAREHOLDERS OF ANY CONSTITUENT DOMESTIC BUSINESS CORPORATION TO RECEIVE PAYMENT FOR THEIR SHARES AGAINST THE SURVIVING OR CONSOLIDATED CORPORATION.

(E) AN AGREEMENT THAT, SUBJECT TO THE PROVISIONS OF SECTION 623 OF THE BUSINESS CORPORATION LAW, THE SURVIVING OR CONSOLIDATED FOREIGN CORPO-

RATION WILL PROMPTLY PAY TO THE SHAREHOLDERS OF EACH CONSTITUENT DOMESTIC BUSINESS CORPORATION THE AMOUNT, IF ANY, TO WHICH THEY SHALL BE ENTITLED UNDER THE PROVISIONS OF THE BUSINESS CORPORATION LAW RELATING TO THE RIGHT OF SHAREHOLDERS TO RECEIVE PAYMENT FOR THEIR SHARES.

(F) A DESIGNATION OF THE SECRETARY OF STATE AS HIS OR HER AGENT UPON WHOM PROCESS AGAINST IT MAY BE SERVED IN THE MANNER SET FORTH IN PARAGRAPH (B) OF SECTION 306 OF THIS CHAPTER, IN ANY ACTION OR SPECIAL PROCEEDING DESCRIBED IN CLAUSE (D) OF THIS SUBPARAGRAPH AND A POST OFFICE ADDRESS, WITHIN OR WITHOUT THE STATE, TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF THE PROCESS IN SUCH ACTION OR SPECIAL PROCEEDING.

(E) THE DEPARTMENT OF STATE SHALL NOT FILE A CERTIFICATE DELIVERED TO IT UNDER SUBPARAGRAPH (2) OF PARAGRAPH (D) OF THIS SECTION UNLESS THE CONSENT OF THE DEPARTMENT OF TAXATION AND FINANCE TO THE MERGER OR CONSOLIDATION IS ATTACHED THERETO.

(F) UPON THE FILING OF THE CERTIFICATE OF MERGER OR CONSOLIDATION BY THE DEPARTMENT OF STATE OR ON SUCH DATES SUBSEQUENT THERETO, NOT TO EXCEED THIRTY DAYS, AS SHALL BE SET FORTH IN SUCH CERTIFICATE, THE MERGER OR CONSOLIDATION SHALL BE EFFECTED.

(G) THE SURVIVING OR CONSOLIDATED DOMESTIC OR FOREIGN CORPORATION SHALL THEREAFTER CAUSE A COPY OF SUCH CERTIFICATE, CERTIFIED BY THE DEPARTMENT OF STATE, TO BE FILED IN THE OFFICE OF THE CLERK OF EACH COUNTY IN WHICH THE OFFICE OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS LOCATED, AND IN THE OFFICE OF THE OFFICIAL WHO IS THE RECORDING OFFICER OF EACH COUNTY IN THIS STATE IN WHICH REAL PROPERTY OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS SITUATED.

(H) WHEN SUCH MERGER OR CONSOLIDATION HAS BEEN EFFECTED:

(1) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, FORMED UNDER THE LAW OF THIS STATE, IT SHALL BE SUBJECT TO THE BUSINESS CORPORATION LAW AND THE EFFECT OF SUCH MERGER OR CONSOLIDATION SHALL BE THE SAME AS IN THE CASE OF THE MERGER OR CONSOLIDATION OF DOMESTIC CORPORATIONS UNDER SECTION 906 OF THE BUSINESS CORPORATION LAW, EXCEPT THAT IN SUBPARAGRAPH (3) OF PARAGRAPH (B) OF SUCH SECTION THE WORD "SHAREHOLDER" SHALL BE READ TO INCLUDE THE WORD "MEMBER" AS THE LATTER IS DEFINED IN THIS CHAPTER.

(2) IF THE SURVIVING OR CONSOLIDATED CORPORATION IS, OR IS TO BE, INCORPORATED UNDER THE LAW OF ANY JURISDICTION OTHER THAN THIS STATE, THE EFFECT OF SUCH MERGER OR CONSOLIDATION SHALL BE AS PROVIDED IN SUBPARAGRAPH (1) OF THIS PARAGRAPH, EXCEPT INSOFAR AS THE LAW OF SUCH OTHER JURISDICTION PROVIDES OTHERWISE.

S 909. FILING NOTICES, APPROVALS OR CONSENTS.

IF THE PURPOSES OF ANY CONSTITUENT OR CONSOLIDATED CORPORATION WOULD REQUIRE NOTICE TO, OR THE APPROVAL OR CONSENT OF, ANY GOVERNMENTAL BODY OR OFFICER OR ANY OTHER PERSON OR BODY UNDER SECTION 404 OF THIS CHAPTER, THEN (A) SUCH CORPORATION SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF MERGER OR CONSOLIDATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO EACH GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY TO WHOM OR TO WHICH ANY SUCH NOTICE IS REQUIRED AND (B) NO CERTIFICATE OF MERGER OR CONSOLIDATION SHALL BE FILED PURSUANT TO THIS ARTICLE UNLESS ANY SUCH APPROVAL OR CONSENT IS ENDORSED THEREON OR ANNEXED THERETO. A CORPORATION WHOSE STATEMENT OF PURPOSES SPECIFICALLY INCLUDES THE ESTABLISHMENT OR OPERATION OF A CHILD DAY CARE CENTER, AS THAT TERM IS DEFINED IN SECTION THREE HUNDRED NINETY OF THE SOCIAL SERVICES LAW, SHALL PROVIDE A CERTIFIED COPY OF ANY CERTIFICATE OF MERGER OR CONSOLIDATION INVOLVING SUCH CORPORATION TO THE OFFICE OF CHILDREN

AND FAMILY SERVICES WITHIN THIRTY DAYS AFTER THE FILING OF SUCH MERGER OR CONSOLIDATION WITH THE DEPARTMENT OF STATE.

S 910. MERGER OR CONSOLIDATION OF CORPORATIONS FORMED UNDER THE RELIGIOUS CORPORATIONS LAW AND CERTAIN OTHER CORPORATIONS FORMED FOR RELIGIOUS PURPOSES.

(A) ONE OR MORE CORPORATIONS FORMED UNDER THE RELIGIOUS CORPORATIONS LAW AND ONE OR MORE CORPORATIONS FORMED FOR RELIGIOUS PURPOSES TO WHICH THE NON-PROFIT CORPORATION LAW APPLIES BY VIRTUE OF PARAGRAPH (A) OF SECTION 103 OF THIS CHAPTER MAY BE MERGED OR CONSOLIDATED PURSUANT TO SECTION 901 OF THIS ARTICLE, WITH THE EFFECT PROVIDED IN SECTION 901 AND PARAGRAPH (B) OF SECTION 905 OF THIS ARTICLE.

(B) EACH CORPORATION WHICH IS A PARTY TO SUCH MERGER OR CONSOLIDATION SHALL COMPLY WITH THE PROVISIONS OF THIS SECTION AND OF SECTIONS 902, 903, 904 AND 907 OF THIS ARTICLE AND, IF AND TO THE EXTENT APPLICABLE, SECTIONS 906 AND 909 OF THIS ARTICLE.

(C) IF THE SURVIVING CORPORATION OR CONSOLIDATED CORPORATION IS A DOMESTIC OR AUTHORIZED FOREIGN CORPORATION NOT FORMED UNDER THE RELIGIOUS CORPORATIONS LAW, THEN, A CERTIFICATE OF MERGER OR CONSOLIDATION SHALL BE FILED WITH THE DEPARTMENT OF STATE, AND THE SURVIVING OR CONSOLIDATED CORPORATION SHALL THEREAFTER CAUSE A COPY OF SUCH CERTIFICATE, CERTIFIED BY THE DEPARTMENT OF STATE, TO BE FILED IN THE OFFICE OF THE CLERK OF THE COUNTY IN WHICH EACH CONSTITUENT CORPORATION OTHER THAN THE SURVIVING CORPORATION IS LOCATED, THE COUNTY IN WHICH THE CERTIFICATE OF INCORPORATION OF EACH CONSTITUENT DOMESTIC CORPORATION OR APPLICATION FOR AUTHORITY OF EACH CONSTITUENT AUTHORIZED FOREIGN CORPORATION, OTHER THAN THE SURVIVING CORPORATION, IS FILED AND THE OFFICE OF THE OFFICIAL WHO IS THE RECORDING OFFICER OF SUCH COUNTY IN THIS STATE IN WHICH REAL PROPERTY OF A CONSTITUENT CORPORATION OTHER THAN THE SURVIVING CORPORATION, IS LOCATED.

(D) IF THE SURVIVING CORPORATION OR CONSOLIDATED CORPORATION IS A CORPORATION FORMED UNDER THE RELIGIOUS CORPORATIONS LAW, THEN, THE CERTIFICATE OF MERGER OR CONSOLIDATION SHALL BE FILED WITH THE OFFICE OF THE OFFICIAL IN WHICH THE CERTIFICATE OF INCORPORATION OF THE SURVIVING OR CONSOLIDATED CORPORATION WAS FILED, AND THE SURVIVING OR CONSOLIDATED CORPORATION SHALL THEREAFTER CAUSE A COPY OF SUCH CERTIFICATE, CERTIFIED BY SUCH OFFICE, TO BE FILED IN THE OFFICE IN WHICH THE CERTIFICATE OF INCORPORATION OF EACH CONSTITUENT DOMESTIC CORPORATION OR APPLICATION FOR AUTHORITY OF EACH AUTHORIZED FOREIGN CORPORATION OTHER THAN THE SURVIVING CORPORATION WAS FILED, AND IN THE OFFICE OF THE OFFICIAL WHO IS THE RECORDING OFFICER OF EACH COUNTY IN THIS STATE IN WHICH REAL PROPERTY OF A CONSTITUENT CORPORATION, OTHER THAN THE SURVIVING OR CONSOLIDATED CORPORATION, IS LOCATED.

(E) SUCH MERGER OR CONSOLIDATION SHALL BECOME EFFECTIVE WITH RESPECT TO EACH CONSTITUENT CORPORATION UPON THE FILING OF A CERTIFICATE OF MERGER OR CONSOLIDATION OR CERTIFIED COPY THEREOF PURSUANT TO PARAGRAPH (C) OR PARAGRAPH (D) OF THIS SECTION WITH THE APPROPRIATE STATE OR COUNTY OFFICIAL THEREIN SPECIFIED. WITH RESPECT TO THE SURVIVING CORPORATION, SUCH MERGER MAY BECOME EFFECTIVE ON SUCH DATE SUBSEQUENT THERETO, NOT TO EXCEED SIXTY DAYS, AS SHALL BE SET FORTH IN SUCH CERTIFICATE. THE FILING OF A CERTIFIED COPY WITH THE OFFICE OF A RECORDING OFFICER OF A COUNTY IN WHICH REAL PROPERTY IS LOCATED SHALL NOT BE A CONDITION PRECEDENT TO SUCH MERGER OR CONSOLIDATION BECOMING EFFECTIVE.

S 10. Article 10 of the not-for-profit corporation law is REPEALED and a new article 10 is added to read as follows:

ARTICLE 10

NON-JUDICIAL DISSOLUTION

SECTION 1001. PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS.
1002. AUTHORIZATION OF PLAN.
1002-A. CARRYING OUT THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS.
1003. CERTIFICATE OF DISSOLUTION; CONTENTS; APPROVAL.
1004. CERTIFICATE OF DISSOLUTION; FILING; EFFECT.
1005. PROCEDURE AFTER DISSOLUTION.
1006. CORPORATE ACTION AND SURVIVAL OF REMEDIES AFTER DISSOLUTION.
1007. NOTICE TO CREDITORS BY CORPORATIONS INTENDING TO DISSOLVE; FILING OR BARRING CLAIMS.
1008. JURISDICTION OF SUPREME COURT TO SUPERVISE DISSOLUTION AND LIQUIDATION.
1009. APPLICABILITY TO DISSOLUTION UNDER OTHER PROVISIONS.
1010. REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS.
1012. CERTIFICATE OF ANNULMENT OF DISSOLUTION AND REINSTATEMENT OF CORPORATE EXISTENCE.
1013. DISSOLUTION OF CERTAIN FIREMEN'S BENEVOLENT ASSOCIATIONS.
1014. DISSOLUTION OF DOMESTIC CORPORATIONS BY PROCLAMATION.

S 1001. PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS.

(A) THE BOARD SHALL ADOPT A PLAN FOR THE DISSOLUTION OF THE CORPORATION AND THE DISTRIBUTION OF ITS ASSETS. SUCH PLAN SHALL IMPLEMENT ANY PROVISION IN THE CERTIFICATE OF INCORPORATION PRESCRIBING THE DISTRIBUTIVE RIGHTS OF MEMBERS.

(B) IF THE CORPORATION IS ORGANIZED FOR CHARITABLE PURPOSE AND HOLDS ASSETS RECEIVED FOR SPECIFIC PURPOSES, THE PLAN OF DISSOLUTION SHALL INCLUDE A STATEMENT TO THAT EFFECT.

(C) IF THE CORPORATION IS ORGANIZED FOR CHARITABLE PURPOSES AND HAS NO ASSETS TO DISTRIBUTE, OTHER THAN A RESERVE NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS FOR THE PURPOSE OF PAYING ORDINARY AND NECESSARY EXPENSES OF WINDING UP ITS AFFAIRS INCLUDING ATTORNEY AND ACCOUNTANT FEES, AND LIABILITIES NOT IN EXCESS OF TEN THOUSAND DOLLARS AT THE TIME OF ADOPTION OF THE PLAN OF DISSOLUTION, THE PLAN OF DISSOLUTION SHALL INCLUDE A STATEMENT TO THAT EFFECT.

(D) IF THE CORPORATION HAS ASSETS TO DISTRIBUTE OR LIABILITIES, THE PLAN OF DISSOLUTION SHALL CONTAIN:

(1) A DESCRIPTION WITH REASONABLE CERTAINTY OF THE ASSETS OF THE CORPORATION AND THEIR FAIR VALUE, AND THE TOTAL AMOUNT OF DEBTS AND OTHER LIABILITIES INCURRED OR ESTIMATED BY THE CORPORATION, INCLUDING THE TOTAL AMOUNT OF ANY ACCOUNTING AND LEGAL FEES INCURRED OR ESTIMATED, IN CONNECTION WITH THE DISSOLUTION PROCEDURE.

(2) A STATEMENT AS TO WHETHER ANY GIFTS OR OTHER ASSETS ARE LEGALLY REQUIRED TO BE USED FOR A PARTICULAR PURPOSE.

(3) IF THERE ARE ASSETS RECEIVED AND HELD BY THE CORPORATION FOR A SPECIFIC PURPOSE, A STATEMENT THAT THE ASSETS OWNED BY THE CORPORATION, SUBJECT TO ANY UNPAID LIABILITIES OF THE CORPORATION, SHALL BE DISTRIBUTED AS REQUIRED BY ANY GIFT INSTRUMENT OR TO A CHARITABLE ORGANIZATION OR ORGANIZATIONS EXEMPT FROM TAXATION PURSUANT TO FEDERAL AND STATE LAWS AND ENGAGED IN ACTIVITIES SUBSTANTIALLY SIMILAR TO THOSE OF THE DISSOLVED CORPORATION. EACH SUCH RECIPIENT ORGANIZATION SHALL BE IDENTIFIED AND THE GOVERNING INSTRUMENT AND AMENDMENTS THERETO OF EACH OF THE PROPOSED RECIPIENT ORGANIZATIONS SHALL BE ANNEXED TO SUCH STATEMENT, ALONG WITH THE FINANCIAL REPORTS OF EACH RECIPIENT ORGANIZATION FOR THE

LAST THREE YEARS AND A SWORN AFFIDAVIT FROM A DIRECTOR AND OFFICER OF EACH RECIPIENT ORGANIZATION STATING THE PURPOSES OF THE ORGANIZATION, AND THAT IT IS CURRENTLY EXEMPT FROM FEDERAL INCOME TAXATION.

(4) IF ANY OF THE ASSETS OF THE CORPORATION ARE TO BE DISTRIBUTED TO A RECIPIENT FOR A SPECIFIC PURPOSE, AN AGREEMENT BY THE RECIPIENT TO APPLY THE ASSETS RECEIVED ONLY FOR SUCH PURPOSE SHALL BE INCLUDED.

S 1002. AUTHORIZATION OF PLAN.

(A) UPON ADOPTING A PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS, THE BOARD SHALL SUBMIT IT TO A VOTE OF THE MEMBERS, IF ANY, AND SUCH PLAN SHALL BE APPROVED AT A MEETING OF MEMBERS BY TWO-THIRDS VOTE AS PROVIDED IN PARAGRAPH (C) OF SECTION 613 OF THIS CHAPTER; PROVIDED, HOWEVER, THAT IF THE CORPORATION IS ORGANIZED FOR CHARITABLE PURPOSES, OTHER THAN A CORPORATION INCORPORATED PURSUANT TO ARTICLE 15 OF THIS CHAPTER, AND HAS NO ASSETS TO DISTRIBUTE, OTHER THAN A RESERVE NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS FOR THE PURPOSE OF PAYING ORDINARY AND NECESSARY EXPENSES OF WINDING UP ITS AFFAIRS INCLUDING ATTORNEY AND ACCOUNTANT FEES, AND LIABILITIES NOT IN EXCESS OF TEN THOUSAND DOLLARS AT THE TIME OF ADOPTION OF THE PLAN OF DISSOLUTION, THE VOTE REQUIRED BY THE CORPORATION'S BOARD OF DIRECTORS FOR ADOPTION OF THE PLAN OF DISSOLUTION OF SUCH A CORPORATION OR BY THE CORPORATION'S MEMBERS FOR THE AUTHORIZATION THEREOF SHALL BE:

(1) IN THE CASE OF A VOTE BY THE BOARD OF DIRECTORS:

(I) THE NUMBER OF DIRECTORS REQUIRED UNDER THE CERTIFICATE OF INCORPORATION, BY-LAWS, THIS CHAPTER AND ANY OTHER APPLICABLE LAW; OR

(II) IF THE NUMBER OF DIRECTORS ACTUALLY HOLDING OFFICE AS SUCH AT THE TIME OF THE VOTE TO ADOPT THE PLAN IS LESS THAN THE NUMBER REQUIRED TO CONSTITUTE A QUORUM OF DIRECTORS UNDER THE CERTIFICATE OF INCORPORATION, THE BY-LAWS, THIS CHAPTER OR ANY OTHER APPLICABLE LAW, THE REMAINING DIRECTORS UNANIMOUSLY;

(2) IN THE CASE OF A VOTE BY THE MEMBERS:

(I) THE NUMBER OF MEMBERS REQUIRED UNDER THE CERTIFICATE OF INCORPORATION, BY-LAWS, THIS CHAPTER AND ANY OTHER APPLICABLE LAW; OR

(II) BY THE VOTE OF MEMBERS AUTHORIZED BY AN ORDER OF THE SUPREME COURT PURSUANT TO SECTION 608 OF THIS CHAPTER PERMITTING THE CORPORATION TO DISPENSE WITH THE APPLICABLE QUORUM REQUIREMENT.

NOTICE OF A SPECIAL OR REGULAR MEETING OF THE BOARD OF DIRECTORS OR OF THE MEMBERS ENTITLED TO VOTE ON ADOPTION AND AUTHORIZATION OR APPROVAL OF THE PLAN OF DISSOLUTION SHALL BE SENT TO ALL THE DIRECTORS AND MEMBERS OF RECORD ENTITLED TO VOTE. UNLESS OTHERWISE DIRECTED BY ORDER OF THE SUPREME COURT PURSUANT TO SECTION 608 OF THIS CHAPTER, THE NOTICE SHALL BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE LAST KNOWN ADDRESS OF RECORD OF EACH DIRECTOR AND MEMBER NOT FEWER THAN THIRTY, AND NOT MORE THAN SIXTY DAYS BEFORE THE DATE OF EACH MEETING PROVIDED, HOWEVER, THAT IF THE LAST KNOWN ADDRESS OF RECORD OF ANY DIRECTOR OR MEMBER IS NOT WITHIN THE UNITED STATES, THE NOTICE TO SUCH DIRECTOR SHALL BE SENT BY ANY OTHER REASONABLE MEANS.

(B) IF THERE ARE NO MEMBERS ENTITLED TO VOTE ON THE DISSOLUTION OF THE CORPORATION, THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS SHALL BE DEEMED AUTHORIZED UPON ITS ADOPTION BY THE BOARD.

(C) WHENEVER A STATUTE CREATING, OR AUTHORIZING THE FORMATION OF, A CORPORATION REQUIRES NOTICE TO OR APPROVAL BY A GOVERNMENTAL BODY OR OFFICER FOR THE FORMATION OF SUCH CORPORATION, (I) SUCH CORPORATION SHALL PROVIDE A CERTIFIED COPY OF THE CERTIFICATE OF MERGER OR CONSOLIDATION, WITHIN THIRTY DAYS AFTER THE FILING OF SUCH CERTIFICATE, TO EACH GOVERNMENTAL BODY OR OFFICER OF OTHER PERSON OR BODY TO WHOM OR TO WHICH ANY SUCH NOTICE WAS REQUIRED FOR THE FORMATION OF SUCH CORPORATION

AND (II) DISSOLUTION SHALL NOT BE AUTHORIZED WITHOUT THE APPROVAL OF SUCH BODY OR OFFICER FROM WHOM SUCH APPROVAL WAS REQUIRED FOR THE FORMATION OF SUCH CORPORATION.

(D) THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS SHALL HAVE ANNEXED THERETO THE APPROVAL OF A JUSTICE OF THE SUPREME COURT IN THE JUDICIAL DISTRICT IN WHICH THE OFFICE OF THE CORPORATION IS LOCATED IN THE CASE OF A CORPORATION THAT HOLDS ASSETS RECEIVED FOR SPECIFIC PURPOSES, EXCEPT THAT NO SUCH APPROVAL SHALL BE REQUIRED WITH RESPECT TO THE PLAN OF DISSOLUTION OF A CORPORATION, OTHER THAN A CORPORATION INCORPORATED PURSUANT TO ARTICLE 15 OF THIS CHAPTER, WHICH HAS NO ASSETS TO DISTRIBUTE AT THE TIME OF DISSOLUTION, OTHER THAN A RESERVE NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS FOR THE PURPOSE OF PAYING ORDINARY AND NECESSARY EXPENSES OF WINDING UP ITS AFFAIRS INCLUDING ATTORNEY AND ACCOUNTANT FEES, AND LIABILITIES NOT IN EXCESS OF TEN THOUSAND DOLLARS, AND WHICH HAS COMPLIED WITH THE REQUIREMENTS OF SECTION 1001 OF THIS ARTICLE AND THIS SECTION APPLICABLE TO SUCH A CORPORATION. APPLICATION TO THE SUPREME COURT FOR AN ORDER FOR SUCH APPROVAL SHALL BE BY VERIFIED PETITION, WITH THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS AND CERTIFIED COPIES OF THE CONSENTS PRESCRIBED BY THIS SECTION ANNEXED THERETO, AND UPON TEN DAYS WRITTEN NOTICE TO THE ATTORNEY GENERAL ACCOMPANIED BY COPIES OF SUCH PETITION, PLAN AND CONSENTS. IN SUCH CASE WHERE APPROVAL OF A JUSTICE OF THE SUPREME COURT IS NOT REQUIRED FOR A CORPORATION, A COPY OF SUCH PLAN CERTIFIED UNDER PENALTIES OF PERJURY SHALL BE FILED WITH THE ATTORNEY GENERAL WITHIN TEN DAYS AFTER ITS AUTHORIZATION.

(E) NOTWITHSTANDING AUTHORIZATION AS PROVIDED IN THIS SECTION, AT ANY TIME PRIOR TO THE FILING OF THE CERTIFICATE OF DISSOLUTION, THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS MAY BE ABANDONED PURSUANT TO A PROVISION FOR SUCH ABANDONMENT, IF ANY, CONTAINED IN THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS.

S 1002-A. CARRYING OUT THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS.

PRIOR TO FILING THE CERTIFICATE OF DISSOLUTION WITH THE DEPARTMENT OF STATE, A CORPORATION, AS APPLICABLE, SHALL:

(A) CARRY OUT THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS, PAY ITS LIABILITIES AND DISTRIBUTE ITS ASSETS IN ACCORDANCE THEREWITH WITHIN TWO HUNDRED SEVENTY DAYS FROM THE DATE THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS SHALL HAVE BEEN (1) AUTHORIZED AS PROVIDED IN SECTION 1002 OF THIS ARTICLE, (2) APPROVED BY ANY GOVERNMENTAL BODY OR OFFICER WHOSE APPROVAL IS REQUIRED PURSUANT TO PARAGRAPH (C) OF SECTION 1002 OF THIS ARTICLE, AND (3) APPROVED BY A JUSTICE OF THE SUPREME COURT, IF SUCH APPROVAL IS REQUIRED PURSUANT TO PARAGRAPH (D) OF SECTION 1002 OF THIS ARTICLE, OR FILED WITH THE ATTORNEY GENERAL, IF SUCH FILING IS REQUIRED PURSUANT TO PARAGRAPH (D) OF SECTION 1002 OF THIS ARTICLE. EVIDENCE OF THE DISPOSITION OF ITS ASSETS AND PAYMENT OF ITS LIABILITIES PURSUANT TO THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS SHALL BE SUBMITTED BY THE CORPORATION TO THE ATTORNEY GENERAL AND ANY OTHER GOVERNMENTAL BODY OR OFFICER, AS REQUIRED UNDER APPLICABLE LAWS. IF THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS CANNOT BE CARRIED OUT WITHIN THE PRESCRIBED TIME, THE ATTORNEY GENERAL MAY UPON GOOD CAUSE SHOWN EXTEND SUCH TIME, OR ANY EXTENDED PERIOD OF TIME, BY NOT FEWER THAN THIRTY DAYS NOR MORE THAN ONE YEAR;

(B) PURSUANT TO THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS FULFILL OR DISCHARGE ITS CONTRACTS, COLLECT AND SELL ITS ASSETS FOR CASH AT PUBLIC OR PRIVATE SALE, DISCHARGE OR PAY ITS LIABILITIES, AND DO ALL OTHER ACTS APPROPRIATE TO LIQUIDATE ITS BUSINESS;

(C) DISTRIBUTE THE ASSETS OF THE CORPORATION THAT REMAIN AFTER PAYING OR ADEQUATELY PROVIDING FOR THE PAYMENT OF ITS LIABILITIES, IN THE FOLLOWING MANNER:

(1) ASSETS RECEIVED AND HELD BY THE CORPORATION FOR A SPECIFIC PURPOSE, SHALL BE DISTRIBUTED TO ONE OR MORE DOMESTIC OR FOREIGN CORPORATIONS OR OTHER ORGANIZATIONS ENGAGED IN ACTIVITIES SUBSTANTIALLY SIMILAR TO THOSE OF THE DISSOLVED CORPORATION PURSUANT TO THE PLAN OF DISSOLUTION AND DISTRIBUTION OR, IF APPLICABLE, AS ORDERED BY THE COURT TO WHICH SUCH PLAN IS SUBMITTED FOR APPROVAL UNDER SECTION 1002 OF THIS ARTICLE. ANY DISPOSITION OF ASSETS CONTAINED IN A WILL OR OTHER INSTRUMENT, IN TRUST OR OTHERWISE, MADE BEFORE OR AFTER THE DISSOLUTION, TO OR FOR THE BENEFIT OF ANY CORPORATION SO DISSOLVED SHALL INURE TO OR FOR THE BENEFIT OF THE CORPORATION OR ORGANIZATION ACQUIRING SUCH ASSETS OF THE DISSOLVED CORPORATION AS PROVIDED IN THIS SECTION, AND SO FAR AS IS NECESSARY FOR THAT PURPOSE THE CORPORATION OR ORGANIZATION ACQUIRING SUCH ASSETS OF THE DISSOLVED CORPORATION AS PROVIDED IN THIS SECTION, AND SO FAR AS IS NECESSARY FOR THAT PURPOSE THE CORPORATION OR ORGANIZATION ACQUIRING SUCH DISPOSITION SHALL BE DEEMED A SUCCESSOR TO THE DISSOLVED CORPORATION WITH RESPECT TO SUCH ASSETS; PROVIDED, HOWEVER, THAT SUCH DISPOSITION SHALL BE DEVOTED BY THE ACQUIRING CORPORATION OR ORGANIZATION TO THE PURPOSES INTENDED BY THE TESTATOR, DONOR OR GRANTOR.

(2) ASSETS OTHER THAN THOSE DESCRIBED BY SUBPARAGRAPH ONE OF THIS PARAGRAPH, IF ANY, SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE SPECIFICATIONS OF THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS OR, TO THE EXTENT THAT THE CERTIFICATE OF INCORPORATION PRESCRIBES THE DISTRIBUTIVE RIGHTS OF MEMBERS, OR OF ANY CLASS OR CLASSES OF MEMBERS, AS PROVIDED IN SUCH CERTIFICATE;

(D) WITHIN SIX MONTHS FROM THE DATE FIXED FOR THE PAYMENT OF THE FINAL LIQUIDATING DISTRIBUTION PURSUANT TO PARAGRAPH (A) OF THIS SECTION, PAY ANY ASSETS DISTRIBUTABLE TO A CREDITOR OR MEMBER WHO IS UNKNOWN OR CANNOT BE FOUND, TO THE STATE COMPTROLLER PURSUANT TO THE ABANDONED PROPERTY LAW;

(E) DISTRIBUTE ASSETS THAT ARE NOT SUBJECT TO SUBPARAGRAPH ONE OF PARAGRAPH (C) OF THIS SECTION UNDER A PLAN OF DISTRIBUTION, IN ACCORDANCE WITH THE FOLLOWING ORDER OF PRIORITIES:

(1) HOLDERS OF CAPITAL CERTIFICATES.

(2) MEMBERS, IF PERMITTED BY LAW.

S 1003. CERTIFICATE OF DISSOLUTION; CONTENTS; APPROVAL.

(A) AFTER THE PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS HAS BEEN ADOPTED, AUTHORIZED, APPROVED AND CARRIED OUT PURSUANT TO THE TERMS OF THE PLAN WITHIN THE TIME PERIOD SET FORTH PURSUANT TO SECTION 1002-A OF THIS ARTICLE, A CERTIFICATE OF DISSOLUTION, ENTITLED "CERTIFICATE OF DISSOLUTION OF ..... (NAME OF CORPORATION) UNDER SECTION 1003 OF THE NON-PROFIT CORPORATION LAW" SHALL BE SIGNED AND, IF REQUIRED PURSUANT TO SUBPARAGRAPH TWO OF PARAGRAPH (B) OF THIS SECTION, AFTER THE ATTORNEY GENERAL HAS AFFIXED THEREON HIS OR HER CONSENT TO THE DISSOLUTION, SUCH CERTIFICATE OF DISSOLUTION SHALL BE DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION AND, IF ITS NAME HAS BEEN CHANGED, THE NAME UNDER WHICH IT WAS FORMED.

(2) THE DATE ITS CERTIFICATE OF INCORPORATION WAS FILED BY THE DEPARTMENT OF STATE.

(3) THE NAME AND ADDRESS OF EACH OF ITS OFFICERS AND DIRECTORS.

(4) A STATEMENT AS TO WHETHER OR NOT THE CORPORATION HOLDS ASSETS FOR SPECIFIC PURPOSES AT THE TIME OF AUTHORIZATION OF ITS PLAN OF DISSOL-

UTION AND DISTRIBUTION OF ASSETS AS PROVIDED IN SECTION 1002 OF THIS ARTICLE.

(5) THAT THE CORPORATION ELECTS TO DISSOLVE.

(6) THE MANNER IN WHICH THE DISSOLUTION WAS AUTHORIZED. IF THE DISSOLUTION OF THE CORPORATION IS AUTHORIZED BY A VOTE OF THE DIRECTORS AND/OR MEMBERS OF THE CORPORATION THAT IS LESS THAN THAT ORDINARILY REQUIRED BY THE CERTIFICATE OF INCORPORATION, THE BY-LAWS, THIS CHAPTER OR ANY OTHER APPLICABLE LAW, AS PERMITTED BY PARAGRAPH (A) OF SECTION 1002 OF THIS ARTICLE, THEN THE CERTIFICATE OF DISSOLUTION SHALL SO STATE.

(B) SUCH CERTIFICATE OF DISSOLUTION SHALL HAVE INDORSED THEREON OR ANNEXED THERETO THE APPROVAL OF THE DISSOLUTION:

(1) BY A GOVERNMENTAL BODY OR OFFICER, IF SUCH APPROVAL IS REQUIRED. A CORPORATION WHOSE STATEMENT OF PURPOSES SPECIFICALLY INCLUDES THE ESTABLISHMENT OR OPERATION OF A CHILD DAY CARE CENTER, AS THAT TERM IS DEFINED IN SECTION THREE HUNDRED NINETY OF THE SOCIAL SERVICES LAW, SHALL PROVIDE A CERTIFIED COPY OF ANY CERTIFICATE OF DISSOLUTION INVOLVING SUCH CORPORATION TO THE OFFICE OF CHILDREN AND FAMILY SERVICES WITHIN THIRTY DAYS AFTER THE FILING OF SUCH DISSOLUTION WITH THE DEPARTMENT OF STATE.

(2) BY THE ATTORNEY GENERAL IN THE CASE OF A CORPORATION THAT IS ORGANIZED FOR CHARITABLE PURPOSES AND HOLDS ASSETS AT THE TIME OF DISSOLUTION RECEIVED FOR SPECIFIC PURPOSES.

(C) THE APPLICATION TO THE ATTORNEY GENERAL FOR APPROVAL OF THE CERTIFICATE OF DISSOLUTION PURSUANT TO PARAGRAPH (B) OF THIS SECTION SHALL BE BY VERIFIED PETITION AND SHALL INCLUDE A FINAL FINANCIAL REPORT SHOWING DISPOSITION OF ALL OF THE CORPORATION'S ASSETS AND LIABILITIES, THE REQUISITE GOVERNMENTAL APPROVALS AND THE APPROPRIATE FEES, IF ANY, ACCOMPANIED BY THE CERTIFICATE OF DISSOLUTION.

S 1004. CERTIFICATE OF DISSOLUTION; FILING; EFFECT.

THE DEPARTMENT OF STATE SHALL NOT FILE A CERTIFICATE OF DISSOLUTION UNLESS THE CONSENT OF THE DEPARTMENT OF TAXATION AND FINANCE TO THE DISSOLUTION IS ATTACHED THERETO. UPON FILING THE CERTIFICATE, THE CORPORATION IS DISSOLVED.

S 1005. PROCEDURE AFTER DISSOLUTION.

(A) AFTER DISSOLUTION:

(1) THE CORPORATION SHALL CARRY ON NO ACTIVITIES EXCEPT FOR THE PURPOSE OF WINDING UP ITS AFFAIRS.

(2) THE CORPORATION SHALL PROCEED TO WIND UP ITS AFFAIRS, WITH POWER TO FULFILL OR DISCHARGE ITS CONTRACTS, COLLECT ITS ASSETS, SELL ITS ASSETS FOR CASH AT PUBLIC OR PRIVATE SALE, DISCHARGE OR PAY ITS LIABILITIES, AND DO ALL OTHER ACTS APPROPRIATE TO LIQUIDATE ITS BUSINESS.

(3) AFTER PAYING OR ADEQUATELY PROVIDING FOR THE PAYMENT OF ITS LIABILITIES, THE REMAINING ASSETS OF THE CORPORATION SHALL BE DISTRIBUTED IN THE FOLLOWING MANNER:

(A) ASSETS RECEIVED AND HELD BY THE CORPORATION FOR A PURPOSE SPECIFIED AS TYPE B IN PARAGRAPH (B) OF SECTION 201 OF THIS CHAPTER OR WHICH ARE LEGALLY REQUIRED TO BE USED FOR A PARTICULAR PURPOSE SHALL BE DISTRIBUTED TO ONE OR MORE DOMESTIC OR FOREIGN CORPORATIONS OR OTHER ORGANIZATIONS ENGAGED IN ACTIVITIES SUBSTANTIALLY SIMILAR TO THOSE OF THE DISSOLVED CORPORATION PURSUANT TO A PLAN OF DISTRIBUTION ADOPTED AS PROVIDED IN SECTION 1001 OF THIS ARTICLE OR AS ORDERED BY THE COURT TO WHICH SUCH PLAN IS SUBMITTED FOR APPROVAL UNDER SECTION 1002 OF THIS ARTICLE. ANY DISPOSITION CONTAINED IN ANY WILL OR OTHER INSTRUMENT, IN TRUST OR OTHERWISE, MADE BEFORE OR AFTER THE DISSOLUTION, TO OR FOR THE BENEFIT OF ANY CORPORATION SO DISSOLVED SHALL INURE TO OR FOR THE BENEFIT OF THE CORPORATION OR ORGANIZATION ACQUIRING THE ASSETS OF THE

DISSOLVED CORPORATION AS PROVIDED IN THIS SECTION, AND SO FAR AS IS NECESSARY FOR THAT PURPOSE THE CORPORATION OR ORGANIZATION ACQUIRING SUCH DISPOSITION SHALL BE DEEMED A SUCCESSOR TO THE DISSOLVED CORPORATION: PROVIDED, HOWEVER, THAT SUCH DISPOSITION SHALL BE DEVOTED BY THE ACQUIRING CORPORATION OR ORGANIZATION TO THE PURPOSES INTENDED BY THE TESTATOR, DONOR OR GRANTOR.

(B) OTHER ASSETS, IF ANY, SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE SPECIFICATIONS OF THE PLAN OF DISTRIBUTION ADOPTED AS PROVIDED IN SECTION 1001 OF THIS ARTICLE OR, TO THE EXTENT THAT THE CERTIFICATE OF INCORPORATION PRESCRIBES THE DISTRIBUTIVE RIGHTS OF MEMBERS, OR OF ANY CLASS OR CLASSES OF MEMBERS, AS PROVIDED IN SUCH CERTIFICATE.

(4) ANY ASSETS DISTRIBUTABLE TO A CREDITOR OR MEMBER WHO IS UNKNOWN OR CANNOT BE FOUND, OR WHO IS UNDER A DISABILITY, SHALL BE PAID TO THE STATE COMPTROLLER AS ABANDONED PROPERTY WITHIN SIX MONTHS FROM THE DATE FIXED FOR THE PAYMENT OF THE FINAL LIQUIDATING DISTRIBUTION, AND BE SUBJECT TO THE PROVISIONS OF THE ABANDONED PROPERTY LAW.

(B) ASSETS SHALL BE DISTRIBUTED UNDER A PLAN OF DISTRIBUTION IN ACCORDANCE WITH THE FOLLOWING ORDER OF PRIORITIES:

(1) HOLDERS OF CAPITAL CERTIFICATES.

(2) MEMBERS.

S 1006. CORPORATE ACTION AND SURVIVAL OF REMEDIES AFTER DISSOLUTION.

(A) AFTER DISSOLUTION, A CORPORATION SHALL NOT COMMENCE ANY NEW ACTIVITIES. A DISSOLVED CORPORATION, ITS DIRECTORS, OFFICERS AND MEMBERS MAY CONTINUE TO FUNCTION FOR THE PURPOSE OF WINDING UP THE AFFAIRS OF THE CORPORATION IN THE SAME MANNER AS IF THE DISSOLUTION HAD NOT TAKEN PLACE, EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER OR BY COURT ORDER. IN PARTICULAR AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

(1) THE DIRECTORS OF A DISSOLVED CORPORATION SHALL NOT BE DEEMED TO BE TRUSTEES OF ITS ASSETS; TITLE TO SUCH ASSETS SHALL NOT VEST IN THEM, BUT SHALL REMAIN IN THE CORPORATION UNTIL TRANSFERRED BY IT IN ITS CORPORATE NAME.

(2) DISSOLUTION SHALL NOT CHANGE QUORUM OR VOTING REQUIREMENTS FOR THE BOARD OR MEMBERS, OR PROVISIONS REGARDING ELECTION, APPOINTMENT, RESIGNATION OR REMOVAL OF, OR FILLING VACANCIES AMONG, DIRECTORS OR OFFICERS, OR PROVISIONS REGARDING AMENDMENT OR REPEAL OF BY-LAWS OR ADOPTION OF NEW BY-LAWS.

(3) CAPITAL CERTIFICATES MAY BE TRANSFERRED AND DETERMINATION OF MEMBERS FOR ANY PURPOSE MAY BE MADE WITHOUT CLOSING THE RECORD OF MEMBERS UNTIL SUCH TIME, IF ANY, AS SUCH RECORD MAY BE CLOSED, AND EITHER THE BOARD OR THE MEMBERS MAY CLOSE IT.

(4) THE CORPORATION MAY SUE OR BE SUED IN ALL COURTS AND PARTICIPATE IN ACTIONS AND PROCEEDINGS, WHETHER JUDICIAL, ADMINISTRATIVE, ARBITRATIVE OR OTHERWISE, IN ITS CORPORATE NAME, AND PROCESS MAY BE SERVED BY OR UPON IT.

(B) THE DISSOLUTION OF A CORPORATION SHALL NOT AFFECT ANY REMEDY AVAILABLE TO OR AGAINST SUCH CORPORATION, ITS DIRECTORS, OFFICERS OR MEMBERS, FOR ANY RIGHT OR CLAIM EXISTING OR ANY LIABILITY INCURRED BEFORE SUCH DISSOLUTION, EXCEPT AS PROVIDED IN SECTION 1007 OR 1008 OF THIS ARTICLE.

S 1007. NOTICE TO CREDITORS BY CORPORATIONS INTENDING TO DISSOLVE; FILING OR BARRING CLAIMS.

(A) AT ANY TIME PRIOR TO FILING THE CERTIFICATE OF DISSOLUTION, THE CORPORATION MAY GIVE A NOTICE REQUIRING ALL CREDITORS AND CLAIMANTS, INCLUDING ANY WITH UNLIQUIDATED OR CONTINGENT CLAIMS AND ANY WITH WHOM THE CORPORATION HAS UNFULFILLED CONTRACTS, TO PRESENT THEIR CLAIMS IN WRITING AND IN DETAIL AT A SPECIFIED PLACE AND BY A SPECIFIED DAY, WHICH

SHALL NOT BE LESS THAN SIX MONTHS AFTER THE FIRST PUBLICATION OF SUCH NOTICE. SUCH NOTICE SHALL BE PUBLISHED AT LEAST ONCE A WEEK FOR TWO SUCCESSIVE WEEKS IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE OFFICE OF THE CORPORATION WAS LOCATED AT THE DATE OF DISSOLUTION. ON OR BEFORE THE DATE OF THE FIRST PUBLICATION OF SUCH NOTICE, THE CORPORATION SHALL MAIL A COPY THEREOF, POSTAGE PREPAID, TO EACH PERSON BELIEVED TO BE A CREDITOR OF OR CLAIMANT AGAINST THE CORPORATION WHOSE CURRENT NAME AND ADDRESS ARE KNOWN TO OR CAN WITH DUE DILIGENCE BE ASCERTAINED BY THE CORPORATION. THE GIVING OF SUCH NOTICE SHALL NOT CONSTITUTE A RECOGNITION THAT ANY PERSON IS A PROPER CREDITOR OR CLAIMANT, AND SHALL NOT REVIVE OR MAKE VALID, OR OPERATE AS A RECOGNITION OF THE VALIDITY OF, OR A WAIVER OF ANY DEFENSE OR COUNTERCLAIM IN RESPECT OF ANY CLAIM AGAINST THE CORPORATION, ITS ASSETS, DIRECTORS, OFFICERS OR MEMBERS, WHICH HAS BEEN BARRED BY ANY STATUTE OF LIMITATIONS OR BECOME INVALID BY ANY CAUSE, OR IN RESPECT OF WHICH THE CORPORATION, ITS DIRECTORS, OFFICERS OR MEMBERS, HAS ANY DEFENSE OR COUNTERCLAIM.

(B) ANY CLAIMS WHICH SHALL HAVE BEEN FILED AS PROVIDED IN SUCH NOTICE AND WHICH SHALL BE DISPUTED BY THE CORPORATION MAY BE SUBMITTED FOR DETERMINATION TO THE SUPREME COURT UNDER SECTION 1008 OF THIS ARTICLE OR PURSUANT TO ARTICLE 11 OF THIS CHAPTER. A CLAIM FILED BY THE TRUSTEE OR PAYING AGENT FOR THE HOLDERS OF BONDS OR COUPONS SHALL HAVE THE SAME EFFECT AS IF FILED BY THE HOLDER OF ANY SUCH BONDS OR COUPONS. ANY PERSON WHOSE CLAIM IS, AT THE DATE OF THE FIRST PUBLICATION OF SUCH NOTICE, BARRED BY ANY STATUTE OF LIMITATIONS IS NOT A CREDITOR OR CLAIMANT ENTITLED TO ANY NOTICE UNDER THIS SECTION OR SUCH SECTION 1008 OF THIS ARTICLE. THE CLAIM OF ANY SUCH PERSON AND ALL OTHER CLAIMS WHICH ARE NOT TIMELY FILED AS PROVIDED IN SUCH NOTICE EXCEPT CLAIMS WHICH ARE THE SUBJECT OF LITIGATION ON THE DATE OF THE FIRST PUBLICATION OF SUCH NOTICE AND ALL CLAIMS WHICH ARE SO FILED BUT ARE DISALLOWED BY THE COURT UNDER SUCH SECTION 1008 OF THIS ARTICLE, SHALL BE FOREVER BARRED AS AGAINST THE CORPORATION, ITS ASSETS, DIRECTORS, OFFICERS AND MEMBERS, EXCEPT TO SUCH EXTENT, IF ANY, AS THE COURT MAY ALLOW THEM AGAINST ANY REMAINING ASSETS OF THE CORPORATION IN THE CASE OF A CREDITOR WHO SHOWS SATISFACTORY REASON FOR FAILURE TO FILE A CLAIM AS SO PROVIDED. IF THE COURT REQUIRES A FURTHER NOTICE UNDER SUCH SECTION 1008 OF THIS ARTICLE, ANY REFERENCE TO A NOTICE IN THIS SECTION SHALL, TO THE EXTENT THAT THE COURT SO ORDERS, MEAN SUCH FURTHER NOTICE, EXCEPT THAT A CLAIM WHICH HAS BEEN FILED IN ACCORDANCE WITH A NOTICE UNDER THIS SECTION NEED NOT BE REFILED UNDER SUCH FURTHER NOTICE.

(C) NOTWITHSTANDING THIS SECTION AND SECTION 1008 OF THIS ARTICLE, TAX CLAIMS AND OTHER CLAIMS OF THIS STATE AND OF THE UNITED STATES SHALL NOT BE REQUIRED TO BE FILED UNDER THOSE SECTIONS, AND SUCH CLAIMS SHALL NOT BE BARRED BECAUSE NOT SO FILED, AND DISTRIBUTION OF THE ASSETS OF THE CORPORATION, OR ANY PART THEREOF, MAY BE DEFERRED UNTIL DETERMINATION OF ANY SUCH CLAIMS.

(D) LABORERS' WAGES SHALL BE PREFERRED CLAIMS AND ENTITLED TO PAYMENT BEFORE ANY OTHER CREDITORS OUT OF THE ASSETS OF THE CORPORATION IN EXCESS OF VALID PRIOR LIENS OR ENCUMBRANCES.

S 1008. JURISDICTION OF SUPREME COURT TO SUPERVISE DISSOLUTION AND LIQUIDATION.

(A) AT ANY TIME AFTER THE FILING OF A CERTIFICATE OF DISSOLUTION UNDER THIS ARTICLE, THE SUPREME COURT IN THE JUDICIAL DISTRICT WHERE THE OFFICE OF THE CORPORATION WAS LOCATED AT THE DATE OF ITS DISSOLUTION, IN A SPECIAL PROCEEDING INSTITUTED UNDER THIS SECTION, UPON THE PETITION OF THE CORPORATION OR, IN A SITUATION APPROVED BY THE COURT, UPON THE PETITION OF A CREDITOR, CLAIMANT, DIRECTOR, OFFICER, MEMBER, SUBSCRIBER FOR

CAPITAL CERTIFICATES, INCORPORATOR OR THE ATTORNEY GENERAL, MAY SUSPEND OR ANNUL THE DISSOLUTION OR CONTINUE THE LIQUIDATION OF THE CORPORATION UNDER THE SUPERVISION OF THE COURT AND MAY MAKE ALL SUCH ORDERS AS IT MAY DEEM PROPER IN ALL MATTERS IN CONNECTION WITH THE DISSOLUTION OR THE WINDING UP OF THE AFFAIRS OF THE CORPORATION, AND IN PARTICULAR, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, IN RESPECT OF THE FOLLOWING:

(1) THE DETERMINATION OF THE VALIDITY OF THE AUTHORIZATION OF THE DISSOLUTION OF THE CORPORATION AND OF THE EXECUTION AND DELIVERY OF THE CERTIFICATE OF DISSOLUTION UNDER THIS ARTICLE.

(2) THE ADEQUACY OF THE NOTICE GIVEN TO CREDITORS AND CLAIMANTS AND, IF IT IS DETERMINED TO HAVE BEEN INADEQUATE, THE REQUIREMENT OF SUCH FURTHER NOTICE AS THE COURT MAY DEEM PROPER.

(3) THE DETERMINATION OF THE VALIDITY AND AMOUNT OF INVALIDITY OF ANY CLAIMS WHICH HAVE BEEN PRESENTED TO THE CORPORATION.

(4) THE BARRING OF ALL CREDITORS AND CLAIMANTS WHO HAVE NOT TIMELY FILED CLAIMS AS PROVIDED IN ANY SUCH NOTICE, OR WHOSE CLAIMS HAVE BEEN DISALLOWED BY THE COURT, AS AGAINST THE CORPORATION, ITS ASSETS, DIRECTORS, OFFICERS AND MEMBERS.

(5) THE DETERMINATION AND ENFORCEMENT OF THE LIABILITY OF ANY DIRECTOR, OFFICER, MEMBER OR SUBSCRIBER FOR CAPITAL CERTIFICATES, TO THE CORPORATION OR FOR THE LIABILITIES OF THE CORPORATION.

(6) THE PRESENTATION AND FILING OF INTERMEDIATE AND FINAL ACCOUNTS OF THE DIRECTORS, THE HEARING THEREON, THE ALLOWANCE OR DISALLOWANCE THEREOF, AND THE DISCHARGE OF THE DIRECTORS, OR ANY OF THEM, FROM THEIR LIABILITIES.

(7) THE ADMINISTRATION OF ANY TRUST, OR THE DISPOSITION OF ANY PROPERTY HELD IN TRUST BY OR FOR THE CORPORATION.

(8) THE PAYMENT, SATISFACTION OR COMPROMISE OF CLAIMS AGAINST THE CORPORATION, THE RETENTION OF ASSETS FOR SUCH PURPOSE, AND THE DETERMINATION OF THE ADEQUACY OF PROVISIONS MADE FOR PAYMENT OF THE LIABILITIES OF THE CORPORATION.

(9) THE DISPOSITION OR DESTRUCTION OF RECORDS, DOCUMENTS AND PAPERS OF THE CORPORATION.

(10) THE APPOINTMENT AND REMOVAL OF A RECEIVER UNDER ARTICLE 12 OF THIS CHAPTER WHO MAY BE A DIRECTOR, OFFICER OR MEMBER OF THE CORPORATION.

(11) THE ISSUANCE OF INJUNCTIONS FOR ONE OR MORE OF THE PURPOSES AND AS PROVIDED IN SECTION 1113 OF THIS CHAPTER.

(12) THE RETURN OF SUBSCRIPTION PAYMENTS TO SUBSCRIBERS FOR CAPITAL CERTIFICATES, AND THE MAKING OF DISTRIBUTIONS, IN CASH OR IN KIND OR PARTLY IN EACH, TO THE MEMBERS.

(13) THE PAYMENT TO THE STATE COMPTROLLER, AS ABANDONED PROPERTY, OF ASSETS UNDER PARAGRAPH (D) OF SECTION 1002-A OF THIS ARTICLE.

(14) WHERE ASSETS HELD BY THE CORPORATION WERE ASSETS RECEIVED FOR SPECIFIC PURPOSES, THE DISTRIBUTION OF SUCH ASSETS TO ONE OR MORE DOMESTIC OR FOREIGN CORPORATIONS OR OTHER ORGANIZATIONS ENGAGED IN ACTIVITIES SUBSTANTIALLY SIMILAR TO THOSE OF THE DISSOLVED CORPORATION, ON NOTICE TO THE ATTORNEY GENERAL AND TO SUCH OTHER PERSONS, AND IN SUCH MANNER, AS THE COURT MAY DEEM PROPER.

(B) NO ORDER ANNULLING A DISSOLUTION SHALL BE MADE UNDER THIS SECTION IF THE NAME OF THE CORPORATION WHOSE DISSOLUTION IS TO BE ANNULLED IS NO LONGER AVAILABLE FOR USE BY SUCH CORPORATION, UNLESS SUCH CORPORATION SUBMITS WITH ITS PETITION FOR THE ANNULMENT OF THE DISSOLUTION A CERTIFICATE OF RESERVATION OF ANOTHER AVAILABLE NAME.

(C) ORDERS UNDER THIS SECTION MAY BE ENTERED EX PARTE, EXCEPT THAT IF SUCH SPECIAL PROCEEDING WAS NOT INSTITUTED UPON PETITION OF THE CORPORATION, NOTICE SHALL BE GIVEN TO THE CORPORATION IN SUCH MANNER AS THE COURT MAY DIRECT. NOTICE SHALL BE GIVEN TO OTHER PERSONS INTERESTED, AND IN SUCH MANNER, AS THE COURT MAY DEEM PROPER, OF ANY HEARINGS AND OF THE ENTRY OF ANY ORDERS ON SUCH MATTERS AS THE COURT SHALL DEEM PROPER. ALL ORDERS MADE BY THE COURT UNDER THIS SECTION SHALL BE BINDING UPON THE ATTORNEY-GENERAL, THE CORPORATION, ITS DIRECTORS, OFFICERS, MEMBERS, SUBSCRIBERS FOR CAPITAL CERTIFICATES, INCORPORATORS, CREDITORS AND CLAIMANTS.

S 1009. APPLICABILITY TO DISSOLUTION UNDER OTHER PROVISIONS.

THE PROVISIONS OF PARAGRAPHS (C), (D) AND (E) OF SECTION 1002-A, AND SECTIONS 1006, 1007 AND 1008 OF THIS ARTICLE SHALL APPLY TO A CORPORATION DISSOLVED BY PROCLAMATION PURSUANT TO SECTION 1014 OF THIS ARTICLE, BY EXPIRATION OF ITS PERIOD OF DURATION OR UNDER SECTION TWO HUNDRED THREE-A OF THE TAX LAW, OR TO AN INCORPORATED FIREMEN'S BENEVOLENT ASSOCIATION CREATED BY ACT OF THE LEGISLATURE IF SUCH ACT IS SUBSEQUENTLY REPEALED.

S 1010. REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS.

(A) AT ANY TIME PRIOR TO THE FILING OF A CERTIFICATE OF DISSOLUTION BY THE DEPARTMENT OF STATE, A CORPORATION MAY REVOKE THE ACTION TAKEN TO DISSOLVE THE CORPORATION IN THE FOLLOWING MANNER:

(1) IF THERE ARE MEMBERS ENTITLED TO VOTE THEREON:

(A) UNLESS THE CERTIFICATE OF INCORPORATION DISPENSES WITH DISSOLUTION ACTION BY THE BOARD, THE BOARD SHALL ADOPT A RESOLUTION RECOMMENDING THAT THE VOLUNTARY DISSOLUTION PROCEEDINGS BE REVOKED AND DIRECTING SUBMISSION OF THE PROPOSED REVOCATION TO A VOTE OF THE MEMBERS ENTITLED TO VOTE THEREON.

(B) REVOCATION OF THE VOLUNTARY DISSOLUTION PROCEEDINGS SHALL BE AUTHORIZED BY TWO-THIRDS VOTE AS PROVIDED IN PARAGRAPH (C) OF SECTION 613 OF THIS CHAPTER.

(2) IF THERE ARE NO MEMBERS ENTITLED TO VOTE THEREON, REVOCATION OF THE VOLUNTARY DISSOLUTION PROCEEDINGS SHALL BE AUTHORIZED BY THE VOTE OF A MAJORITY OF THE DIRECTORS THEN IN OFFICE.

(3) IF APPROVAL OF THE DISSOLUTION OF A CORPORATION BY A GOVERNMENTAL BODY OR OFFICER IS REQUIRED, AS PROVIDED IN PARAGRAPH (C) OF SECTION 1002 OF THIS ARTICLE, AND SUCH APPROVAL HAS BEEN GIVEN, REVOCATION OF THE VOLUNTARY DISSOLUTION PROCEEDINGS SHALL NOT BE AUTHORIZED WITHOUT APPROVAL THEREOF BY SUCH BODY OR OFFICER.

S 1012. CERTIFICATION OF ANNULMENT OF DISSOLUTION AND REINSTATEMENT OF CORPORATE EXISTENCE.

(A) ANY CORPORATION DISSOLVED UNDER FORMER SECTION 57 OF THE MEMBERSHIP CORPORATIONS LAW MAY, AT ANY TIME AFTER THE EFFECTIVE DATE OF THIS ARTICLE, DELIVER TO THE DEPARTMENT OF STATE A SIGNED CERTIFICATE WHICH SHALL BE ENTITLED, "CERTIFICATE OF ANNULMENT OF DISSOLUTION AND REINSTATEMENT OF CORPORATE EXISTENCE OF ..... (NAME OF CORPORATION) PURSUANT TO SECTION 1012 OF THE NON-PROFIT CORPORATION LAW" AND SHALL SET FORTH:

(1) THE NAME OF THE CORPORATION AND, IF IT HAS BEEN CHANGED, THE NAME UNDER WHICH IT WAS FORMED.

(2) THE DATE OF THE FILING OF ITS CERTIFICATE OF INCORPORATION BY THE DEPARTMENT OF STATE.

(3) THE LAW UNDER WHICH IT WAS FORMED.

(4) THAT IT FAILED TO DELIVER TO THE DEPARTMENT OF STATE A CERTIFICATE, AS REQUIRED BY SUBDIVISION ONE OF FORMER SECTION 57 OF THE MEMBERSHIP CORPORATIONS LAW.

(5) THAT IT ELECTS TO BE REINSTATED AND TO CONTINUE ITS CORPORATE EXISTENCE.

(6) THAT, UNDER SECTION 201 OF THIS CHAPTER, IT IS A NON-PROFIT CORPORATION.

(B) NOTWITHSTANDING SUBPARAGRAPH (1) OF PARAGRAPH (A) OF SECTION 1006 OF THIS ARTICLE, THE DIRECTORS OF A CORPORATION WHOSE DISSOLUTION IS ANNULLED UNDER THIS SECTION SHALL BE DEEMED TRUSTEES OF ITS ASSETS, UNLESS SUCH ASSETS HAVE BEEN DISTRIBUTED PURSUANT TO SECTION 1002-A OF THIS ARTICLE.

(C) THE FILING OF SUCH CERTIFICATE BY THE DEPARTMENT OF STATE SHALL HAVE THE EFFECT OF ANNULLING ALL OF THE PROCEEDINGS THERETOFORE TAKEN FOR THE DISSOLUTION OF SUCH CORPORATION, AND IT SHALL THEREAFTER HAVE SUCH CORPORATE POWERS, RIGHTS, PRIVILEGES, IMMUNITIES, DUTIES AND LIABILITIES AS IT HAD ON THE DATE OF PUBLICATION OF THE PROCLAMATION OF DISSOLUTION, AS IF SUCH PROCLAMATION HAD NOT BEEN MADE AND PUBLISHED.

(D) THE DEPARTMENT OF STATE SHALL NOT FILE A CERTIFICATE OF ANNULMENT OF DISSOLUTION AND REINSTATEMENT OF CORPORATE EXISTENCE IF THE NAME OF THE CORPORATION BEING REINSTATED IS NOT AVAILABLE UNDER SECTION 301 OF THIS CHAPTER FOR USE BY A CORPORATION THEN BEING FORMED UNDER THIS CHAPTER, UNLESS SUCH CERTIFICATE SHALL CHANGE THE NAME TO ONE WHICH IS AVAILABLE FOR SUCH USE.

(E) IF, AFTER THE PUBLICATION OF THE PROCLAMATION OF DISSOLUTION, IT SHALL APPEAR THAT THE NAME OF ANY CORPORATION WAS ERRONEOUSLY INCLUDED THEREIN, THE SECRETARY OF STATE SHALL MAKE AN APPROPRIATE ENTRY ON THE RECORDS OF THE DEPARTMENT OF STATE, WHICH ENTRY SHALL HAVE THE EFFECT OF ANNULLING ALL OF THE PROCEEDINGS THERETOFORE TAKEN FOR THE DISSOLUTION OF THE CORPORATION UNDER THIS SECTION, AND IT SHALL HAVE SUCH CORPORATE POWERS, RIGHTS, PRIVILEGES, IMMUNITIES, DUTIES AND LIABILITIES AS IT HAD ON THE DATE OF SUCH PUBLICATION OF THE PROCLAMATION, AS IF SUCH PROCLAMATION HAD NOT BEEN MADE AND PUBLISHED.

(F) WHENEVER A CORPORATION HAS COMPLIED WITH PARAGRAPH (A) OF THIS SECTION OR THE ACTION SPECIFIED IN PARAGRAPH (E) OF THIS SECTION HAS BEEN TAKEN, THE SECRETARY OF STATE SHALL PUBLISH A NOTICE THEREOF IN THE STATE ADVERTISING BULLETIN AND SHALL SEND A COPY OF SUCH BULLETIN TO THE CLERK OF THE COUNTY IN WHICH THE OFFICE OF THE CORPORATION IS LOCATED. THE COUNTY CLERK SHALL FILE SUCH COPY AND MAKE APPROPRIATE ENTRY ON HIS OR HER RECORD WITHOUT CHARGE.

(G) NOTHING IN THIS SECTION SHALL BE DEEMED TO EXTEND THE DURATION OF ANY CORPORATION AS STATED IN ITS CERTIFICATE OF INCORPORATION.

(H) THE FEE OF THE SECRETARY OF STATE FOR FILING A CERTIFICATE UNDER THIS SECTION SHALL BE TEN DOLLARS.

S 1013. DISSOLUTION OF CERTAIN FIREMEN'S BENEVOLENT ASSOCIATIONS.

(A) AN INCORPORATED FIREMEN'S BENEVOLENT ASSOCIATION CREATED BY ACT OF THE LEGISLATURE MAY DISSOLVE IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE.

(B) ANY SUCH CORPORATION AUTHORIZED TO HAVE PAID TO IT FOREIGN FIRE INSURANCE PREMIUM TAXES IMPOSED UNDER SECTIONS 9104 AND 9105 OF THE INSURANCE LAW SHALL, IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS ARTICLE, FILE WITH THE SUPERINTENDENT OF INSURANCE A COPY OF THE CERTIFICATE OF DISSOLUTION. MONEYS THEN DUE AND OWING TO THE CORPORATION UNDER SUCH SECTIONS, AND MONEYS THEREAFTER OTHERWISE PAYABLE TO THE CORPORATION PURSUANT TO SUCH AUTHORIZATION, SHALL BE DISTRIBUTED AS PROVIDED IN SUCH SECTIONS.

S 1014. DISSOLUTION OF DOMESTIC CORPORATIONS BY PROCLAMATION.

EVERY CORPORATION INCORPORATED PURSUANT TO THIS CHAPTER, OTHER THAN A CORPORATION INCORPORATED PURSUANT TO ARTICLE 15 OF THIS CHAPTER, AND

REGISTERED OR REQUIRED TO BE REGISTERED PURSUANT TO ARTICLE SEVEN-A OF THE EXECUTIVE LAW OR ARTICLE EIGHT OF THE ESTATES, POWERS AND TRUSTS LAW SHALL BE SUBJECT TO DISSOLUTION FOR FAILURE TO REGISTER OR TO FILE ANNUAL FINANCIAL REPORTS IN ACCORDANCE WITH THE FOLLOWING PROCEDURES:

(A) ON OR BEFORE THE LAST DAY OF MARCH, JUNE, SEPTEMBER AND DECEMBER IN EACH CALENDAR YEAR, THE ATTORNEY GENERAL MAY CERTIFY AND TRANSMIT TO THE DEPARTMENT OF STATE A LIST CONTAINING THE NAMES OF ANY OR ALL CORPORATIONS FORMED PURSUANT TO THIS CHAPTER AND REGISTERED OR REQUIRED TO REGISTER PURSUANT TO ARTICLE SEVEN-A OF THE EXECUTIVE LAW OR ARTICLE EIGHT OF THE ESTATES, POWERS AND TRUSTS LAW THAT HAVE NOT FILED ANNUAL FINANCIAL REPORTS FOR EACH OF THE FIVE YEARS IMMEDIATELY PRECEDING THE DATE OF SUCH CERTIFICATION. THIS SECTION SHALL NOT BE APPLICABLE TO CORPORATIONS THAT FILED REPORTS DEEMED BY THE ATTORNEY GENERAL TO BE INCOMPLETE, ERRONEOUS OR OTHERWISE DEFICIENT.

(B) NO CORPORATION SHALL BE INCLUDED IN ANY LIST PREPARED PURSUANT TO PARAGRAPH (A) OF THIS SECTION UNLESS (1) IN EACH OF THE LAST TWO YEARS DURING WHICH SUCH CORPORATION FAILED TO FILE ITS ANNUAL REPORT, THE ATTORNEY GENERAL HAS SENT TO SUCH CORPORATION BY CERTIFIED MAIL RETURN RECEIPT REQUESTED NOTICE THAT THE CORPORATION HAS FAILED TO FILE AND HAS THREE MONTHS FROM THE DATE OF SUCH NOTICE TO FILE ALL DELINQUENT REPORTS AND COMPLETE ALL REGISTRATION REQUIREMENTS, PROVIDED, HOWEVER, THAT IF THE LAST KNOWN ADDRESS OF RECORD OF THE CORPORATION IS NOT WITHIN THE UNITED STATES, THE NOTICE TO SUCH CORPORATION SHALL BE SENT BY ANY OTHER REASONABLE MEANS, (2) THE SECOND SUCH NOTICE WAS SENT AT LEAST SIX MONTHS PRIOR TO THE DATE OF THE CERTIFICATION REQUIRED BY PARAGRAPH (A) OF THIS SECTION AND (3) THE ATTORNEY GENERAL USED REASONABLE DILIGENCE TO IDENTIFY A CURRENT ADDRESS FOR THE CORPORATION.

(C) IF THE SECRETARY OF STATE, UPON COMPARING THE NAMES SO CERTIFIED WITH HIS OR HER RECORDS, SHALL DISCOVER ERROR, HE OR SHE MAY RETURN THE LIST TO THE ATTORNEY GENERAL FOR CORRECTION.

(D) THE SECRETARY OF STATE SHALL MAKE A PROCLAMATION UNDER HIS OR HER HAND AND SEAL OF OFFICE AS TO EACH LIST RECEIVED FROM THE ATTORNEY GENERAL DECLARING ANY CORPORATIONS WHOSE NAMES ARE INCLUDED IN SUCH LIST TO BE DISSOLVED AND THEIR CERTIFICATES OF INCORPORATION TO BE FORFEITED. THE SECRETARY SHALL FILE THE ORIGINAL PROCLAMATION IN HIS OR HER OFFICE AND SHALL PUBLISH A COPY THEREOF IN THE STATE REGISTER NO LATER THAN THREE MONTHS FOLLOWING RECEIPT OF THE LIST BY HIM OR HER.

(E) UPON THE PUBLICATION OF SUCH PROCLAMATION IN THE MANNER PROSCRIBED IN PARAGRAPH (D) OF THIS SECTION, EACH CORPORATION NAMED THEREIN SHALL BE DEEMED DISSOLVED WITHOUT FURTHER LEGAL PROCEEDINGS.

(F) THE SECRETARY OF STATE SHALL MAIL A COPY OF THE STATE REGISTER CONTAINING SUCH PROCLAMATION TO THE CLERK OF EACH COUNTY IN THE STATE. THE COUNTY CLERK SHALL FILE THE COPY WITHOUT CHARGE BUT NEED NOT RECORD IT.

(G) THE NAMES OF ALL CORPORATIONS SO DISSOLVED SHALL BE RESERVED FOR A PERIOD OF ONE YEAR IMMEDIATELY FOLLOWING THE PUBLICATION OF THE PROCLAMATION, AND DURING SUCH PERIOD NO DOMESTIC BUSINESS CORPORATION, NON-PROFIT CORPORATION, LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP SHALL BE FORMED UNDER A NAME THE SAME AS ANY NAME SO RESERVED OR WHICH MAY NOT BE DISTINGUISHED FROM ANY NAME SO RESERVED, NOR SHALL ANY FOREIGN BUSINESS CORPORATION, NON-PROFIT CORPORATION, LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP, WITHIN SUCH PERIOD, BE AUTHORIZED TO DO BUSINESS OR CONDUCT ACTIVITIES IN THIS STATE UNDER A NAME THE SAME AS ANY OTHER NAME WHICH MAY NOT BE DISTINGUISHED FROM SUCH OTHER NAME SO RESERVED.

(H) ANY CORPORATION SO DISSOLVED MAY FILE IN THE DEPARTMENT OF STATE A WRITTEN CONSENT BY THE ATTORNEY GENERAL TO THE REINSTATEMENT OF THE CORPORATION. SUCH WRITTEN CONSENT SHALL BE GIVEN IF THE ATTORNEY GENERAL SHALL HAVE RECEIVED ALL ANNUAL FINANCIAL REPORTS AND FEES REQUIRED BY ARTICLE SEVEN-A OF THE EXECUTIVE LAW AND ARTICLE EIGHT OF THE ESTATES, POWERS AND TRUSTS LAW AND PENALTIES AND INTEREST CHARGES RELATED THERETO HAVE BEEN PAID OR WAIVED. THE FILING OF SUCH CONSENT SHALL HAVE THE EFFECT OF ANNULLING ALL OF THE PROCEEDINGS THERETOFORE TAKEN UNDER THE PROVISIONS OF THIS SECTION FOR THE DISSOLUTION OF SUCH CORPORATION WITH THE SAME FORCE AND EFFECT AS IF SUCH PROCLAMATION HAD NOT BEEN MADE OR PUBLISHED. THE FEE OF THE SECRETARY OF STATE FOR FILING SUCH CONSENT SHALL BE FIFTY DOLLARS. NO SUCH CONSENT SHALL BE FILED IF THE NAME OF A DOMESTIC NON-PROFIT CORPORATION, BUSINESS CORPORATION, NON-PROFIT CORPORATION, LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP FORMED LATER THAN ONE YEAR AFTER THE PUBLICATION OF THE PROCLAMATION OF DISSOLUTION, OR THE NAME OR FICTITIOUS NAME OR OF A FOREIGN BUSINESS CORPORATION, NON-PROFIT CORPORATION, LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP WHICH HAS OBTAINED AUTHORITY TO DO BUSINESS OR CONDUCT ACTIVITIES IN THE STATE LATER THAN ONE YEAR AFTER SUCH PROCLAMATION, OR NAME WHICH HAS BEEN RESERVED LATER THAN ONE YEAR AFTER SUCH PROCLAMATION, IS THE SAME AS OR MAY NOT BE DISTINGUISHED FROM THE NAME OF THE CORPORATION FILING SUCH CONSENT UNLESS SUCH CORPORATION SIMULTANEOUSLY FILES IN THE DEPARTMENT OF STATE A CERTIFICATE OF AMENDMENT TO CHANGE THE NAME OF SUCH CORPORATION. SUCH CERTIFICATE OF AMENDMENT SHALL BE EXECUTED IN LIKE MANNER AS IF SUCH CORPORATION HAD NOT BEEN DISSOLVED.

(I) IF, AFTER THE PUBLICATION OF SUCH PROCLAMATION, IT SHALL APPEAR THAT THE NAME OF ANY CORPORATION WAS ERRONEOUSLY INCLUDED THEREIN, THE ATTORNEY GENERAL SHALL SO CERTIFY TO THE SECRETARY OF STATE, AND THE SECRETARY OF STATE SHALL MAKE APPROPRIATE ENTRY ON THE RECORDS OF THE DEPARTMENT OF STATE, WHICH ENTRY SHALL HAVE THE EFFECT OF ANNULLING ALL OF THE PROCEEDINGS THERETOFORE TAKEN UNDER THE PROVISIONS OF THIS SECTION FOR THE DISSOLUTION OF SUCH CORPORATION WITH THE SAME FORCE AND EFFECT AS IF SUCH PROCLAMATION HAD NOT BEEN MADE OR PUBLISHED.

(J) WHENEVER A CORPORATION SHALL HAVE COMPLIED WITH PARAGRAPH (H) OF THIS SECTION OR WHENEVER THE PROCEDURES SPECIFIED IN PARAGRAPH (I) OF THIS SECTION SHALL HAVE BEEN TAKEN, THE SECRETARY OF STATE SHALL PUBLISH A NOTICE THEREOF IN THE STATE REGISTER AND SHALL SEND A COPY OF SUCH NOTICE TO THE COUNTY CLERK OF THE COUNTY IN WHICH, ACCORDING TO HIS OR HER RECORDS, THE OFFICE OF THE CORPORATION IS LOCATED. SUCH COUNTY CLERK SHALL FILE SUCH COPY AND MAKE APPROPRIATE ENTRY ON HIS OR HER RECORDS WITHOUT CHARGE.

(K) IF, AFTER THE DISSOLUTION OF ANY CORPORATION, ASSETS OF THE CORPORATION ARE LOCATED, THE ATTORNEY GENERAL SHALL ACT WITH RESPECT TO SUCH ASSETS IN ACCORDANCE WITH THIS ARTICLE AND ARTICLE 11 OF THIS CHAPTER.

S 11. Sections 1203 and 1204 of the not-for-profit corporation law are amended to read as follows:

S 1203. Temporary and permanent receiver.

(a) At any stage before final judgment or final order in an action or special proceeding brought under this article, the court may appoint one or more receivers of the property of the corporation or of the property in this state of a foreign corporation against which an action has been brought under subparagraph [(a)] (4) OF PARAGRAPH (A) of section 1202 [(Appointment of a receiver of property of a domestic or foreign corporation)] OF THIS ARTICLE. Notice of an application shall be given to the attorney-general, to each governmental body or officer whose consent is required for the dissolution of such corporation, and to such other

persons and in such manner as the court directs. The determination by the court of the necessity or advisability of appointing a receiver or an attorney for a receiver, and the allowance of expenses, commissions or compensation to the receiver or [his] SUCH attorney, shall be subject to review on appeal. This provision shall not affect any other right to review on appeal.

(b) A receiver appointed by or under a final judgment or order in an action or special proceeding, or a temporary receiver who is continued by the final judgment or order, is a permanent receiver. The court may confer upon a temporary receiver the powers, and subject [him] THE TEMPORARY RECEIVER to the duties of a permanent receiver, or so much thereof as it deems proper.

S 1204. Oath and security.

[(a)] A receiver, before entering upon his OR HER duties, shall: [(1)] (A) Take and subscribe an oath that he OR SHE will faithfully, honestly and impartially discharge the trust committed to him OR HER, and the oath shall be filed with the clerk of the court in which the action or special proceeding is pending.

[(2)] (B) File with the clerk of such court a bond to the people, with at least two sufficient sureties or a bond executed by any fidelity or surety company authorized by the laws of this state to transact business, in a penalty fixed by the court appointing him OR HER, conditioned for the faithful discharge of his OR HER duties as receiver. The court may at any time direct a receiver to give a new bond with new sureties and with like condition.

S 12. Subparagraphs 2 and 3 of paragraph (b) of section 1206 of the not-for-profit corporation law are amended to read as follows:

(2) To sell at public or private sale all the property vested in [him] THE PERMANENT RECEIVER, in such manner and on such terms and conditions as the court shall direct, and to make necessary transfers and conveyances thereof.

(3) To examine on oath, to be administered by [him] THE PERMANENT RECEIVER, any person concerning any matter pertaining to or affecting the receivership.

S 13. Section 1207 of the not-for-profit corporation law, clause (C) of subparagraph 1 of paragraph (a) as amended by chapter 847 of the laws of 1970, is amended to read as follows:

S 1207. Duties of receiver upon appointment.

(a) Upon appointment and qualification, a receiver shall have the following duties:

(1) To give immediate notice of his appointment by publication once a week for two successive weeks in two newspapers of general circulation in the county where the office of the corporation is located or, in the case of a foreign corporation against which an action has been brought under subparagraph [(a)] (4) of PARAGRAPH (A) OF section 1202 [(Appointment of receiver of property of a domestic or foreign corporation)] OF THIS ARTICLE, in a newspaper of general circulation as directed by the court, requiring:

(A) All persons indebted to the corporation to render an account of all debts owing by them to the corporation and to pay the same to the receiver at a specified place and by a specified day.

(B) All persons having in their possession any property of the corporation to deliver the same to the receiver at the specified place and by the specified day.

(C) All creditors and claimants, including any with unliquidated or contingent claims and any with whom the corporation has unfulfilled

contracts, to present their claims to the receiver in writing and in detail at a specified place and by a specified day, which shall not be less than six months after the first publication of such notice. Whenever a receiver is appointed in dissolution proceedings under article 10 [(Non-judicial dissolution)] or article 11 [(Judicial dissolution)] OF THIS CHAPTER, section 1007 [(Notice to creditors; filing or barring claims)] OF THIS CHAPTER shall apply and shall control the giving of notice to creditors and claimants and the filing and barring of claims.

(2) To call a general meeting of the creditors of the corporation within four months from the date of his appointment by a notice to be published as directed in subparagraph [(a)] (1) OF THIS PARAGRAPH, setting forth the time and place of such meeting, which time shall be not more than two months, nor less than one month after the first publication of such notice. At such meeting, or at an adjournment thereof, the receiver shall present a statement of all accounts and demands for and against the corporation, its subsisting contracts, and the money and other assets in his OR HER hands.

(3) To keep true books of account of all moneys received and expended by him OR HER as receiver, which books shall be open for inspection at reasonable times by creditors or other persons interested therein. On or before the first day of February in each year, for the preceding calendar year, and at such other times as the court shall direct, the receiver shall file with the clerk of the court by which he OR SHE was appointed a verified statement showing the assets received, the disposition thereof, the money on hand, all payments made, specifying the persons to whom paid and the purpose of the payments, the amount necessary to be retained to meet necessary expenses and claims against the receiver, and the distributive share in the remainder of each person interested therein. A copy of such statement shall be served by the receiver upon the attorney-general within five days after the filing thereof.

S 14. Paragraphs (a) and (e) of section 1209 of the not-for-profit corporation law are amended to read as follows:

(a) Whenever a receiver, by verified petition to the supreme court at a special term held in the judicial district in which [he] THE RECEIVER was appointed, shall show that he OR SHE has good reason to believe that any person has in his OR HER possession or under his OR HER control, or has wrongfully concealed, withheld or disposed of, any property of the corporation, or that any person can testify concerning such facts, the court, with or without notice, shall make an order requiring such person to appear before the court or a referee, at a time and place designated, and submit to an examination concerning such facts. In such order, or at any time thereafter, in its discretion, the court may enjoin and restrain such person from disposing of any property of the corporation in his OR HER possession or under his OR HER control.

(e) The testimony taken under such order shall be signed and sworn to by the person examined, and be filed in the office of the clerk of the county where the action or proceeding is pending. If it shall appear that any person is wrongfully concealing or withholding, or has in his OR HER possession or under his OR HER control, any property of the corporation, on notice to [him] SUCH PERSON, the court may make an order requiring [him] SUCH PERSON forthwith to deliver it to the receiver, subject to the further order of the court.

S 15. Section 1212 of the not-for-profit corporation law, paragraph (b) as amended by chapter 726 of the laws of 2005, is amended to read as follows:

S 1212. Disposition of moneys retained; surplus; unclaimed distributions.

(a) When any action pending at the time of final distribution shall be terminated, the receiver shall apply the moneys retained by [him] THE RECEIVER to the payment of the amount recovered, and [his] THE RECEIVER'S necessary charges and expenses incurred therein.

(b) After the final distribution to creditors and after deducting [his or her] THE RECEIVER'S charges and expenses, the receiver shall distribute any surplus in the manner prescribed in section 1002-a [(Carrying out the plan of dissolution and distribution of assets)] OF THIS CHAPTER or, if dissolution of the corporation is not involved, in such manner as the court shall order.

S 16. Sections 1213, 1214 and 1215 of the not-for-profit corporation law are amended to read as follows:

S 1213. Omission or default of receiver.

Upon notice to the attorney-general and upon such notice to creditors or others interested as the court shall direct, the court may, in the furtherance of justice, relieve a receiver from any omission or default, on such conditions as may be imposed, and, on compliance therewith, confirm [his] THE RECEIVER'S action.

S 1214. Application by attorney-general for removal of receiver and to close receivership.

(a) Whenever he OR SHE deems it to be to the advantage of the members, creditors or other persons interested in the assets of any corporation for which a receiver has been appointed, the attorney-general may move:

(1) For an order removing the receiver and appointing another [in his stead] RECEIVER;

(2) To compel the receiver to account;

(3) For such other and additional orders as may facilitate the closing of the receivership.

S 1215. Resignation by receiver; filling any vacancy.

(a) A receiver may petition the [court] appointing [him] COURT for an order to show cause why he OR SHE should not be permitted to resign.

(b) The petition shall be accompanied by a verified account of all the assets of the corporation received by [him] THE RECEIVER, of all payments or other disposition thereof made by [him] THE RECEIVER, of the remaining assets of the corporation in respect to which [he] THE RECEIVER was appointed receiver and the situation of the same, and of all his OR HER transactions as receiver. Thereupon, the court shall grant an order directing notice to be given to the sureties on his OR HER official bond and to all persons interested in the property of the corporation to show cause, at a time and place specified, why the receiver should not be permitted to resign. Such notice shall be published once in each week for six successive weeks in one or more newspapers as the court shall direct. If it shall appear that the proceedings of the receiver in the discharge of his OR HER trust have been fair and honest and that there is no good cause to the contrary, the court shall make an order permitting such receiver to resign. Thereupon [he] THE RECEIVER shall be discharged and his OR HER powers as receiver shall cease, but he OR SHE shall remain subject to any liability incurred prior to the making of such order. The court, in its discretion, may require the expense of such proceeding to be paid by the receiver presenting the petition.

(c) Any vacancy created by resignation, removal, death or otherwise, may be filled by the court, and the property of the receivership shall

be delivered to the remaining receivers or, if there are none, to the successor appointed by the court. The court may summarily enforce delivery by order in the action or special proceeding in which the receiver was appointed.

S 17. Section 1302 of the not-for-profit corporation law, as amended by chapter 847 of the laws of 1970, is amended to read as follows:

S 1302. Application to existing authorized foreign corporations.

Every foreign corporation which on the effective date of this chapter is authorized to conduct activities in this state under a certificate of authority heretofore issued to it by the secretary of state shall continue to have such authority. Such foreign corporation, its members, directors, and officers shall have the same rights, franchises, and privileges and shall be subject to the same limitations, restrictions, liabilities, and penalties as a foreign corporation authorized under this chapter, its members, directors, and officers respectively. [A foreign corporation may by amendment to its certificate of authority set forth the type of corporation it is under section 201 (Purposes); and in the absence of such amendment an authorized foreign corporation shall be a Type B corporation.] Reference in this chapter to an application for authority shall, unless the context otherwise requires, include the statement and designation and any amendment thereof required to be filed by the secretary of state under prior statutes to obtain a certificate of authority.

S 18. Section 1304 of the not-for-profit corporation law is REPEALED and a new section 1304 is added to read as follows:

S 1304. APPLICATION FOR AUTHORITY; CONTENTS.

(A) A FOREIGN CORPORATION MAY APPLY FOR AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE BY FILING AN APPLICATION ENTITLED "APPLICATION FOR AUTHORITY OF ..... (NAME OF CORPORATION) UNDER SECTION 1304 OF THE NON-PROFIT CORPORATION LAW." THE APPLICATION SHALL BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE FOREIGN CORPORATION.

(2) THE FICTITIOUS NAME THE CORPORATION AGREES TO USE IN THIS STATE PURSUANT TO SECTION 1301 OF THIS ARTICLE, IF APPLICABLE.

(3) THE JURISDICTION AND DATE OF ITS INCORPORATION.

(4) THAT THE CORPORATION IS A FOREIGN CORPORATION AS DEFINED IN SUBPARAGRAPH (7) OF PARAGRAPH (A) OF SECTION 102 OF THIS CHAPTER; A STATEMENT OF ITS PURPOSES TO BE PURSUED IN THIS STATE AND OF THE ACTIVITIES WHICH IT PROPOSES TO CONDUCT IN THIS STATE; A STATEMENT THAT IT IS AUTHORIZED TO CONDUCT THOSE ACTIVITIES IN THE JURISDICTION OF ITS INCORPORATION.

(5) THE COUNTY WITHIN THIS STATE IN WHICH ITS OFFICE IS TO BE LOCATED.

(6) A DESIGNATION OF THE SECRETARY OF STATE AS ITS AGENT UPON WHOM PROCESS AGAINST IT MAY BE SERVED AND THE POST OFFICE ADDRESS WITHIN OR WITHOUT THIS STATE TO WHICH THE SECRETARY OF STATE SHALL MAIL A COPY OF ANY PROCESS AGAINST IT SERVED UPON HIM OR HER.

(7) IF IT IS TO HAVE A REGISTERED AGENT, HIS OR HER NAME AND ADDRESS WITHIN THIS STATE AND A STATEMENT THAT THE REGISTERED AGENT IS TO BE ITS AGENT UPON WHOM PROCESS AGAINST IT MAY BE SERVED.

(8) A STATEMENT THAT THE FOREIGN CORPORATION HAS NOT, SINCE ITS INCORPORATION OR SINCE THE DATE ITS AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE WAS LAST SURRENDERED, DONE ANY ACT IN THIS STATE, EXCEPT AS SET FORTH IN PARAGRAPH (B) OF SECTION 1301 OF THIS ARTICLE; OR IN LIEU OF SUCH STATEMENT THE CONSENT OF THE STATE TAX COMMISSION TO THE FILING OF THE APPLICATION SHALL BE ATTACHED THERETO.

(9) ANY PROVISION REQUIRED BY ANY GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY AS A CONDITION FOR GIVING THE CONSENT OR APPROVAL REQUIRED FOR THE FILING OF SUCH APPLICATION FOR AUTHORITY, PROVIDED SUCH PROVISION IS NOT INCONSISTENT WITH THIS CHAPTER OR ANY OTHER STATUTE OF THIS STATE. A CORPORATION WHOSE STATEMENT OF PURPOSES TO BE CONDUCTED IN THIS STATE SPECIFICALLY INCLUDES THE ESTABLISHMENT OR OPERATION OF A CHILD DAY CARE CENTER, AS THAT TERM IS DEFINED IN SECTION THREE HUNDRED NINETY OF THE SOCIAL SERVICES LAW, SHALL PROVIDE A CERTIFIED COPY OF ANY APPLICATION FOR AUTHORITY AND ANY AMENDMENT THERETO INVOLVING SUCH CORPORATION TO THE OFFICE OF CHILDREN AND FAMILY SERVICES WITHIN THIRTY DAYS AFTER THE FILING OF SUCH APPLICATION OR AMENDMENT WITH THE DEPARTMENT OF STATE.

(B) ATTACHED TO THE APPLICATION FOR AUTHORITY SHALL BE A CERTIFICATE BY AN AUTHORIZED OFFICER OF THE JURISDICTION OF ITS INCORPORATION THAT THE FOREIGN CORPORATION IS AN EXISTING CORPORATION. IF SUCH CERTIFICATE IS IN A FOREIGN LANGUAGE, A TRANSLATION THEREOF UNDER OATH OF THE TRANSLATOR SHALL BE ATTACHED THERETO.

(C) IF THE APPLICATION FOR AUTHORITY SETS FORTH ANY PURPOSES OR ACTIVITY FOR WHICH A DOMESTIC CORPORATION COULD BE FORMED ONLY WITH THE CONSENT OR APPROVAL OF ANY GOVERNMENTAL BODY OR OFFICER, OR OTHER PERSON OR BODY UNDER SECTION 404 OF THIS CHAPTER, OR WHICH, IF IT WAS CONTAINED IN THE CERTIFICATE OF INCORPORATION OF A DOMESTIC CORPORATION, WOULD SUBJECT THE DOMESTIC CORPORATION TO THE REQUIREMENT UNDER SUCH SECTION 404 OF PROVIDING A CERTIFIED COPY OF THE CERTIFICATE OF INCORPORATION TO A GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY, THEN (I) ANY SUCH CONSENT OR APPROVAL SHALL BE ENDORSED ON OR ANNEXED TO THE APPLICATION FOR AUTHORITY OR (II) A CERTIFIED COPY OF THE APPLICATION FOR AUTHORITY SHALL BE PROVIDED BY THE FOREIGN CORPORATION TO SUCH GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY WITHIN THIRTY DAYS AFTER THE FILING OF THE APPLICATION FOR AUTHORITY.

S 19. Section 1309 of the not-for-profit corporation law is REPEALED and a new section 1309 is added to read as follows:

S 1309. CERTIFICATE OF AMENDMENT; CONTENTS, EFFECT.

(A) TO ACCOMPLISH SUCH AMENDMENT A CERTIFICATE, ENTITLED "CERTIFICATE OF AMENDMENT OF APPLICATION FOR AUTHORITY OF ..... (NAME OF CORPORATION) UNDER SECTION 1309 OF THE NON-PROFIT CORPORATION LAW," SHALL BE SIGNED AND DELIVERED TO THE DEPARTMENT OF STATE. IT SHALL SET FORTH:

(1) THE NAME OF THE FOREIGN CORPORATION AS IT APPEARS ON THE INDEX OF NAMES OF EXISTING DOMESTIC AND AUTHORIZED FOREIGN CORPORATIONS OF ANY TYPE OR KIND IN THE DEPARTMENT OF STATE AND THE FICTITIOUS NAME THE CORPORATION HAS AGREED TO USE IN THIS STATE PURSUANT TO PARAGRAPH (D) OF SECTION 1301 OF THIS ARTICLE.

(2) THE JURISDICTION OF ITS INCORPORATION.

(3) THE DATE IT WAS AUTHORIZED TO CONDUCT ACTIVITIES IN THIS STATE.

(4) EACH AMENDMENT EFFECTED THEREBY.

(5) IF THE TRUE CORPORATE NAME OF THE FOREIGN CORPORATION IS TO BE CHANGED, A STATEMENT THAT THE CHANGE OF NAME HAS BEEN EFFECTED UNDER THE LAWS OF THE JURISDICTION OF ITS INCORPORATION AND THE DATE THE CHANGE WAS SO EFFECTED.

(6) IF THE ACTIVITIES IT PROPOSES TO CONDUCT IN THIS STATE ARE TO BE ENLARGED, LIMITED OR OTHERWISE CHANGED, A STATEMENT THAT IT IS AUTHORIZED TO CONDUCT IN THE JURISDICTION OF ITS INCORPORATION THE ACTIVITIES WHICH IT PROPOSES TO CONDUCT IN THIS STATE.

(B) IF AN AUTHORIZED FOREIGN CORPORATION HAS CHANGED ITS NAME IN THE JURISDICTION OF ITS INCORPORATION, IT SHALL DELIVER TO THE DEPARTMENT OF

STATE WITHIN TWENTY DAYS AFTER THE CHANGE BECAME EFFECTIVE IN THAT JURISDICTION A CERTIFICATE OF AMENDMENT UNDER PARAGRAPH (A) OF THIS SECTION. UPON ITS FAILURE TO DELIVER SUCH CERTIFICATE, ITS AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE SHALL UPON THE EXPIRATION OF SAID TWENTY DAYS BE SUSPENDED. THE FILING BY THE DEPARTMENT OF STATE OF A CERTIFICATE OF AMENDMENT CHANGING THE CORPORATION NAME WITHIN ONE HUNDRED TWENTY DAYS AFTER THE EFFECTIVE DATE OF THE CHANGE OF NAME IN THE JURISDICTION OF ITS INCORPORATION SHALL ANNUL THE SUSPENSION AND ITS AUTHORITY TO CONDUCT ACTIVITIES IN THIS STATE SHALL BE RESTORED AND CONTINUE AS IF NO SUSPENSION HAD OCCURRED. THE SECRETARY OF STATE SHALL CONTINUE, DURING SUCH SUSPENSION, AS AGENT OF THE FOREIGN CORPORATION UPON WHOM PROCESS AGAINST THE FOREIGN CORPORATION MAY BE SERVED IN THE MANNER SET FORTH IN PARAGRAPH (B) OF SECTION 306 OF THIS CHAPTER.

(C) IF A CERTIFICATE OF AMENDMENT OF APPLICATION FOR AUTHORITY ADDS, CHANGES OR ELIMINATES A PURPOSE, POWER OR PROVISION THE INCLUSION OF WHICH IN AN APPLICATION FOR AUTHORITY REQUIRES CONSENT OR APPROVAL OF, OR REQUIRES THE CORPORATION TO PROVIDE A CERTIFIED COPY OF THE FILED DOCUMENT TO, ANY GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY UNDER SECTIONS 404 OR 806 OF THIS CHAPTER, OR IF THE AMENDMENT CHANGES THE NAME OF A CORPORATION SUBJECT TO EITHER SUCH REQUIREMENT, THEN (I) ANY SUCH CONSENT OR APPROVAL SHALL BE ENDORSED ON OR ANNEXED TO THE CERTIFICATE OF AMENDMENT OF APPLICATION FOR AUTHORITY BEFORE IT IS FILED OR (II) THE CORPORATION SHALL PROVIDE A CERTIFIED COPY OF SUCH CERTIFICATE, WITHIN THIRTY DAYS AFTER IT IS FILED, TO EACH GOVERNMENTAL BODY OR OFFICER OR OTHER PERSON OR BODY REQUIRED TO RECEIVE SUCH A COPY. NO AMENDMENT TO A CERTIFICATE OF AUTHORITY SHALL BE ADOPTED THE EFFECT OF WHICH WOULD BE TO USE CORPORATE ASSETS IN A MANNER INCONSISTENT WITH SPECIFIC PURPOSES, IF ANY, FOR WHICH FUNDS WERE GIVEN TO A FOREIGN CORPORATION.

S 20. Section 1310 of the not-for-profit corporation law, the opening paragraph of paragraph (b) as amended by chapter 375 of the laws of 1998, subparagraph 1 of paragraph (b) as amended by chapter 186 of the laws of 1983 and paragraph (c) as amended by chapter 172 of the laws of 1999, is amended to read as follows:

S 1310. Certificate of change; contents.

(a) In lieu of a certificate of amendment, an authorized foreign corporation, upon compliance with this section, may make any or all of the following changes in its application for authority:

(1) To change the location of its office in this state.

(2) To specify or change the post office address to which the secretary of state shall mail a copy of any process against it served upon him OR HER.

(3) To make, revoke or change the designation of a registered agent or specify or change his OR HER address.

(b) To accomplish such change, a certificate entitled "Certificate of change of application for authority of ..... (name of corporation) under section 1310 of the [Not-for-Profit] NON-PROFIT Corporation Law" shall be signed and delivered to the department of state. It shall set forth:

(1) The name of the foreign corporation as it appears on the index of names of existing domestic and authorized foreign corporations of any type or kind in the department of state and the fictitious name the corporation has agreed to use in this state pursuant to paragraph (d) of section 1301 of this chapter.

(2) The jurisdiction of its incorporation.

(3) The date it was authorized to conduct activities in this state.

(4) Each change effected thereby.

(c) A certificate of change of application for authority which changes only the post office address to which the secretary of state shall mail a copy of any process against an authorized foreign corporation served upon him OR HER or which changes the address of its registered agent, provided such address is the address of a person, partnership or other corporation whose address, as agent, is the address to be changed or who has been designated as registered agent for such authorized foreign corporation, may be signed and delivered to the department of state by such agent. The certificate of change of application for authority shall set forth the statements required under subparagraphs (1), (2), (3) and (4) of paragraph (b) of this section; that a notice of the proposed change was mailed by the party signing the certificate to the authorized foreign corporation not less than thirty days prior to the date of delivery to the department and that such corporation has not objected thereto; and that the party signing the certificate is the agent of such foreign corporation to whose address the secretary of state is required to mail copies of process or the registered agent, if such be the case. A certificate signed and delivered under this paragraph shall not be deemed to effect a change of location of the office of the corporation in whose behalf such certificate is filed.

S 21. Section 1311 of the not-for-profit corporation law, the opening paragraph of paragraph (a) and the opening paragraph of paragraph (d) as amended by chapter 375 of the laws of 1998 and subparagraph 1 of paragraph (a) as amended by chapter 186 of the laws of 1983, is amended to read as follows:

S 1311. Surrender of authority.

(a) An authorized foreign corporation desiring to surrender its authority shall deliver to the department of state a certificate entitled "Certificate of surrender of authority of ..... (name of corporation) under section 1311 of the [Not-for-Profit] NON-PROFIT Corporation Law." The certificate shall be signed. It shall set forth:

(1) The name of the foreign corporation as it appears on the index of names of existing domestic and authorized foreign corporations of any type or kind in the department of state and the fictitious name the corporation has agreed to use in this state pursuant to paragraph (d) of section 1301 of this chapter.

(2) The jurisdiction of its incorporation.

(3) The date it was authorized to conduct activities in this state.

(4) That it surrenders its authority to conduct activities in this state.

(5) That it revokes the authority of its registered agent, if any, previously designated and consents that process against it in any action or special proceeding based upon any liability or obligation incurred by it within this state before the filing of the certificate of surrender may be served on the secretary of state after the filing thereof in the manner set forth in paragraph (b) of section 306 [(Service of process)] OF THIS CHAPTER.

(6) A post office address within or without this state to which the secretary of state shall mail a copy of any process against it served upon him OR HER.

(b) The department shall not file such certificate unless the consent of the state tax commission to the surrender of authority is attached thereto.

(c) The authority of the foreign corporation to conduct activities in this state shall terminate on the filing by the department of state of the certificate of surrender of authority.

(d) The post office address specified under subparagraph [(a)] (6) OF PARAGRAPH (A) OF THIS SECTION may be changed by delivering to the department of state a certificate, entitled "Certificate of amendment of certificate of surrender of authority of ..... (name of corporation) under section 1311 of the [Not-for-Profit] NON-PROFIT Corporation Law." The certificate shall be signed. It shall set forth:

(1) The name of the foreign corporation.

(2) The jurisdiction of its incorporation.

(3) The date its certificate of surrender of authority was filed by the department of state.

(4) The changed post office address, within or without this state, to which the secretary of state shall mail a copy of any process against it served upon him OR HER.

S 22. Section 1316 of the not-for-profit corporation law, paragraph (a) as amended by chapter 847 of the laws of 1970, is amended to read as follows:

S 1316. Record of members.

(a) Any resident of this state who [shall have been] IS a member [of record, for at least six months immediately preceding his demand,] of a foreign corporation conducting activities in this state, [or any resident of this state authorized in writing by at least five percent of the members, entitled to vote, of the foreign corporation,] upon at least five days' written demand may require such foreign corporation to produce a record of its members setting forth the names and addresses of all members, the number and class of capital certificates held by each and the dates when they respectively became the owners of record thereof, and shall have the right to examine in person or by agent or attorney at the office of the foreign corporation in this state or at the office of its transfer agent or registrar in this state or at such other place in any county in this state in which the foreign corporation is conducting activities as may be designated by the foreign corporation during the usual business hours, a record of members or an exact copy of the record of members certified as correct by the corporate officer or agent responsible for keeping or producing such record and to make extracts therefrom. In the case of a foreign corporation having shares, a record of shareholders shall for the purpose of this section be regarded as a record of members, and holders of voting trust certificates representing such shares shall for the purpose of this section be regarded as members. A CORPORATION REQUESTED TO PROVIDE INFORMATION PURSUANT TO THIS PARAGRAPH SHALL MAKE AVAILABLE SUCH INFORMATION IN THE FORMAT IN WHICH SUCH INFORMATION IS MAINTAINED BY THE CORPORATION AND SHALL NOT BE REQUIRED TO PROVIDE SUCH INFORMATION IN ANY OTHER FORMAT.

(b) An examination authorized by paragraph (a) OF THIS SECTION may be denied to such member [or other person] upon his OR HER refusal to furnish to the foreign corporation or its transfer agent or registrar an affidavit that such inspection is not desired for a purpose which is in the interests of a business or object other than the activities of the foreign corporation and that such member or other person has not within five years sold or offered for sale any list or record of members of any corporation of any type or kind, whether or not formed under the laws of this state, or aided or abetted any person in procuring any such list or record of members for any such purpose.

(c) Upon refusal by the foreign corporation or by an officer or agent of the foreign corporation to produce for examination or to permit an examination of the record of members as herein provided, the person making the demand for production and examination may apply to the supreme court in the judicial district where the office of the foreign corporation within this state is located, upon such notice as the court may direct, for an order directing the foreign corporation, its officer or agent, to show cause why an order should not be granted directing such production and permitting such examination by the applicant. Upon the return day of the order to show cause, the court shall hear the parties summarily, by affidavit or otherwise, and if it appears that the applicant is qualified and entitled to such examination, the court shall grant an order compelling such production for examination and awarding such further relief as to the court may seem just and proper.

(d) Nothing herein contained shall impair the power of courts to compel the production for examination of the books of a foreign corporation. The record of members specified in paragraph (a) OF THIS SECTION shall be prima facie evidence of the facts therein stated in favor of the plaintiff in any action or special proceeding against such foreign corporation or any of its officers, directors or members.

S 23. Section 1321 of the not-for-profit corporation law is REPEALED and a new section 1321 is added to read as follows:

S 1321. EXEMPTION FROM CERTAIN PROVISIONS.

(A) NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, A FOREIGN CORPORATION CONDUCTING ACTIVITIES IN THIS STATE WHICH IS AUTHORIZED UNDER THIS ARTICLE, ITS DIRECTORS, OFFICERS AND MEMBERS, SHALL BE EXEMPT FROM THE PROVISIONS OF PARAGRAPH (E) OF SECTION 1317, SUBPARAGRAPH (1) OF PARAGRAPH (A) OF SECTION 1318, AND SUBPARAGRAPH (2) OF PARAGRAPH (A) OF SECTION 1320 OF THIS ARTICLE IF, WHEN SUCH PROVISION WOULD OTHERWISE APPLY, THE CORPORATION'S PRINCIPAL ACTIVITIES ARE CONDUCTED OUTSIDE THIS STATE; THE GREATER PART OF ITS PROPERTY IS LOCATED OUTSIDE THIS STATE; AND:

(1) LESS THAN ONE-THIRD OF ITS MEMBERS ARE RESIDENTS OF THIS STATE; OR

(2) LESS THAN TEN PERCENT OF ITS ANNUAL REVENUES ARE DERIVED FROM SOLICITATION OF FUNDS WITHIN THIS STATE; OR

(3) LESS THAN ONE-HALF OF ITS REVENUES FOR THE PRECEDING THREE FISCAL YEARS, OR SUCH PORTION THEREOF AS THE FOREIGN CORPORATION WAS IN EXISTENCE, WERE DERIVED FROM SOURCES WITHIN THIS STATE.

S 24. Paragraph (d) of section 1401 of the not-for-profit corporation law is REPEALED.

S 25. Paragraph (e) of section 1401 of the not-for-profit corporation law, as added by chapter 560 of the laws of 1998, is relettered paragraph (d) and amended to read as follows:

(d) Private and family cemetery corporations; prohibitions. (1) No private or family cemetery corporation shall, directly or indirectly:

(i) sell, or have, enter into or perform a lease of any of its real property to a funeral entity, or use any of its property for location of a funeral entity;

(ii) commingle its funds with a funeral entity;

(iii) direct or carry on its business or affairs with a funeral entity;

(iv) authorize control of its business or affairs by a funeral entity;

(v) engage in any sale or cross-marketing of goods or services with a funeral entity;

(vi) have, enter into or perform a management or service contract for cemetery operations with a funeral entity; or

(vii) have, enter into or perform a management contract with any entity, other than a [not-for-profit] NON-PROFIT cemetery corporation.

(2) Only the provisions of subparagraphs (i) and (ii) of subdivision one of this paragraph shall apply to cemetery corporations with thirty acres or less of real property dedicated to cemetery purposes, and only to the extent the sale or lease is of real property dedicated to cemetery purposes, and such cemeteries shall not engage in the sale of funeral home goods or services, except if such goods and services are otherwise permitted to be sold by cemeteries.

(3) For the purposes of this paragraph, "funeral entity" means a person, partnership, corporation, limited liability company or other form of business organization providing funeral home services, or owning, controlling, conducting or affiliated with a funeral home, any subsidiary thereof or an officer, director or stockholder having a ten per centum or greater proprietary, beneficial, equitable or credit interest in a funeral home.

S 26. Paragraph (b) of section 1402 of the not-for-profit corporation law is REPEALED and paragraphs (c), (d), (e), (f), (g), (h) and (i) are relettered paragraphs (b), (c), (d), (e), (f), (g) and (h).

S 27. Paragraph (c) of section 1403 of the not-for-profit corporation law is REPEALED.

S 28. Section 1404 of the not-for-profit corporation law, paragraph (a) and subparagraph 1 of paragraph (c) as amended by chapter 702 of the laws of 1977 and paragraphs (b), (d) and (e) as amended by chapter 1058 of the laws of 1971, is amended to read as follows:

S 1404. Christian associations.

(a) Certificate of incorporation; additional contents.

In addition to the requirements of section 402, the certificate of incorporation of a Young Men's or a Young Women's Christian Association shall state the qualifications of active membership; and may name, in addition to the directors, six trustees and shall divide such trustees into three classes to hold office for one, two and three years respectively, or until their successors are elected by the board of directors.

(b) Type of corporation.

A [christian] CHRISTIAN association is a Type B corporation under this chapter.

(c) Directors and trustees.

(1) The trustees of a corporation organized for the purposes of a young men's [christian] CHRISTIAN association or a young women's [christian] CHRISTIAN association, with the president of the corporation shall be a board of trustees thereof, and hold and control the real property of the corporation and all gifts and bequests of money to be held in trust. They or the directors if there is no board of trustees shall pay the income of such property to the treasurer of the corporation so long as the income shall be expended by the directors thereof for the purposes for which the corporation was formed. Such association may, by amendment to its certificate of incorporation, in the manner provided by law, eliminate its board of trustees, in which case the real property, gifts, bequests and other grants held in trust by such trustee shall be transferred to its board of directors which shall hold and control the real property of the corporation and all gifts and bequests of money to be held in trust.

(2) The real property of such corporation shall not be liable for any debt or obligation contracted without the approval of the board of trustees.

(3) In all proceedings for the purchase, sale, mortgage and lease of real property, the board of trustees of such a corporation shall perform the functions of the board of directors.

(4) The board of directors shall have the management and control of the property and affairs of the corporation, except as such management and control is vested by law in the board of trustees.

(5) A young men's [christian] CHRISTIAN association incorporated prior to eighteen hundred [and] eighty-seven may create a board of trustees possessing the qualifications and divided into classes, and such board shall have the powers set forth in this paragraph.

(6) A young men's [christian] CHRISTIAN association incorporated prior to nineteen hundred [and] eight may divide its trustees into classes.

(d) Dissolution. Whenever any young men's [christian] CHRISTIAN association subject to this section shall cease to carry out the objects set forth in its certificate of incorporation, according to the general rules and regulations of the national board of young men's [christian] CHRISTIAN associations, or shall abandon or discontinue for one year the use of any of its property for such objects, then upon the verified petition of a majority of the directors of such association upon fourteen days' notice to the national board by service thereof upon its chairman and secretary or in the event of the failure of such directors to act, upon the verified petition of the national board of young men's [christian] CHRISTIAN associations, upon fourteen days' notice to such association by service thereof upon its president or any director thereof, and upon one of the trustees thereof, and upon notice to the attorney general, the supreme court, upon satisfactory proof by affidavit or otherwise of such failure or abandonment, must make a final order dissolving such corporation. Upon the entry of such order, the corporation shall be dissolved, and thereupon the national board of young men's [christian] CHRISTIAN associations may take possession of the property of the corporation and manage the same, or if authorized by the concurring vote of two-thirds of the members of the national board may sell or lease the same and apply the proceeds thereof after the payment of the debts, if any, of the corporation solely to such purposes as those for which the corporation was organized.

(e) Incorporation of county committees.

(1) Five or more men resident in any county of this state, appointed by the national board of Young Men's Christian Associations, to act as the county committee of Young Men's Christian Associations for such county, may form a corporation under the provisions of this chapter under the name of "The County Committee of the Young Men's Christian Association of ..... County," (the blank space being filled by the name of the county in which the incorporators reside.)

(2) The management and control of the property and affairs of such corporation shall be vested in its members and their successors in office, except that the powers and duties of the trustees thereof shall be those specified in paragraph (a) OF THIS SECTION; and the successors of such members shall be elected annually at a meeting of the Young Men's Christian Associations of the county for which such committee has been appointed, at which meeting each association may be represented by one delegate for each ten active members of such association. A plurality vote of the delegates present, and voting at such meeting, shall be sufficient to elect. If any vacancy in the membership of such corporation shall occur during the interim between the regular elections, it may be filled by the remaining members.

(3) The officers of the corporation shall consist of a chairman, treasurer and secretary, and such other officers as the members may decide; and shall be elected annually by such members from their own number.

S 29. Paragraph (b) of section 1405 of the not-for-profit corporation law is REPEALED and paragraphs (c), (d), (e) and (f) are relettered paragraphs (b), (c), (d) and (e).

S 30. Paragraph (b) of section 1406 of the not-for-profit corporation law is REPEALED and paragraphs (c), (d), (e) and (f) are relettered paragraphs (b), (c), (d) and (e).

S 31. Paragraph (b) of section 1407 of the not-for-profit corporation law is REPEALED and paragraphs (c) and (d) are relettered paragraphs (b) and (c).

S 32. Paragraph (b) of section 1408 of the not-for-profit corporation law is REPEALED and paragraph (c) is relettered paragraph (b).

S 33. Paragraph (b) of section 1409 of the not-for-profit corporation law is REPEALED and paragraphs (c), (d), (e), (f), (g), (h), (i), (j) and (k) are relettered paragraphs (b), (c), (d), (e), (f), (g), (h), (i) and (j).

S 34. Paragraph (b) of section 1410 of the not-for-profit corporation law is REPEALED and paragraph (c) is relettered paragraph (b).

S 35. Paragraph (a) of section 1411 of the not-for-profit corporation law, as amended by chapter 847 of the laws of 1970, is amended to read as follows:

(a) Purposes.

This section shall provide an additional and alternate method of incorporation or reincorporation of [not-for-profit] NON-PROFIT corporations for any of the purposes set forth in this paragraph and shall not be deemed to alter, impair or diminish the purposes, rights, powers or privileges of any corporation heretofore or hereafter incorporated under this section or under the stock or business corporation laws. Corporations may be incorporated or reincorporated under this section as [not-for-profit] NON-PROFIT local development corporations operated for the exclusively charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest, and any one or more counties, cities, towns or villages of the state, or any combination thereof, or the New York job development authority in exercising its power under the public authorities law to encourage the organization of local development corporations, may cause such corporations to be incorporated by public officers or private individuals or reincorporated upon compliance with the requirements of this section, and it is hereby found, determined and declared that in carrying out said purposes and in exercising the powers conferred by paragraph (b) such corporations will be performing an essential governmental function.

S 36. Paragraph (b) of section 1411 of the not-for-profit corporation law is REPEALED and paragraphs (c), (d), (e), (f), (g), (h) and (i) are relettered paragraphs (b), (c), (d), (e), (f), (g) and (h).

S 37. Paragraph (d) of section 1412 of the not-for-profit corporation law is REPEALED.

S 38. Paragraphs (e), (f) and (g) of section 1412 of the not-for-profit corporation law, paragraph (e) as amended by chapter 253 of the laws of 1999, paragraph (f) as amended and paragraph (g) as added by chapter 555 of the laws of 1993 and subparagraph 2 of paragraph (f) as amended by chapter 172 of the laws of 1999, are amended to read as follows:

[(e)] (D) Applicability of laws; members, directors and officers. This chapter shall be applicable to a university faculty practice corporation except to the extent that the provisions thereof conflict with this section. A university faculty practice corporation may consolidate or merge only with another university faculty practice corporation. The following provisions of article fifteen of the business corporation law shall be applicable to a university faculty practice corporation except that each reference in such provisions to a "shareholder" shall be deemed to be a reference to a "member" and each reference in such provisions to "shareholders" shall be deemed a reference to "members": paragraphs (a), (b), (c) and (e) of section fifteen hundred one; paragraphs (b), (c) and (d) of section fifteen hundred three; paragraphs (a), (c) and (g) of section fifteen hundred four; section fifteen hundred five; section fifteen hundred nine except to the extent such section refers to section fifteen hundred ten; paragraph (a) of section fifteen hundred twelve; section fifteen hundred fourteen; and section fifteen hundred fifteen. No individual may be a member, director or officer of a university faculty practice corporation unless such individual is authorized by law to practice in this state the profession which such corporation is authorized to practice and is a member of the faculty of the medical school, dental school, chiropractic college or optometry college which such corporation is organized to support.

[(f)] (E) Corporations heretofore incorporated. Any corporation heretofore incorporated under article fifteen of the business corporation law and operated in compliance with the requirements of section 501(c)(3) of the United States internal revenue code may amend its certificate of incorporation and be reincorporated as a university faculty practice corporation organized under this section by making and filing in the office of the secretary of state a certificate entitled "Certificate of Reincorporation of...(name of incorporation) under section 1412 of the [Not-for-Profit] NON-PROFIT Corporation Law." (1) Such reincorporation certificate shall contain the provisions required, and any other provisions permitted, by section 402 of this chapter and shall also set forth (A) a statement that such corporation is filing such reincorporation certificate under this section, (B) if the name of such corporation has been changed, the name under which such corporation was originally incorporated, (C) the date of incorporation of such corporation, (D) the names and post-office addresses of the holders of record of all of the outstanding shares of such corporation entitled to vote, (E) a statement that such corporation has elected to become and be a university faculty practice corporation organized and operated under by virtue of this section and (F) the statements required by paragraph (c) of this section.

(2) Such reincorporation certificate shall be either (A) subscribed in person or by proxy by all of the holders of record of all of the outstanding shares of such corporation entitled to vote and shall have annexed an affidavit of the secretary or an assistant secretary that the persons who have executed the certificate, in person or by proxy, constitute all of the holders of record of all of the outstanding shares of the corporation entitled to vote or (B) subscribed by the president or a vice president and the secretary or an assistant secretary and

shall have annexed an affidavit of such officers stating that they have been authorized to execute and file such reincorporation certificate by the votes, cast in person or by proxy, of all of the holders of record of all of the outstanding shares of such corporation entitled to vote at the meeting at which such votes were cast, and that such votes were cast at a meeting of shareholders held on a date specified, upon notice pursuant to section six hundred five of the business corporation law.

(3) A reincorporation pursuant to this paragraph shall not effect a dissolution of such corporation, but shall be deemed a continuation of its corporate existence, without affecting its then-existing property rights or liabilities, or the liabilities of its shareholders, directors or officers as such, but thereafter it shall have only such rights, powers and privileges, and it and such shareholders, directors and officers shall be subject only to such other duties and liabilities, as a university faculty practice corporation and members, directors and officers thereof.

(4) Upon the filing of a reincorporation certificate in the office of the secretary of state, (A) any issued and outstanding shares of such corporation shall be purchased by such corporation at a purchase price equal to the price for which such shares were originally issued, or such other price as such corporation shall agree to, such price to be paid out of the surplus of the corporation, whereupon such shares shall be deemed cancelled as of the date of such filing and (B) such reincorporation certificate shall be deemed to replace the certificate of incorporation of such corporation. The department of state shall not file such certificate of reincorporation unless the consent of the commissioner of taxation and finance is attached thereto. Such certificate of consent shall only be given if the commissioner of taxation and finance ascertains that all taxes imposed under article nine-A of the tax law, as well as penalties and interest charges related thereto, accrued against the corporation have been paid.

[(g)] (F) Effect of section. University faculty practice corporations incorporated or reincorporated under this section shall be organized and operated exclusively for the purposes set forth in paragraph (a) of this section and shall be subject to the restrictions and limitations imposed by or pursuant to paragraphs (a) and (e) of this section. Notwithstanding anything to the contrary in article twenty-eight of the public health law or the regulations adopted pursuant thereto, no corporation organized under this section shall be deemed to be establishing or operating a hospital, diagnostic center and/or treatment center requiring establishment or construction approval solely by reason of being organized as a [not-for-profit] NON-PROFIT corporation. Insofar as the provisions of this section are inconsistent with the provisions of any other law, general or special, the provisions of this section shall be controlling as to the corporations incorporated or reincorporated hereunder.

S 39. Paragraph (c) of section 1505 of the not-for-profit corporation law is REPEALED and paragraph (d) is relettered paragraph (c).

S 40. Subparagraph 7 of paragraph (a) of section 1506-a of the not-for-profit corporation law, as added by chapter 560 of the laws of 1998, is amended to read as follows:

(7) have, enter into or perform a management contract with any entity other than a [not-for-profit] NON-PROFIT cemetery corporation.

S 41. (a) An act of the legislature of the year in which this act shall have become a law which, in form, amends or repeals or purports to amend or repeal any provision or provisions of the former not-for-profit

corporation law, as in force immediately prior to the date that this act shall take effect, shall be legally effective notwithstanding the repeal of such former law by this act and shall be construed as an amendment or repeal, as the case may be, of the corresponding provision or provisions of this act irrespective of whether such provision or provisions are contained in this act in one or more article, section, subsection or other part thereof and such corresponding provision or provisions shall be deemed and construed to be amended or repealed as though the same had been expressly and in terms so amended or repealed.

(b) An act of the legislature of the year in which this act shall have become a law which adds or purports to add a new article, section, subsection or other provision of law to the former not-for-profit corporation law, as in force and effect immediately prior to the date that this act shall take effect, shall be legally effective notwithstanding the repeal of such former law by this act and shall be construed as having been added to this act and shall be given full effect according to its context as if the same had been added expressly and in terms to this act and shall be deemed and construed to have been inserted in this act in juxtaposition to and as modifying the effect of the corresponding provision or provisions of this act.

S 42. Nothing contained in this act or any act amendatory thereof shall affect or impair the validity of any act done or right accruing, accrued or acquired, or any order, judgment, or status established prior to the enactment of this act or prior to the enactment of any act amendatory thereof.

S 43. If any part or provision of this act or the application thereof to any person or circumstances be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision or application or persons or circumstances directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this act or the application thereof to other persons or circumstances and the legislature hereby declares that it would have enacted this act or the remainder thereof had the invalidity of such provision or application thereof been apparent.

S 44. This act shall take effect immediately.