

tion, to purchase excess fire insurance on State buildings, and any other kind of insurance which it may be lawful for the Commonwealth, or any department, board, commission, or officer thereof, to carry and for which an appropriation has been made to the department, or to any other administrative department, board, or commission.

The department shall pay for such insurance, out of the moneys appropriated to it, except that it shall not pay for insurance covering—(1) officers, employes, or property of the departments, boards, and commissions, whose expenses are wholly paid out of funds other than the General Fund of the State Treasury; or (2) officers, employes, and property of departments, boards, and commissions receiving appropriations out of the General Fund for such purpose. Insurance covering the officers, employes, and property of such departments, boards, and commissions shall be paid for out of the special funds appropriated to them, or out of the moneys of the General Fund, appropriated to them, as the case may be.

All automobile liability insurance procured by the Department of Property and Supplies hereunder shall protect both the Commonwealth and the State officer or employe operating the vehicle, or State officers and employes and officers and enlisted men of the Pennsylvania National Guard, the Pennsylvania Reserve Corps, or its successor operating vehicles loaned by the Federal Government, against claims for damages for injury to person or property, within such limits as the department, with the approval of the Executive Board, shall prescribe.

Section 3. This act shall take effect immediately.

APPROVED—The 20th day of July, A. D. 1968.

RAYMOND P. SHAFER.

No. 216

AN ACT

SB 1169

Amending the act of May 5, 1933 (P. L. 364), entitled, as amended, "An act relating to corporations; defining and providing for the organization, merger, consolidation, reorganization, winding up and dissolution of certain corporations for profit; conferring certain rights, powers, duties and immunities upon them and their officers and shareholders; prescribing the conditions on which such corporations may exercise their powers; providing for the inclusion of certain existing corporations and associations within the provisions of this act; prescribing the terms and conditions upon which certain foreign corporations may be admitted, or may continue, to do business within the Commonwealth; conferring powers and imposing duties on the courts of common pleas, and certain State departments, commissions, and officers; authorizing certain State departments, boards, commissions, or officers to collect fees for services required to be rendered by this act; imposing penalties; and re-

peeling certain acts and parts of acts relating to corporations and other entities," changing certain definitions and the scope and applicability of the act; conferring the power of eminent domain and the right to enter highways and other public places upon certain corporations; revising, adding and repealing specific provisions of the act; and making repeals.

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

Section 1. Section 2, act of May 5, 1933 (P. L. 364), known as the "Business Corporation Law," amended January 18, 1966 (P. L. 1305), is amended to read:

Section 2. Definitions.—The following words or phrases, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section:

(1) "Articles" means the original articles of incorporation, all amendments thereto, articles of merger, consolidation and domestication, statements relating to shares filed pursuant to sections 602 and 709 of this act and any other statement or certificate permitted or required to be filed by this act, and includes what have heretofore been designated by law as certificates of incorporation or charters but does not include registry statements specified in section 206 of this act. If an amendment or articles of merger [consolidation or domestication] made in the manner permitted by this act restates articles in their entirety, thenceforth the "articles" shall not include any prior documents and the certificate issued by the Department of State shall so state.

(2) "Assets" means all the property and rights of every kind of the corporation.

(3) "Capital Surplus" means capital contributed for or assigned to shares in excess of the stated capital applicable thereto (whether as a result of original issue of shares at amounts in excess of their par or stated value, reduction in par or stated value after issuance, transactions by the corporation in its own shares, or otherwise) capital received other than for shares whether from shareholders or others, and amounts of surplus arising from revaluation of or unrealized appreciation in assets.

(4) "Close Corporation" means a business corporation which has elected to become subject to Chapter B of Article III of this act and whose status as a close corporation has not been terminated as provided in such chapter.

[(4)] (5) "Corporation for Profit" means a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise, to its shareholders.

[(5)] (6) "Domestic Business Corporation" or "Business Corporation" means a corporation for profit incorporated or domesticated

under this act, or heretofore or hereafter incorporated or domesticated in this Commonwealth, which [has become or becomes subject to] is not excluded from the scope of this act by section 4 of this act.

[(6)] (7) "Earned Surplus" means the entire surplus of a corporation other than its capital surplus, and includes earned surplus carried forward under section 704 F of this act.

[(7)] (8) "Foreign Business Corporation" means a corporation for profit, incorporated under any laws other than those of this Commonwealth, and not excluded from the scope of this act by section 4 of this act.

[(8)] (9) "Incorporator" means a signer of the original articles of incorporation.

[(9)] (10) "Insolvency" means inability of a corporation to pay its debts as they become due in the usual course of its business.

[(10)] (11) "Net Assets" means the amount by which the total assets of a corporation exceed the total liabilities of the corporation excluding stated capital and surplus.

[(11)] (12) "Open-end Investment Company" means a management investment corporation which is offering for sale or has outstanding any security of which it is the issuer, which is redeemable at the option of the holder.

(13) "Person" means an individual, partnership, association or corporation.

[(12)] (14) "Public Utility Corporation" means any domestic or foreign business corporation which is subject to regulation as a public utility by the Pennsylvania Public Utility Commission or an officer or agency of the United States.

(15) "Qualified Foreign Business Corporation" means a foreign business corporation authorized under Article X of this act to do business in this Commonwealth.

[(13)] (16) "Registered Office" means that office maintained by a domestic or foreign business corporation in this Commonwealth, the address of which is filed with the Department of State.

[(14)] (17) "Share Certificate" means a written instrument signed by the proper corporate officers, as required by this act, and evidencing the fact that the person or corporation therein named is the registered owner of the shares therein described, and also includes the term "Certificate of Stock" as used in existing laws.

[(15)] (18) "Shareholder" means a registered owner of shares in a business corporation. The term "shareholder" shall be construed to

include "member" if the corporation does not issue shares. If and to the extent the articles confer rights of shareholders upon holders of securities evidencing indebtedness, or governmental or other entities pursuant to section 309.1 of this act, the term shall be construed to include such security holders, and governmental or other entities.

[(16)] (19) "Shares" are the units into which the shareholders' rights to participate in the control of a business corporation, in its surplus or profits, or in the distribution of its assets, are divided.

[(17)] (20) "Stated Capital" means, at any particular time, the sum of the par value of all shares then issued having a par value, the consideration received by a business corporation for all shares then issued without par value, except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by this act, and such other amounts as may have been transferred to the stated capital account of the corporation, whether from the issue of shares or otherwise, minus such formal reductions from such sum as may have been effected in a manner permitted by this act.

[(18)] (21) "Subscriber" means one who subscribes for, or otherwise agrees to take from, a business corporation shares other than treasury shares, whether before or after incorporation.

[(19)] (22) "Subscription" means the promise to pay a consideration or the agreement fixing the amount of the consideration paid or to be paid for shares by a subscriber.

[(20)] (23) "Surplus" means the excess of the net assets of a corporation over its stated capital.

[(21)] (24) "Treasury Shares" means shares of a business corporation which have been issued, have been subsequently acquired by and belong to the corporation otherwise than in a fiduciary capacity, and have not, either by reason of the acquisition or thereafter, been cancelled. Treasury shares shall be deemed to be "issued" shares but not "outstanding" shares.

(25) "Unlisted Corporation" means a business corporation, a majority of the outstanding voting shares of which are not listed on a national securities exchange registered under the Securities Exchange Act of 1934.

[(22)] (26) "Unreserved" means not reserved pursuant to section 704 E of this act.

[(23)] (27) "Unrestricted" means not restricted by section 701 E of this act.

[~~(24)~~] (28) "Written" includes printed, typewritten, engraved, lithographed, telegraphed, cabled, radiogrammed, photographed, photostated, telephotographed, or other form of recordation.

Section 2. Subsection C of section 3 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 3. Applicability and Acceptance of Act.—* * *

C. Except as provided in section 4 of this act, every foreign corporation for profit shall be subject to the provisions of this act. If a foreign corporation for profit [is] was on [January 1] March 19, 1966, admitted to do business in this Commonwealth by the filing of a power of attorney and statement under the act of June 8, 1911 (P. L. 710), such power of attorney and statement shall be deemed an approved application for a certificate of authority issued under this act and such corporation shall be deemed a holder of such a certificate. Such corporation shall include in its initial application, if any, for an amended certificate of authority under this act the information required by this act to be set forth in an application for a certificate of authority.

Section 2.1. Subsection A, subclauses (v), (vi) and (vii) of clause (1) and clauses (2) and (3) of subsection B of section 4 of the act, amended January 18, 1966 (P. L. 1305), are amended to read:

Section 4. Scope of Act.—A. Every corporation for profit incorporated under any of the following acts shall be a business corporation and shall be governed by this act except to the extent that this act is inconsistent with the act under which it was incorporated:

- (1) The Business Development Credit Corporation Law,
- (2) The [act of December 22, 1959 (P. L. 1978), relating to harness horse race meeting corporations,] Pennsylvania Harness Racing Law,
- (3) The Limited Dividend Housing Company Law,
- (4) The Pennsylvania Thoroughbred Horse Racing Law.

B. This act does not apply to:

(1) Any domestic corporation for profit incorporated under one of the following acts or which, if not existing, would be required to incorporate under one of such acts, unless and only to the extent otherwise provided in the act under which it was incorporated.

* * *

(v) the [act of April 30, 1929 (P. L. 885) relating to agricultural associations having capital stock] Cooperative Agricultural Association Act;

(vi) the [Building and Loan] Savings Association Code of 1967;

(vii) the Banking Code of 1965;

* * *

(2) Any proposed or existing domestic corporation for profit which,

(i) by the laws of this Commonwealth, is, or upon commencement

of its operations will be, subject to the supervision of the Pennsylvania Public Utility Commission or the Water and Power Resources Board: [except—

(i) a corporation incorporated for the purpose of acting as a motor carrier or broker or both as defined in the Public Utility Law; or

(ii) a proposed or existing domestic corporation which elects] (ii) is or will be a corporation incorporated by or under any other act for a purpose or purposes including, in any form of language, the purpose or purposes of furnishing railroad, water supply, natural or artificial gas or gas transportation, telegraph, electric or hydroelectric, petroleum of petroleum products transportation, or telephone service; and

(iii) has not elected to accept the provisions of this act in the manner set forth in subsection C of this section [Provided, That this exception shall not apply to any corporation incorporated for the purpose of acting as a railroad as defined in the Public Utility Law]; or

(3) Except with respect to section 1014 B of this act,

(i) any foreign corporation for profit incorporated under a Federal act, other than the District of Columbia Business Corporation Act or another general corporation act, having a place of business in this Commonwealth, or

(ii) any foreign corporation for profit qualified to do business in this Commonwealth under one of the following acts:

[(i)] (a) The Insurance Company Law of 1921; or

[(ii)] (b) Any other act hereafter enacted requiring as a condition for qualification the appointment within this Commonwealth of an agent for the receipt of service on behalf of the foreign corporation of all lawful process in any action against it.

* * *

Section 3. The section heading and subsection A of section 5 and subsections B and D of section 6 of the act are amended, and section 5 is amended by adding at the end thereof new subsections to read:

Section 5. Saving Clause; Limited Uniform Application of Act.—

A. This act and its amendments shall not impair or affect any act done, offense committed, or substantial right accruing, accrued, or acquired, or liability, duty, obligation, penalty, judgment or punishment incurred prior to the time this act or any amendment thereto takes effect, but the same may be enjoyed, asserted, enforced, prose-

cuted, or inflicted as fully and to the same extent as if this act or any amendment thereto had not been passed.

* * *

D. This act and its amendments are intended to provide uniform rules for the government and regulation of the affairs of business corporations and foreign business corporations and of their officers, directors and shareholders and, in so far as expressly provided by section 4 of this act or by any other act of Assembly, of all corporations for profit and foreign corporations for profit and of their officers, directors and shareholders, regardless of the date or manner of incorporation or qualification, or of the issuance of any shares thereof, provided, however, that:

(1) Unless expressly provided otherwise in any amendment to this act, any such amendment shall take effect only prospectively;

(2) An existing business corporation or qualified foreign business corporation lawfully using a name, or as part of its name a word, which could not be used as or included in the name of a business corporation hereafter incorporated or qualified under this act, may continue to use such name, or word as part of its name, provided the use or inclusion of such word or name was lawful when first adopted by the corporation in this Commonwealth;

(3) Nothing in this subsection shall adversely affect the rights specifically provided for or saved in this act, including, without limiting the generality of the foregoing, the following: (i) the straight voting rights set forth in subsection B of section 505 of this act; (ii) the preemptive rights set forth in subsection B of section 611 of this act; (iii) the class voting rights upon the increase in the authorized shares of any class set forth in the last sentence of section 804 of this act; and (iv) the appraisal rights upon the elimination of accrued but undeclared dividends set forth in clause (1) of section 810 of this act.

(4) Nothing in this subsection shall adversely affect the rights

saved by the general terms of subsection A of this section.

E. Notwithstanding subsection A of this section, a shareholder shall not have any right to obtain, in the absence of fraud or fundamental unfairness, an injunction against any proposed plan or amendment of articles authorized under any section of this act, or to claim the right to valuation of and payment for his shares because of any such plan or amendment except that he may dissent and claim payment if and to the extent provided in section 515 of this act where this act expressly provides that dissenting shareholders shall have the rights and remedies provided in section 515 of this act.

Section 6. Interpretation of Act.—* * *

B. Whenever in this act reference is made to any act by title, such reference shall be construed to apply to and include all subsequent amendments thereto and any codification, and all amendments thereto, wherein the provisions of the act referred to are substantially re-enacted.

* * *

D. This act is not intended to authorize any business corporation or foreign business corporation or, in so far as applicable, any corporation for profit or foreign corporation for profit, to do any act prohibited by any act of Assembly regulating the business of the corporation, or by any rule or regulation validly promulgated thereunder by any department, board or commission of this Commonwealth. Except as otherwise provided by the acts of Assembly and rules and regulations promulgated thereunder applicable to the business of the corporation, the issuance by the Department of State of any certificate evidencing the incorporation or qualification of a corporation under this act or any amendment to its articles or other change in its corporate status shall not be effective to exempt the corporation from any of the requirements of any such acts of Assembly or rules and regulations. Any document filed in the Department of State or any by-law adopted or other corporate action taken under the authority of this act or other action pursuant thereto in violation of any such

acts of Assembly or rules or regulations shall be ineffective as against the Commonwealth, including the departments, boards and commissions thereof, unless and until such violation is cured. If and to the extent an act of Assembly regulating the business of the corporation shall set forth provisions relating to the government and regulation of the affairs of corporations which are inconsistent with the provisions of this act on the same subject the provisions of such other act of Assembly shall control. This act shall not be deemed to curtail in any manner whatsoever the law or equity jurisdiction of the courts of this Commonwealth.

* * *

Section 4. The section heading of section 8 of the act is amended and the section is amended by adding at the end thereof, a new subsection to read:

Section 8. [Notice of] Meetings; Notice.—* * *

E. If the by-laws of a business corporation so provide, one or more directors or shareholders may participate in a meeting of the board, of a committee of the board or of the shareholders by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 5. Subsection A of section 202 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 202. The Corporate Name.—A. The corporate name may be in any language, but must be expressed in English letters or characters, and shall contain (1) the word "corporation," "company," [or] "incorporated," or "limited" or an abbreviation thereof, except that the word "company" or the abbreviation "Co." may not be used where that word or abbreviation is immediately preceded by the word "and" or any symbol or substitute therefor, unless [the word] one of the words "incorporated," or "limited" or any abbreviation thereof, immediately follows the word "company" or the abbreviation "Co." or (2) the word "association," "fund" or "syndicate." The corporate name shall not imply that the corporation is a governmental agency of the Commonwealth or of the United States or a bank, bank and trust company, savings bank, private bank or trust company, as defined in the "Banking Code of 1965," or an insurance company [of any of the classes] which might be incorporated under "The Insurance

Company Law of 1921," or a public utility [as defined in the "Public Utility Law,"] corporation furnishing electric or gas service to the public, unless the corporation or proposed corporation has as a corporate purpose the furnishing of service subject to the jurisdiction of the Pennsylvania Public Utility Commission or the [Interstate Commerce] Federal Power Commission, nor shall the corporate name contain the word "college" or "university" when used in such a way as to [give the impression] imply that it is an educational institution conforming to the standards and qualifications prescribed by the State Board of Education, unless there be submitted a certificate from the Department of Public Instruction certifying that the corporation or proposed corporation is entitled to use such designation.

* * *

Section 6. Section 204 of the act, amended September 23, 1959 (P. L. 959), November 10, 1959 (P. L. 1406) and January 18, 1966 (P. L. 1305), is amended to read:

Section 204. Articles of Incorporation.—A. Articles of incorporation shall be signed by each of the incorporators, and shall set forth, in the English language:

(1) The name of the corporation, unless the name is in a foreign language, in which case it shall be set forth in English letters or characters.

(2) The location and post office address of its initial registered office in this Commonwealth.

(3) A brief statement: (i) of the purpose or purposes for which the corporation is incorporated which may consist of or include a statement that the corporation shall have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under this act, and (ii) that the corporation is incorporated under the provisions of this act.

(4) The term for which it is to exist, which may be perpetual.

(5) The aggregate number of shares which the corporation shall have authority to issue, and, if the shares are to consist of one class only, the par value of each of the shares or a statement that all of the shares are without par value, or if the shares are to be divided into classes, the number of shares of each class, if any, that are to have a par value and the par value of each share of each class and the number of shares of each class, if any, that are to be without par value.

(6) A [description of each class and a] statement of the designations, preferences, qualifications, limitations, restrictions, and the special or relative rights [granted to or imposed upon the shares of each class.] in respect of the shares of any class or a series of any

class, the fixing of which by the articles of incorporation is desired.

(7) [If the corporation is to issue the shares of any preferred or special class in series, a description of each series and a statement of the variations in the relative rights and preferences as between different series, in so far as the same are to be fixed in the articles, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.] A statement of such authority as it may then be desired to vest in the board of directors to fix by resolution any designations, preferences, qualifications, limitations, restrictions, and special or relative rights of any class or any series of any class that may be desired but which shall not be fixed in the articles.

[(9) The names of the first directors, their post office addresses, including street and number, if any, who shall serve until the first annual meeting.

(10) (8) The name and post office address of each of the incorporators and a statement of the number of shares subscribed by each, which shall not be less than one, and the class of shares for which each subscribes.

[(11) (9) Any provisions which the incorporators may choose to insert granting to shareholders preemptive rights to subscribe to any or all issues of shares or securities of the corporation or denying cumulative voting rights.

[(12) (10) Any other provisions which the incorporators may choose to insert if:

(i) any section of this act authorizes or requires provisions pertaining to the subject matter thereof to be set forth in the articles or by-laws of a business corporation or in an agreement or other instrument; or

(ii) such provisions, whether or not specifically authorized by this act, relate to the regulation of the internal affairs or business of the corporation, or to the rights, powers or duties of its security holders, directors or officers.

B. The naming of directors in articles of incorporation shall constitute an affirmation that such directors have consented in writing to serve as such.

Section 7. Section 210 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 210. Organization Meeting.—After the filing of the ar-

articles of incorporation, an organization meeting of the board of directors named in the articles or of the incorporators if no directors are named in the articles, shall be held, either within or without this Commonwealth, at the call of a majority of the directors or incorporators, for the purpose of adopting by-laws, which they shall have authority to do at such meeting, of electing directors if no directors are named in the articles, and, in the case of a meeting of the board of directors, of electing officers, and of transacting such other business as may come before the meeting. The directors or incorporators calling the meeting shall give at least five days' written notice to each director or incorporator named in the articles, of the time and place of the meeting.

Section 8. Section 211 of the act is amended to read:

Section 211. Legislature Reserves Power to [Alter or] Revoke, [Charters] Amend or Repeal Articles.—The General Assembly may [alter] revoke, amend or [annul] repeal the [charter] articles of any business corporation [formed under this act as provided by Article XVI, Section ten, of the Constitution].

Section 9. Article III of the act is amended by adding a new chapter heading to read:

ARTICLE III
CORPORATE POWERS, DUTIES AND SAFEGUARDS
Chapter A
Business Corporations Generally

* * *

Section 10. Clauses (4), (4.1), (6), (8) and (9) and the last paragraph of section 302 and section 304 of the act, amended August 27, 1963 (P. L. 1355), are amended to read:

Section 302. General Powers.—Subject to the limitations and restrictions contained in this act or in its articles, every business corporation shall have power:

* * *

(4) To [purchase, take, receive, lease as lessee, take by gift or bequest, or otherwise] acquire, [and to] own, [hold, use] and [otherwise deal with] dispose of any real or personal property, or any interest therein, situated in or out of this Commonwealth [, which may be appropriate to enable it to accomplish fully and properly its corporate purpose or purposes.

(4.1) To purchase, take, receive, lease as lessee, take by gift or devise, or otherwise acquire, and to own, hold, use and otherwise deal

with any real property, or any interest therein, situated in or out of this Commonwealth, which may be necessary and proper for its legitimate business].

* * *

(6) [Whenever appropriate to enable it to accomplish any or all of the purposes for which it is organized, to] To guarantee, become surety for, [purchase, take, receive, or otherwise] acquire, [hold, sell, assign, transfer, mortgage, loan, pledge or otherwise] own and dispose of [and otherwise use and deal in and with the] obligations, [shares, bonds,] securities, and evidences of indebtedness [of any other domestic corporation or of any corporation formed under any laws other than those of this Commonwealth, and, while the owner of the same, to exercise all the rights, powers, or privileges of ownership, including the right to vote thereon].

(8) To borrow money, [for any or all of the purposes for which it is organized,] to issue its [promissory notes, bonds, or other forms of certificates] evidences of indebtedness for [money,] labor done, or money or property, including shares of the corporation properly acquirable by it under this act, actually received and to secure any of its obligations by mortgage [, pledge,] on or [deed of trust of, or on,] security interest in any of its property, franchises and income.

(9) To invest its surplus funds [from time to time], to lend money [for any or all of the purposes for which it is organized,] and to take and hold real and personal property as security for the payment of funds so invested or loaned.

* * *

The powers herein enumerated shall not be construed as limiting or enlarging the grant of authority hereinbefore made by this article, or as a limitation on the purposes for which a corporation may be [organized] incorporated. It shall not be [permissible or] necessary to set forth any of such enumerated powers in the articles of the corporation. Except as otherwise provided in this act or in the articles or in the by-laws, the powers [herein] enumerated in this section and elsewhere in this act shall be exercised by the board of directors of the corporation.

Section 304. Adoption and Contents of By-Laws.—The shareholders shall have the power to make, [alter,] amend, and repeal the by-laws of a business corporation, but except as otherwise provided in this act the authority to make, [alter,] amend and repeal by-laws may be expressly vested by the articles or the by-laws in the board of directors, subject always to the power of the shareholders to change such action. Unless the articles or by-laws otherwise provide, the powers hereby conferred shall be exercised by a majority vote of the

members of the board of directors, or by the vote of shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon, as the case may be, at any regular or special meeting duly convened after notice to the shareholders or directors of that purpose. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles [and may provide penalties for the breach thereof, not exceeding twenty dollars].

Section 11. Section 308 of the act is amended to read:

Section 308. Corporate Records; Inspection.—A. Every business corporation shall keep at its registered office or principal place of business an original or duplicate record of the proceedings of the shareholders and of the directors, and the original or a copy of its by-laws, including all amendments or alterations thereto to date, certified by the secretary of the corporation, and shall keep at its registered office or principal place of business, or at the office of [a] its transfer agent or registrar [within this Commonwealth] an original or a duplicate share register, giving the names of the shareholders, [in alphabetical order, and showing] their respective addresses and the number and classes of shares held by each [the number and date of certificates issued for the shares, and the number and date of cancellation of every certificate surrendered for cancellation]. Every such corporation shall also keep appropriate, complete and accurate books or records of account, which may be kept at its registered office, or at its principal place of business.

B. Every shareholder shall, upon written demand under oath stating the purpose thereof, have a right to examine in person or by agent or attorney, [at any reasonable time or times] during the usual hours for business for any [reasonable] proper purpose, the share register, books or records of account, and records of the proceedings of the shareholders and directors, and make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a shareholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the shareholder. The demand under oath shall be directed to the corporation at its registered office in this Commonwealth or at its principal place of business.

C. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a shareholder or attorney or other agent acting for the shareholder pursuant to subsection B of this section or does not reply to the demand within five business days after the demand has been made, the shareholder may apply to the court of common pleas of the county in which the registered office of the corporation is located for an order to compel such inspection. Such court of common pleas is hereby vested with exclusive jurisdiction to determine whether or not the person seeking inspection is entitled to the inspection sought. The court may summarily order the corporation to permit the shareholder to inspect the share register and the other books and records of the corporation and to make copies or extracts therefrom; or the court may order the corporation to furnish to the shareholder a list of its shareholders as of a specific date on condition that the shareholder first pay to the corporation the reasonable cost of obtaining and furnishing such list and on such other conditions as the court deems appropriate. Where the shareholder seeks to inspect the books and records of the corporation, other than its share register or list of shareholders, he shall first establish (1) that he has complied with the provisions of this section respecting the form and manner of making demand for inspection of such document; and (2) that the inspection he seeks is for a proper purpose. Where the shareholder seeks to inspect the share register or list of shareholders of the corporation and he has complied with the provisions of this section respecting the form and manner of making demand for inspection of such documents, the burden of proof shall be upon the corporation to establish that the inspection he seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper. The court may order books, documents and records, pertinent extracts

therefrom, or duly authenticated copies thereof, to be brought within this Commonwealth and kept in this Commonwealth upon such terms and conditions as the order may prescribe.

Section 12. The act is amended by adding after section 308, a new section to read:

Section 309.1. Voting Powers and Other Rights of Certain Security Holders and Other Entities.—Such power to vote in respect to the corporate affairs and management of a business corporation and other shareholder rights as may be provided in the articles may be conferred upon:

(1) Registered holders of securities evidencing indebtedness issued or to be issued by the corporation; and

(2) The Commonwealth or any political subdivision thereof or other entity prohibited by law from becoming a shareholder of a public utility corporation.

Section 13. Section 310 of the act is repealed.

Section 14. Subsections D and F of section 311 of the act, amended August 27, 1963 (P. L. 1355), are amended to read:

Section 311. Voluntary Transfer of Corporate Assets.—* * *

D. If any shareholder of a business corporation which sells, leases or exchanges all or substantially all of its property and assets otherwise than (1) in the usual and regular course of its business, (2) for the purpose of relocating its business, or (3) in connection with its dissolution and liquidation, shall object to such sale, lease or exchange and comply with the provisions of section 515 of this act, such shareholder shall be entitled to the rights and remedies of dissenting shareholders as therein provided, if any. The rights of dissenting shareholders granted by this subsection [D] shall not apply to a sale, lease or exchange of substantially all of the property and assets of a business corporation which directly or indirectly owns all of the outstanding shares of another corporation to such other corporation: Provided, That the preferences, qualifications, limitations, restrictions, or special or relative rights, granted to or imposed upon the shares of any class of the parent corporation are not altered by such sale, lease or exchange.

* * *

F. The shareholders of a business corporation which acquires by purchase, lease or exchange all or substantially all of the property of another corporation by the issuance of shares, evidences of indebtedness or otherwise, with or without assuming the liabilities of such

other corporation, shall be entitled to the rights and remedies of dissenting shareholders provided in section 515 of this act, if any, if, but only if, such acquisition shall have been accomplished by the issuance of voting shares of such corporation to be outstanding immediately after the acquisition sufficient to elect a majority of the directors of the corporation.

Section 15. Subsection C of section 312 of the act is repealed.

Section 15.1. Section 313 of the act is amended to read:

Section 313. Usury Not a Defense.—A. No business corporation shall plead or set up usury, or the taking of more than six per cent interest, as a defense to any action brought against it to recover damages on, or to enforce payment of, or to enforce any other remedy on, any mortgage, bond, note, or other obligation executed or effected by the corporation.

B. The provisions of this section shall extend to all mortgages, bonds, notes or other obligations executed or effected in this Commonwealth by foreign business ¹ corporations.

Section 16. Section 317 of the act is repealed.

Section 17. Section 322 of the act, added August 27, 1963 (P. L. 1381), is amended to read:

Section 322. [Power of Eminent Domain.—A] Additional Powers of Certain Public Utility Corporations.—A. A public utility corporation shall, in addition to any other power of eminent domain conferred by any other act, have the right to take, occupy and condemn property for one or more of the following principal purposes and ancillary purposes reasonably necessary or appropriate for the accomplishment of such principal purposes:

(1) The transportation of passengers or property or both as a common carrier by means of elevated street railway, ferry, inclined plane railway, railroad, street railway or underground street railway, trackless-trolley omnibus, or by any combination of such means.

(2) The transportation of artificial or natural gas, electricity, petroleum or petroleum products or water or any combination of such substances for the public.

¹ "corporation" in original.

(3) The production, generation, manufacture, transmission, storage, distribution or furnishing of natural or artificial gas, electricity, steam, air conditioning or refrigerating service, or any combination thereof to or for the public.

(4) The diverting, developing, pumping, impounding, distributing or furnishing of water from either surface or subsurface sources to or for the public.

(5) The collection, treatment or disposal of sewage for the public.

(6) The conveyance or transmission of messages or communications by telephone or telegraph for the public.

(7) The diverting, pumping or impounding of water for the development or furnishing of hydroelectric power to or for the public.

B. The powers conferred by subsection A of this section shall not be exercised:

(1) To condemn for the purpose of constructing any street railway, trackless-trolley omnibus, petroleum or petroleum products transportation, or aerial electric transmission, aerial telephone or aerial telegraph lines (i) any dwelling house, or except in the case of any condemnation for petroleum or petroleum products transportation lines, any part of the reasonable curtilage of such dwelling house within three hundred feet therefrom and not within the limits of any street, highway, water or other public way or place, or (ii) any place of public worship or burying ground, or

(2) To condemn any place of public worship or burying ground for the purpose of constructing any elevated street railway, sewer or underground street railway line.

C. The powers conferred by subsection A of this section may be exercised to condemn property outside the limits of any line of railroad, street railway, street, highway, water or other public way or place for the purpose of erecting poles or running wires or other aerial electric, intrastate aerial telephone or intrastate aerial telegraph facilities only after the Pennsylvania Public Utility Commission, upon

application of such public utility corporation, shall have found and determined, after notice and opportunity for hearing that the service to be furnished by said corporation through the exercise of said powers is necessary or proper for the service, accommodation, convenience or safety of the public. The power of the public utility corporation to condemn the subject property or the procedure followed by it shall not be an issue in the commission proceedings held hereunder and notwithstanding section 1111 of the Public Utility Law neither the Commonwealth Court, the Court of Common Pleas of Dauphin County nor any other court of common pleas shall entertain any proceeding questioning the jurisdiction of the commission under this subsection. A final order of the commission approving or denying an application under this subsection, including an order involving a question of jurisdiction hereunder, may be made the subject of an appeal to the Superior Court in the manner provided by law.

D. The estate in property condemned and taken by a public utility corporation shall be in fee simple absolute unless the resolution of condemnation shall specify a lesser estate. Whenever it shall be necessary for any public utility corporation to condemn by authority of subsection A of this section, the freehold in the surface of any tract of property, or the right to the exclusive possession for any indefinite period of the surface of any tract of property, the public utility corporation shall condemn a fee simple absolute and no less estate in such tract or the surface thereof.

E. A public utility corporation shall, in addition to any other similar power conferred by any other act, have the right to enter upon and occupy streets, highways, waters and other public ways and places for one or more of the principal purposes specified in subsection A of this section and ancillary purposes reasonably necessary or appropriate for the accomplishment of such principal purposes, including the placement, maintenance and removal of aerial, surface and subsurface public utility facilities thereon or therein. Before entering upon any

street, highway or other public way the public utility corporation shall obtain such permits as may be required by law and shall comply with the lawful and reasonable regulations of the governmental authority having responsibility for the maintenance thereof.

F. Nothing in subsections A through E of this section shall be construed to eliminate the exemption by act of Assembly of certain historical lands from liability to condemnation or entry nor to affect or modify any of the provisions of the Gas Operations Well-Drilling Petroleum and Coal Mining Act, or of sections 204, 409, 410 and 411 of the Public Utility Law, nor to permit the acquisition of water rights, water, or land underlying the same by any public utility corporation which has not received from the Water and Power Resources Board a limited power permit, limited water supply permit, order of confirmation or permit for acquisition of water rights authorizing such acquisition.

G. In addition to the powers heretofore granted and the procedures heretofore prescribed by this section, and not in substitution therefor, a public utility corporation shall have the same powers [and employ the same procedures] to take or enter upon private or public property and to enter upon and occupy streets, highways, waters, and other public ways and places (including the placement, maintenance and removal of aerial, surface and subsurface public utility facilities thereon or therein) necessary or appropriate for the rendition of its authorized service or each of its authorized services as it would have if it had been organized under any other act or acts of Assembly for the purpose of rendering such service or services, including [the] powers it would have if it had been created through the merger or consolidation of two or more corporations organized under such other acts of Assembly.

H. The Eminent Domain Code shall be applicable to proceedings for the condemnation and taking of property conducted pursuant to this section except to the extent provided in section 901 of said code and a condemnation and taking of property to which the code is not applicable shall be effected in the manner prescribed by law for a corporation

subject to section 41, act of April 29, 1874 (P. L. 73), entitled "An act to provide for the incorporation and regulation of certain corporations," the act of April 17, 1929 (P. L. 531), and their supplements.

Section 18. Article III of the act is amended by adding at the end thereof a new chapter to read:

ARTICLE III

* * *

Chapter B

Close Corporations

Section 371. Application and Effect of Chapter.—A. This chapter of this Article III applies to all close corporations. The provisions of this chapter shall not be deemed to modify or affect any act of Assembly or rule of law which is or would be applicable to any business corporation which is not a close corporation.

B. This act shall be generally applicable to all close corporations, except in so far as this chapter otherwise provides.

Section 372. Additional Contents of Articles of Incorporation of Close Corporations.—A. The articles of a close corporation, in addition to the provisions required by section 204 of this act, shall provide that:

(1) All of the issued shares of the corporation of all classes, exclusive of treasury shares, shall be held of record by not more than a specified number of persons, not exceeding thirty; and

(2) All of the issued shares of all classes shall be subject to one or more of the restrictions on transfer permitted by section 613.1 of this act; and

(3) The corporation shall make no offering of any of its shares of any class which would constitute a "public offering" within the meaning of the Securities Act of 1933.

B. The articles of a close corporation may set forth the qualifications of shareholders, either by specifying classes of persons who shall be entitled to be holders of record of shares of any class, or by specifying classes of persons who shall not be entitled to be holders of shares of any class, or both.

C. For purposes of determining the number of holders of record of the shares of a close corporation, shares which are held in joint or common tenancy or by the entireties shall be treated as held by one shareholder.

Section 373. Formation of Close Corporations.—A close corporation shall be formed in accordance with Article II of this act, except that:

(1) Its articles of incorporation shall contain a heading stating the name of the corporation and that it is a close corporation, and

(2) Its articles of incorporation shall contain the provisions required by section 372 of this act.

Section 374. Election of Existing Business Corporations to Become Close Corporations.—A. Any business corporation may become a close corporation under this chapter by filing articles of amendment which shall contain:

(1) A statement that it elects to become a close corporation;

(2) The provisions required by section 372 of this act to appear in the articles of incorporation of a close corporation;

(3) A heading stating the name of the corporation and that it is a close corporation; and

(4) Such other changes, if any, which may be desired in the articles.

B. Such amendment shall be adopted in accordance with the requirements of Article VIII of this act, except that:

(1) The holders of shares of every class shall be entitled to vote on the amendment regardless of any limitations stated in the articles on the voting rights of any class; and

(2) The amendment must be approved by the affirmative vote of the shareholders of each class entitled to cast at least two-thirds of the votes which all shareholders of such class are entitled to cast thereon.

Section 375. Limitations on Continuation of Close Corporation Status.—A close corporation continues to be such and to be subject to this chapter until:

(1) It files with the Department of State articles of amendment deleting from its articles the provisions required or permitted by section 372 of this act to be stated in the articles to qualify it as a close corporation; or

(2) Any one of the provisions or conditions required or permitted by section 372 of this act to be stated in the articles to qualify a business corporation as a close corporation has in fact been breached and neither the corporation nor any of its shareholders takes the steps required by section 378 of this act to prevent such loss of status or to remedy such breach.

Section 376. Voluntary Termination of Close Corporation Status by Amendment of Articles; Vote Required.—A. A business corporation may voluntarily terminate its status as a close corporation and cease to be subject to this chapter by amending its articles to delete therefrom the additional provisions required or permitted by section 372 of this act to be stated in the articles of a close corporation. Any such amendment shall be adopted and shall become effective in accordance with Article VIII of this act, except that:

(1) The holders of shares of every class shall be entitled to vote on the amendment regardless of any limitations stated in the articles on the voting rights of any class; and

(2) The amendment must be approved by the affirmative vote of the shareholders of each class entitled to cast at least two-thirds of the votes which all shareholders of such class are entitled to cast thereon.

B. The articles of a close corporation may provide that on any amendment to terminate its status as a close corporation, a vote greater than two-thirds or a vote of all shares of any class shall be required; and if the articles contain such a provision, that provision shall not be amended, repealed or modified by any vote less than that required to terminate the status of the corporation as a close corporation.

Section 377. Issuance or Transfer of Shares of a Close Corporation in Breach of Qualifying Conditions.—A. If shares of a close corporation are issued or transferred to any person who is not entitled under any provision of the articles permitted by subsection B of section 372 of this act to be a holder of record of shares of such corporation, and if the certificate for such shares conspicuously notes the existence of such a provision of the articles, such person shall be conclusively presumed to have notice of the fact of his ineligibility to be a shareholder.

B. If the articles of a close corporation state the number of persons, not in excess of thirty, who are entitled to be holders of record of its shares, and if the certificate for such shares conspicuously notes the existence of such a provision of the articles and if the issuance or transfer of shares to any person would cause the shares to be held by more than such number of persons, the person to whom such shares are issued or transferred shall be conclusively presumed to have notice of such fact.

C. If a share certificate of any close corporation conspicuously notes the fact of a restriction on transfer of shares of the corporation, and the restriction is one which is permitted by section 613.1 of this act, the transferee of the shares shall be conclusively presumed to have notice of the fact that he has acquired shares in violation of the restriction, if such acquisition violates the restriction.

D. Whenever any person to whom shares of a close corporation have been issued or transferred has, or is conclusively presumed under this section to have, notice either (1) that he is a person not eligible to be a holder of shares of the corporation, or (2) that transfer of shares to him would cause the shares of the corporation to be held by more than the number of persons permitted by its articles to hold shares of the corporation, or (3) that the transfer of shares is in violation of a restriction on transfer of shares, the corporation may, at its option, refuse to register transfer of the shares into the name of the transferee.

E. The provisions of subsection D of this section shall not be applicable if the transfer of shares, even though otherwise contrary to subsections A, B or C of this section, has been consented to by all the shareholders of the close corporation, or if the close corporation has amended its articles in accordance with section 376 of this act.

F. The term "transfer," as used in this section, is not limited to a transfer for value.

G. The provisions of this section do not in any way impair any rights of a transferee regarding any right to rescind the transaction or to recover under any applicable warranty express or implied.

Section 378. Involuntary Termination of Close Corporation Status; Proceeding to Prevent Loss of Status.—A. If any event occurs as a result of which one or more of the provisions or conditions included in the articles of a close corporation pursuant to section 372 of this act to qualify it as a close corporation has been breached, the status of the business corporation as a close corporation under this chapter shall terminate unless:

(1) Within thirty days after the occurrence of the event, or within thirty days after the event has been discovered, whichever is later, the corporation:

(i) Files with the Department of State a certificate executed under the seal of the corporation and signed by two duly authorized officers of the corporation, setting forth (a) the name of the corporation, and (b) a statement that a specified provision or condition included in its articles pursuant to section 372 of this act to qualify it as a close corporation has been breached, and

(ii) Furnishes a copy of such certificate to each shareholder; and

(2) The corporation concurrently with the filing of such certificate takes such steps as are necessary to correct the situation which threatens its status as a close corporation, including, without limitation, the refusal to register the transfer of shares which have been

wrongfully transferred as provided by section 377 of this act, or a proceeding under subsection B of this section.

B. ¹ The court of common pleas of the county in which the registered office of the corporation is located, upon the complaint of the corporation or any shareholder, shall have jurisdiction to issue all orders necessary to prevent the corporation from losing its status as a close corporation, or to restore its status as a close corporation, by enjoining or setting aside any act or threatened act on the part of the corporation or a shareholder which would be inconsistent with any of the provisions or conditions required or permitted by section 372 of this act to be stated in the articles of a close corporation, unless it is an act approved in accordance with subsection E of section 377 of this act. The court of common pleas may enjoin or set aside any transfer or threatened transfer of shares of a close corporation which is contrary to any of such terms of its articles or of any transfer restriction permitted by section 613.1 of this act, and may enjoin any public offering, as defined in section 372 of this act, or threatened public offering of shares of the close corporation.

C. When the situation which threatened the status of the corporation as a close corporation has been remedied, and if the corporation has not amended its articles in accordance with section 376 of this act, the corporation shall file with the Department of State a certificate under the seal of the corporation and signed by two duly authorized officers of the corporation setting forth:

(1) The name of the corporation, and

(2) A statement that no breach of any of the provisions or conditions included in its articles pursuant to section 372 of this act exists.

Upon the filing of such certificate the status of the corporation as a close corporation under this chapter, if theretofore terminated by reason of subsection A of this section, shall be restored.

¹ "Any" in original.

Section 379. Preemptive Rights.—Unless otherwise provided in its articles, the holders of any class of voting shares of a close corporation shall have a preemptive right to subscribe for or purchase any voting shares (or any option rights or securities having conversion or option rights with respect to any voting shares) issued or sold by the corporation for any form of consideration from its treasury or otherwise; but this section shall not apply to any issue of voting shares (or of any option rights or securities having conversion or option rights with respect to such voting shares) pursuant to a plan to which section 515 of this act is applicable.

Section 380. Corporation Option Where a Restriction on Transfer of a Security is Held Invalid.—If a restriction on transfer of a security of a close corporation is held not to be authorized by section 613.1 of this act, the corporation shall nevertheless have an option, for a period of thirty days, after the judgment setting aside the restriction becomes final, to acquire the restricted security at a price which is agreed upon by the parties, or if no agreement is reached then at the fair value as determined by the court of common pleas of the county in which the registered office of the corporation is located. In order to determine fair value, the court may appoint an appraiser to receive evidence and report to the court his findings and recommendation as to fair value. The appraiser shall have such powers and shall proceed, so far as applicable, in the same manner as appraisers appointed under section 515 of this act.

Section 381. Agreements Restricting Discretion of Directors.—A written agreement among the shareholders of a close corporation entitled to cast at least a majority of the votes which all shareholders are entitled to cast for the election of directors, whether solely among themselves or with a party not a shareholder, is not invalid, as between the parties to the agreement or the shareholders of the corporation, on the ground that it so relates to the conduct of the business

and affairs of the corporation as to restrict or interfere with the discretion or powers of the board of directors. The effect of any such agreement shall be to relieve the directors and impose upon the shareholders who are parties to the agreement the liability for managerial acts or omissions which is imposed by law on directors to the extent and so long as the discretion or powers of the board in its management of corporate affairs is controlled by such agreement.

Section 382. Management by Shareholders.—The articles of a close corporation may provide that the business and affairs of the corporation shall be managed by the shareholders of the corporation rather than by a board of directors. So long as such a provision continues in effect:

(1) No meeting of shareholders need be called to elect directors;

(2) Unless the context clearly requires otherwise, the shareholders of the corporation shall be deemed to be directors for purposes of applying provisions of this act; and

(3) The shareholders of the corporation shall be subject to all liabilities imposed by law on directors.

Such a provision may be inserted in the articles by amendment if all incorporators and subscribers or all shareholders, regardless of any limitations stated in the articles on the voting rights of any class, authorize such a provision. An amendment to the articles to delete such a provision shall be adopted and shall become effective in accordance with Article VIII of this act, except that the holders of shares of every class shall be entitled to vote on the amendment regardless of any limitations stated in the articles on the voting rights of any class. If the articles contain a provision authorized by this section, the existence of such provision shall be noted conspicuously on the face or back of every share certificate issued by such corporation.

Section 383. Appointment of Custodian for Close Corporation.—A. In addition to the provisions of section 513.1 of this act respecting

the appointment of a custodian for any corporation, the court of common pleas of the county in which the registered office of the corporation is located, upon application of any shareholder, may appoint one or more persons to be custodians, and, if the corporation is insolvent, to be receivers, of any close corporation when:

(1) Pursuant to section 382 of this act the business and affairs of the corporation are managed by the shareholders and they are so divided that the business of the corporation is suffering or is threatened with irreparable injury and any remedy with respect to such deadlock provided in the articles or by-laws or in any written agreement of the shareholders has failed; or

(2) The petitioning shareholder has the right to the dissolution of the corporation under a provision of the articles permitted by section 386 of this act.

B. In lieu of appointing a custodian for a close corporation under this section or section 513.1 of this act or a receiver under section 1108 of this act, the court may appoint a provisional director, whose powers and status shall be as provided in section 384 of this act, if the court determines that it would be in the best interest of the corporation. Such appointment shall not preclude any subsequent order of the court appointing a custodian or receiver for such corporation.

Section 384. Appointment of a Provisional Director in Certain Cases. —A. Notwithstanding any contrary provision of the articles or the by-laws or agreement of the shareholders, the court of common pleas of the county in which the registered office of the corporation is located may appoint a provisional director for a close corporation if the directors are so divided respecting the management of the business and affairs of the corporation that the votes required for action by the board of directors cannot be obtained with the consequence that the business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally.

B. An application for relief under this section must be filed (1) by at least one-half of the number of directors then in office, (2) by the holders of shares entitled to cast at least one-third of the votes which all shareholders are entitled to cast for the election of directors, or (3) if there be more than one class of shares then entitled to elect one or more directors, shareholders entitled to cast at least two-thirds of the votes which all shareholders of any such class are entitled to cast for the election of directors; but the articles of a close corporation may provide that a lesser proportion of the directors or of the shareholders or of a class of shareholders may apply for relief under this section.

C. A provisional director shall be an impartial person who is neither a shareholder nor a creditor of the corporation or of any subsidiary or affiliate of the corporation, and whose further qualifications, if any, may be determined by the court. A provisional director is not a receiver of the corporation and does not have the title and powers of a custodian or receiver appointed under section 513.1 or Article XI of this act. A provisional director shall have all the rights and powers of a duly elected director of the corporation, including the rights to notice of and to vote at meetings of directors, until such time as he shall be removed by order of the court or by the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast for the election of directors or by the shareholders entitled to cast at least two-thirds of the votes which all shareholders of that class of voting shares which filed the application for appointment of a provisional director are entitled to cast for directors. His compensation shall be determined by agreement between him and the corporation subject to approval of the court, which may fix his compensation in the absence of agreement or in the event of disagreement between the provisional director and the corporation.

D. Even though the requirements of subsection B of this section

relating to the number of directors or shareholders who may petition for appointment of a provisional director are not satisfied, the court may nevertheless appoint a provisional director if permitted by subsection B of section 383 of this act.

Section 385. Operating Corporation as Partnership.—No written agreement among shareholders of a close corporation, nor any provision of the articles or of the by-laws of the corporation, which agreement or provision relates to any phase of the affairs of such corporation, including but not limited to the management of its business or declaration and payment of dividends or other division of profits or the election of directors or officers or the employment of shareholders by the corporation or the arbitration of disputes, shall be invalid on the ground that it is an attempt by the parties to the agreement or by the shareholders of the corporation to treat the corporation as if it were a partnership or to arrange relations among the shareholders or between the shareholders and the corporation in a manner that would be appropriate only among partners.

Section 386. Shareholders' Option to Dissolve Corporation.—A. The articles of any close corporation may include a provision granting to any shareholder, or to the holders of any specified number or percentage of shares of any class of shares, an option to have the corporation dissolved at will or upon the occurrence of any specified event or contingency. Whenever any such option to dissolve is exercised, the shareholders exercising such option shall give written notice thereof to all other shareholders. After the expiration of thirty days following the sending of such notice, the dissolution of the corporation shall proceed as if the required number of shareholders having voting rights had consented in writing to dissolution of the corporation as provided by Article XI of this act.

B. If the articles as originally filed do not contain a provision authorized by subsection A of this section, the articles may be amended

to include such provision if adopted by the unanimous vote of all the shareholders of the close corporation, regardless of any limitations stated in the articles on the voting rights of any class, unless the articles specifically authorize such an amendment to be adopted by an affirmative vote of all shareholders which shall not be less than the affirmative vote of shareholders entitled to cast two-thirds of the votes which all shareholders of the corporation, regardless of class, are entitled to cast thereon.

C. Each share certificate in any corporation whose articles authorize dissolution as permitted by this section shall conspicuously note on the face or back thereof the existence of the provision. Unless noted conspicuously on the face or back of the share certificate, the provision shall be ineffective.

Section 19. Section 401 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 401. Board of Directors.—The business and affairs of every business corporation shall be managed by a board of [at least three] directors, who shall be natural persons of full age, and who need not be residents of this Commonwealth or shareholders in the corporation, unless the articles or by-laws so require. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified. Except as hereafter provided in this article, in the case of vacancies, directors, other than those constituting the first board of directors, shall be elected by the shareholders. Unless the articles or by-laws provide otherwise, the board of directors shall have the authority to fix the compensation of directors for their services. A director may also be a salaried officer of the corporation.

Section 20. The first paragraph and clauses (2), (6) and (7) of section 402 of the act, amended August 27, 1963 (P. L. 1355) and January 18, 1966 (P. L. 1305), are amended to read:

Section 402. Number, Qualifications, and Election of Directors.—Subject to the provisions of this act, the number, qualifications, terms of office, manner of election, time and place of meeting, compensation, and powers and duties of the directors may be prescribed from time to time by the by-laws. The board of directors shall consist of at least three directors, except that in cases where all the shares of a business corporation are owned beneficially and of record by either one or two shareholders, the number of directors may be less than three but not

less than the number of shareholders. Except as otherwise provided in the by-laws—

* * *

(2) The number of directors shall be the same as that stated in the articles or three if no number is so stated.

* * *

(6) The board of directors may, by resolution adopted by a majority of the whole board, [delegate] designate one or more committees, each committee to consist of two or more of [its number to constitute an executive committee, which,] the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee to the extent provided in such resolution or in the by-laws, shall have and exercise the authority of the board of directors in the management of the business and affairs of the corporation. The by-laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member.

(7) Any action which may be taken at a meeting of the directors or the members of the executive or other committee may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors or the members of the [executive] committee, as the case may be, and shall be filed with the secretary of the corporation.

Section 21. Section 403 of the act, amended August 19, 1953 (P. L. 1119), is amended to read:

Section 403 Classification of Directors.—If the articles so provide, the directors of the corporation may be classified with respect to the shareholders, other security holders or governmental or other entities who exercise the power to elect directors. If the articles or by-laws of a business corporation so provide, the directors of the corporation may be classified in respect to the time for which they shall severally hold office, except that the first directors shall serve only until the first an-

nual meeting. In such case, each class shall be as nearly equal in number as possible, the term of office of at least one class shall expire in each year, and the members of a class shall not be elected for a shorter period than one year, or for a longer period than four years. If, at any meeting of shareholders, due to a vacancy or vacancies, or otherwise, directors of more than one such class are to be elected, each class of directors to be elected at the meeting shall be elected in a separate election.

Section 22. Subsection A of section 405 of the act, amended August 27, 1963 (P. L. 1355), is amended to read:

Section 405. Removal of Directors.—A. The entire board of directors, or a class of the board, where the board is classified with respect to the power to elect directors, or any individual director may be removed from office without assigning any cause by the vote of shareholders entitled to cast at least a majority of the votes which all shareholders would be entitled to cast at any annual election of directors or of such class of directors. In case the board or such a class of the board or any one or more directors be so removed, new directors may be elected at the same meeting. [Unless the entire board be removed,] If shareholders are entitled to vote cumulatively for the board or a class of the board, no individual director shall be removed unless the entire board or class of the board be removed in case the votes of a sufficient number of shares are cast against the resolution for his removal, which if cumulatively voted at an annual election of directors would be sufficient to elect one or more directors to the board or to the class.

* * *

Section 23. Section 406 of the act, amended September 26, 1951 (P. L. 1475), is amended to read:

Section 406. Officers.—Every business corporation shall have a president, a secretary, and a treasurer, and may have such other officers and assistant officers as it shall authorize from time to time. The articles or by-laws may prescribe special qualifications for such officers. The president and secretary shall be natural persons of full age, the treasurer, however, may be a corporation, but if a natural person shall be of full age. Unless the articles or by-laws provide otherwise, the board of directors shall elect and fix the compensation of such officers and assistant officers. Such officers and assistant officers shall be elected at such time, in such manner, and for such terms, as the by-laws shall prescribe. It shall not be necessary for the officers to be directors. [If] Unless the by-laws [so] otherwise provide, any [two or more] number of offices may be held by the same person [, except

the offices of president and secretary]. The board of directors may secure the fidelity of any or all of such officers by bond or otherwise. Unless otherwise provided in the by-laws, the board of directors shall have power to fill any vacancies in any office occurring from whatever reason. All officers of the corporation, as between themselves and the corporation, shall, respectively, have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the by-laws, or, in the absence of controlling provisions in the by-laws, as may be determined by resolution of the board of directors.

Section 24. Section 408 of the act is amended to read:

Section 408. Relation of Directors and Officers to Corporation.—Officers and directors shall be deemed to stand in a fiduciary relation to the corporation, and shall discharge the duties of their respective positions in good faith and with that diligence, care and skill which ordinarily prudent men would exercise under similar circumstances [in their personal business affairs].

Section 25. Section 409 of the act is repealed as obsolete.

Section 26. The act is amended by adding, after section 408, a new section to read:

Section 409.1. Interested Directors; Quorum.—A. No contract or transaction between a business corporation and one or more of its directors or officers, or between a business corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the director or officer is present at or participates in the meeting of the board which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the board of directors and the board in good faith authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested director or directors; or

(2) The material facts as to his interest and as to the contract or transaction are disclosed or are known to the shareholders entitled to vote thereon, and the contract or transactions is specifically approved in good faith by vote of the shareholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors or the shareholders.

B. Interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors which authorizes a contract or transaction specified in subsection A of this section.

Section 27. Section 410 of the act, added May 23, 1949 (P. L. 1773), is amended to read:

Section 410. Indemnification of Directors, Officers and Other Persons.—[Unless the articles provide otherwise, a business corporation shall have power to indemnify any and all of its directors or officers or former directors or officers, or any person who may have served, at its request, as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are made parties or a party by reason of being or having been directors or officers or a director or officer of the corporation or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged, in such action, suit, or proceeding, to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of shareholders, or otherwise.] A. A business corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employe or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employe or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceed-

ing, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. A business corporation shall have power to indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employe or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employe or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court of common pleas of the county in which the registered office of the corporation is located or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court of common pleas or such other court shall deem proper.

C. To the extent that a director, officer, employe or agent of a busi-

ness corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections A or B of this section or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

D. Any indemnification under subsections A or B of this section (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employe or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in such subsection. Such determination shall be made:

(1) By the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or

(2) If such a quorum is not obtainable, or, even if obtainable a majority vote of a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or

(3) By the shareholders.

E. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection D of this section upon receipt of an undertaking by or on behalf of the director, officer, employe or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

F. The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office,

and shall continue as to a person who has ceased to be a director, officer, employe or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

G. A business corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employe or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employe or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section. Such insurance is declared to be consistent with the public policy of this Commonwealth.

Section 27.1. Subsection A of section 504 of the act, amended August 27, 1963 (P. L. 1355), is amended to read:

Section 504. Voting Rights of Shareholders.—A. Except as otherwise provided in the articles and this act, every shareholder of record shall have the right, at every shareholders' meeting, to one vote for every share standing in his name on the books of the corporation. Every shareholder [may vote either in person or by proxy] entitled to vote at a meeting of shareholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Every proxy shall be executed

in writing by the shareholder, or by his duly authorized attorney in fact, and filed with the secretary of the corporation. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the secretary of the corporation. No unrevoked proxy shall be valid after eleven months from the date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy, unless coupled with an interest, be voted on after three years from the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the secretary of the corporation. A shareholder shall not sell his vote or execute a proxy to any person for any sum of money or anything of value. A proxy coupled with an interest shall include an unrevoked proxy in favor of a creditor of a shareholder

and such a proxy shall be valid so long as the debt owed by him to the creditor remains unpaid.

* * *

Section 28. Section 505 of the act, amended July 11, 1957 (P. L. 711) is amended to read:

Section 505. Elections of Directors; Cumulative Voting.—A. Unless otherwise provided in the by-laws, elections for directors need not be by ballot, except upon demand made by a shareholder at the election and before the voting begins. [In] Except as otherwise provided in subsection B of this section or in the articles of a business corporation which is not a close corporation, in each election [for] of directors of a business corporation, every shareholder entitled to vote shall have the right [, in person or by proxy,] to multiply the number of votes to which he may be entitled by the total number of directors to be elected in the same election by the holders of the class or classes of shares of which his shares are a part, and he may cast the whole number of such votes for one candidate or he may distribute them among any two or more candidates. The candidates receiving the highest number of votes from each class or group of classes entitled to elect directors separately up to the number of directors to be elected in the same election by such class or group of classes shall be elected. If the articles or a by-law adopted by the directors pursuant to section 210 of this act or by the shareholders provides a fair and reasonable procedure for the nomination of candidates, only candidates who have been nominated in accordance therewith shall be eligible for election.

B. The shareholders of a business corporation not incorporated hereunder, the shareholders of which were not entitled to cumulate their votes for the election of directors at the date the corporation became or becomes subject to the provisions of this act, shall be entitled so to cumulate their votes only if and to the extent its articles so provide.

Section 29. Section 513 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 513. [Informal Action by] Consent of Shareholders in Lieu of Meeting.—A. Unless the articles or by-laws otherwise provide, any action which may be taken at a meeting of the shareholders or of a class of shareholders may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by all of the shareholders who would be entitled to vote at a meeting

for such purpose and shall be filed with the secretary of the corporation.

B. If the articles so provide, any action which may be taken at a meeting of the shareholders or of a class of shareholders may be taken without a meeting, if a consent or consents in writing to such action, setting forth the action so taken, shall be (1) signed by shareholders entitled to cast such a percentage of the number of votes which all such shareholders are entitled to cast thereon as may be authorized in the articles and (2) filed with the secretary of the corporation. In no case, however, shall such percentage be less than the larger of (1) two-thirds of the total number of votes which all shareholders of the corporation or of a class of shareholders are entitled by the articles to cast upon such action, or (2) the minimum percentage of the vote required by this act, if any, for the proposed corporate action. Such action shall not become effective until after at least ten days' written notice of such action shall have been given to each shareholder of record entitled to vote thereon. This subsection shall not be applicable to any action with respect to any plan or amendment¹ of articles to which section 515 of this act is applicable.

Section 30. The act is amended by adding after section 513, a new section to read:

Section 513.1. Appointment of Custodian of Corporation on Deadlock or Other Cause.—A. The court of common pleas of the county in which the registered office of a business corporation is located, upon application of any shareholder, may appoint one or more persons to be custodians of and for any business corporation when it is made to appear:

(1) That at any meeting for the election of directors the shareholders are so divided that they have failed to elect successors to directors whose terms have expired or would have expired upon the qualification of their successors; or

¹ "or" in original.

(2) That any of the conditions specified in subsection A of section 1107 of this act exists with respect to the corporation.

B. A custodian appointed under this section shall have all the power and title of a receiver appointed under Article XI of this act, but the authority of the custodian shall be to continue the business of the corporation and not to liquidate its affairs and distribute its assets, except when the court shall otherwise order and except in cases arising under clause (2) of subsection A of section 383, or clauses (1) through (3) of subsection A of section 1107 of this act.

Section 31. Subsection B of section 515 of the act, amended November 10, 1959 (P. L. 1406), is amended, and the section is amended by adding, at the end thereof, two new subsections to read:

Section 515. Rights of Dissenting Shareholders.—* * *

B. If any shareholder of a business corporation shall file with such corporation, prior to the commencement of the voting by shareholders upon the plan at the meeting of shareholders at which a plan is submitted to a vote, a written objection to such plan, and shall not vote in favor thereof, and such shareholder, within twenty days after the date on which the vote approving the plan was taken, shall also make written demand on the corporation, or the surviving or new corporation resulting from the plan, for the payment of the fair value of his shares, such corporation shall pay to such shareholder the fair value of his shares as of the day prior to the date on which the vote was taken without regard to any depreciation or appreciation thereof in consequence of the plan upon surrender of the share certificate or certificates representing his shares. Neither a proxy nor a vote against the plan shall constitute such a written objection. The demand of the shareholders shall state the number and class and series, if any, of the shares owned by him with respect to which he dissents. A dissenting shareholder may dissent as to all or less than all of those shares registered in his name of which he is not the beneficial owner, but there may not be dissent with respect to some but less than all shares of the same class or series owned by any given beneficial owner of shares whether or not the shares so owned by him are registered in his name. Unless a shareholder files such written objection and also makes such demand within the twenty-day period, he shall be conclusively presumed to have consented to the plan, and shall be bound by the terms thereof. Any shareholder making such demand shall thereafter be entitled only to payment as in this section provided and shall not be entitled to vote or to exercise any other rights of a shareholder as to the shares with respect to which he dissents.

* * *

L. Except as otherwise provided in subsection M of this section or in the articles or in the resolution of the board of directors submitting a proposed plan of action to the shareholders, this section shall not apply (1) to the shares of any class, which, at the record date fixed to determine the shareholders entitled to notice of and to vote at the meeting at which the plan is to be acted on, or on the date of such meeting, if no record date has been fixed, are either (i) listed on the New York Stock Exchange or the American Stock Exchange, or (ii) held of record by not less than two thousand five hundred shareholders; nor (2) to any of the shares of a corporation which is a party to a plan of merger if, pursuant to section 902.1 of this act, the plan does not require the approval of the shareholders of such corporation.

M. Subsection L of this section shall not apply to:

(1) An amendment to which section 810 of this act is applicable.

(2) Shares converted by a plan, if such shares are not converted solely into shares of the acquiring, surviving, new or other corporation or solely into such shares and cash in lieu of fractional shares; and

(3) Shares of any preferred or special class, unless the articles or ¹the plan entitles all shareholders of such class to vote thereon and requires for the adoption of the plan the affirmative vote of shareholders of such class entitled to cast at least a majority of the votes which all shareholders of such class are entitled to cast thereon.

Section 32. Subsection B of section 516 of the act, added August 27, 1963 (P. L. 1355), is amended to read:

Section 516. Suits by Shareholders to Enforce a Secondary Right.

* * *

B. In any such suit instituted or maintained by a holder or holders of less than five per centum of the outstanding shares of any class of such corporation or voting trust certificates therefor unless the shares or voting trust certificates held by such holder or holders have a fair market value in excess of fifty thousand dollars (\$50,000), the corporation in whose right such action is brought shall be entitled at any stage of the proceedings, to require the plaintiff or plaintiffs to give

¹ "the" in original.

security for the reasonable expenses, including attorneys' fees, which may be incurred by it in connection with such suit, and by the other parties defendant in connection therewith, for which it may become liable pursuant to subsection C of [this section 516,] section 410 of this act (but only in so far as relates to actions by or in the right of the corporation) to which security the corporation shall have recourse in such amount as the court having jurisdiction shall determine upon the termination of such action. The amount of such security may, from time to time, be increased or decreased in the discretion of the court having jurisdiction of such action upon showing that the security provided has or may become inadequate or excessive: Provided, however, That such security may be denied or limited in the discretion of the court upon preliminary showing to the court, by petition, and affidavits and depositions as may be required by the court, establishing prima facie that the requirement of security or full security would impose undue hardship on plaintiffs and serious injustice would result.

* * *

Section 33. Subsection C of section 516 of the act is repealed.

Section 34. Section 601 of the act, amended August 27, 1963 (P. L. 1355), is amended to read:

Section 601. Classes of Shares.—Every business corporation shall have power to create and issue one or more classes [or kinds] of shares or one or more series of shares within any class thereof, any or all of which classes [or kinds] may consist of shares with par value or shares without par value, [with] and which classes or series may have full, limited, multiple or fractional, or no voting rights, and [with] such designations, preferences, qualifications, privileges, limitations, options, conversion rights, and other special rights as shall be stated [or authorized] in the articles [Any shares subject to redemption shall be redeemable only pro rata or by lot or by such other equitable method as is selected by the board of directors.] or in the resolution or resolutions providing for the issue of such shares adopted by the board of directors pursuant to authority expressly vested in it by the articles. Shares of a business corporation shall be deemed personal property. Except as otherwise provided by the articles, each share shall be in all respects equal to every other share. Different series of the same class of shares shall not be construed to constitute different classes of shares for the purpose of voting by classes under this act. Unless the articles or by-laws otherwise provide, the board of directors shall have the power, by resolution duly adopted, to issue

from time to time, in whole or in part, the [kinds or] classes or series of shares authorized in the articles. The power to increase or decrease, or otherwise adjust the stated capital of a business corporation, as in this act elsewhere provided, shall apply to all or any such classes [or kinds] of shares authorized by this section.

Section 35. The act is amended by adding, after section 601, a new section to read:

Section 602. Filing of Statement Affecting Class or Series of Shares.—A. Before any business corporation shall issue any shares of any class or any series of any class of which the voting rights, designations, preferences, qualifications, privileges, limitations, options, conversion rights, and other special rights, if any, shall not have been set forth in the articles but shall be provided for in resolution or resolutions adopted by the board of directors pursuant to authority expressly vested in it by the articles, the corporation shall file with the Department of State a statement executed under the seal of the corporation and signed by two duly authorized officers of the corporation, setting forth:

(1) The name of the corporation.

(2) The resolution establishing and designating the class or series and fixing and determining the relative rights and preferences thereof.

(3) The aggregate number of shares of such class or series established and designated by (i) such resolution (ii) all prior statements, if any, filed under this act with respect thereto, and (iii) any other provision of the articles.

(4) The date and manner of the adoption of such resolution.

Upon the filing of such statement with the Department of State, the resolution shall become effective and shall operate as an amendment to the articles.

B. Unless otherwise provided in any such resolution, the number of shares of any class or series established and designated in such resolution may be increased or decreased (but not below the number of shares thereof then outstanding) by a statement filed pursuant to

this act setting forth a resolution adopted by the board of directors increasing or decreasing the authorized number of shares of such class or series. In case the number of shares shall be decreased the number of shares so specified in the statement shall resume the status which they had prior to the adoption of the preceding resolution or resolutions with respect thereto.

Section 36. Section 602 of the act, amended January 18, 1966 (P. L. 1305), is repealed.

Section 37. Section 611 of the act is amended to read:

Section 611. Preemptive Rights of Shareholders.—[Unless otherwise provided] A. Except as otherwise provided in subsection B of this section or in its articles, a business corporation may issue shares, option rights or securities having conversion or option rights, without first offering them to shareholders of any class or classes.

B. Unless otherwise provided in its articles, the shareholders of an unlisted corporation shall have a preemptive right to subscribe for shares, option rights, or securities having option rights, issued for cash by the corporation, if the corporation was not incorporated hereunder and its shareholders were or are entitled to preemptive rights at the date the corporation became or becomes subject to this act, but this subsection shall apply neither to the holders of shares of a class issued after the date such corporation became or becomes subject to this act nor to the issue of securities having conversion rights.

[Shares] C. Except as otherwise provided in the articles, shares (or any option rights or securities having conversion or option rights with respect to such shares) which have been offered to shareholders having a preemptive right thereto, at a price and upon terms duly fixed, and which have not been subscribed for by them within the time duly fixed by the articles or the board of directors, may be thereafter offered for subscription to any person or persons at a price and upon terms not more favorable than those at which they were offered to such shareholders.

Section 38. The act is amended by adding after section 613, a new section to read:

Section 613.1. Restrictions on Transfer of Securities.—A. A written restriction on the transfer or registration of transfer of a share or other security of a business corporation, if permitted by this sec-

tion and noted conspicuously on the security, may be enforced against the holder of the restricted security or any successor transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder. Unless noted conspicuously on the security, a restriction, even though permitted by this section, is ineffective except against a person with actual knowledge of the restriction.

B. A restriction on the transfer or registration of transfer of securities of a business corporation may be imposed either by the articles or by the by-laws or by an agreement among any number of security holders or among such holders and the corporation. No restriction so imposed shall be binding with respect to securities issued prior to the adoption of the restriction unless the holders of the securities are parties to an agreement or voted in favor of the restriction.

C. A restriction on the transfer of securities of a business corporation is permitted by this section if it:

(1) Obligates the holder of the restricted securities to offer to the corporation or to any other holders of securities of the corporation or to any other person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities; or

(2) Obligates the corporation or any holder of securities of the corporation or any other person or any combination of the foregoing, to purchase the securities which are the subject of an agreement respecting the purchase and sale of the restricted securities; or

(3) Requires the corporation or the holders of any class of securities of the corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities; or

(4) Prohibits the transfer of the restricted securities to designated persons or classes of persons, and such designation is not manifestly unreasonable.

D. Any restriction on the transfer of the shares of a business corporation for the purpose of maintaining its status as an electing small business corporation under Subchapter S of the Internal Revenue Code of 1954, shall be conclusively presumed to be for a reasonable purpose.

E. Any other lawful restriction on transfer or registration of transfer of securities is permitted by this section.

Section 39. Subsection A of section 701, amended November 10, 1959 (P. L. 1406), is amended to read:

Section 701. Right of Corporation to Acquire its Own Shares.—A. Subject to the limitations hereinafter set forth in this section [701], a business corporation shall have the right by resolution of its board of directors to purchase, or in the case of shares subject to redemption to redeem or to otherwise acquire, and to hold and own its own shares. Unless otherwise provided in the articles, any shares subject to redemption shall be redeemable only pro rata or by lot or by such other equitable method as may be selected by the board of directors.

* * *

Section 40. Subsection A of section 801 of the act, amended July 11, 1957 (P. L. 711), is amended to read:

Section 801. Amendment of Articles Authorized.—A. A business corporation, in the manner hereinafter provided in this article, may from time to time amend its articles for one or more of the following purposes:

(1) To adopt a new name, subject to the restrictions heretofore provided in this act;

(2) To modify any provision thereof [limiting] relating to its term of existence [by increasing such term, or to remove such provision and provide for perpetual existence];

(3) To change, add to, or diminish its powers or purposes, or to set forth different or additional powers or purposes;

(4) To increase or diminish the number of shares which the corporation has authority to issue, or to reclassify the same by changing the number, par value, designations, preferences, or relative, participating, optional or other special rights of the shares, or the qualifications, limitations, or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value, either with or without increasing or decreasing the number of shares;

(5) To cancel or otherwise affect the right of the holders of the

shares of any class to receive dividends which have accrued but have not been declared;

[(4.1)] (6) To restate the articles in their entirety;

[(5)] (7) In any and as many other respects as desired.

* * *

Section 41. Section 804 of the act, amended August 27, 1963 (P. L. 1355), is amended to read:

Section 804. Shares Entitled to Vote on Amendments.—Except as hereinafter provided, only the holders of outstanding shares who, under the articles are entitled to vote on proposed amendments to the articles of the corporation, shall be entitled to vote thereon. If a proposed amendment would authorize the board of directors to fix and determine the relative rights and preferences, as between series, of any preferred or special class, or would revoke the authority of the board of directors to do so, then the holders of the outstanding shares of such class shall be entitled to vote in respect to such amendment. If a proposed amendment would (1) make any change in the preferences, qualifications, limitations, restrictions, or special or relative rights of the shares of any class adverse to such class, or (2) increase or decrease the par value of the shares of any class, or (3) increase the authorized number of shares of any class, or (4) limit or deny the existing preemptive rights of the shares of any class, or (5) authorize a new class of shares, senior or superior in any respect to the shares of any class then authorized, or (6) increase the number of authorized shares of any class senior or superior in any respect to the shares of any class then authorized, the holders of the outstanding shares of such class shall be entitled to vote as a class on such amendment regardless of any limitations stated in the articles on the voting rights of such class. Notwithstanding clause (3) of this section the number of authorized shares of any class or classes of shares may be increased solely by the affirmative vote of shareholders entitled to cast at least a majority of the votes which all voting shareholders are entitled to¹ cast thereon, if so provided in original articles of incorporation filed after January 1, 1969, or in an amendment to the articles which created such class or classes filed after January 1, 1969, or in any amendment to the articles which was adopted by the affirmative vote of

¹ "cost" in original.

shareholders of such class or classes entitled to cast at least a majority of the votes which all shareholders of such class or classes were entitled to cast thereon.

Section 42. Section 805 of the act, amended August 27, 1963 (P. L. 1355) is amended to read:

Section 805. Adoption of Amendments by Shareholders.—A. A vote of the shareholders entitled to vote on a proposed amendment shall be taken at the annual or special meeting of which notice for that purpose has been duly given. Unless the articles require a greater vote, the proposed amendment shall be adopted upon receiving the affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon, and if any class of shares is entitled to vote thereon as a class, the affirmative vote of the holders of at least a majority of the outstanding shares in each class of shares entitled to vote as a class thereon. Any number of amendments may be submitted to the shareholders and voted upon by them at one meeting. The resolution or petition may contain a provision that at any time prior to the filing of articles of amendment with the Department of State the proposal may be terminated by the board of directors notwithstanding the adoption of the amendment by the shareholders.

B. Whenever the articles shall require for the taking of any action by the board of directors or a class of directors or by the shareholders or a class or series of a class of shareholders a specific number or percentage of votes the provision of the articles setting forth such requirement shall not be amended or repealed by any lesser number or percentage of votes.

Section 43. Section 810 of the act, amended August 27, 1963 (P. L. 1355) and January 18, 1966 (P. L. 1305), is amended to read:

Section 810. Rights of Dissenting Shareholders Upon Certain Amendments.—[A.] If any amendment to the articles shall [limit or deny any preemptive right of any outstanding shares, or without express permission in the articles reduce the rate or amount of dividends payable on any outstanding shares entitled to preferential dividends or the redemption price of any outstanding shares which are redeemable or the amount payable in the event of voluntary or involuntary liquidation on any outstanding shares having preferential rights to the assets of the corporation in the event of liquidation or the conversion rate of any outstanding convertible shares,] (1) cancel

or otherwise affect the right of holders of the shares of any class outstanding on or before January 1, 1969, to receive dividends which have accrued but have not been declared, or (2) eliminate cumulative voting for directors of a business corporation, the holder of any outstanding shares [affected adversely by such amendment] the accrued dividends or cumulative voting rights of which are so cancelled, affected or eliminated, who shall object to such amendment and [who shall comply with section 515 of this act, shall be entitled to the rights and remedies of dissenting shareholders [as] therein provided. There shall be included in or enclosed with the notice of a meeting of shareholders called to consider an amendment [to the articles] to which this [subsection A] section applies a copy of this [subsection A] section and of section 515 of this act.

[B. The provisions of this section shall apply only to those business corporations which are or become subject to the provisions of this act but which were not incorporated hereunder and shall not apply to the holders of shares of a class issued after the date such corporation became or becomes subject to this act.]

Section 44. Subsection C of section 901 of the act is repealed.

Section 45. Subsections A, B and C of section 902 of the act, amended August 27, 1963 (P. L. 1355) and January 18, 1966 (P. L. 1305), are amended to read:

Section 902. Approval of Plan of Merger or Consolidation.—A. The board of directors of each of the domestic corporations which desire to merge or consolidate shall, by resolution adopted by [at least a majority vote of all the members of] each board, approve a plan of merger or consolidation, as the case may be, setting forth: [the]

(1) The terms and conditions of the merger or consolidation; [and]

(2) The mode of carrying the same into ¹ effect; [the]

(3) If the surviving or new corporation be a domestic corporation

(i) any changes desired to be made in the articles, including a restatement of the articles in the case of a merger, or (ii) in the case of a consolidation all of the statements required by this act to be set forth in restated articles;

(4) The manner [and basis] of converting the shares of each corporation into shares or other securities or obligations [or cash] of the surviving or new corporation, as the case may be, and if any of the

¹"affect" in original.

shares of any of the corporations which are parties to the plan are not to be converted solely into shares or obligations of the surviving or new corporation, the amount of securities of any other corporation or cash which the holders of such shares are to receive in exchange for such shares or upon their conversion and the surrender of the certificates evidencing such shares, which securities of any other corporation or cash may be in addition to or in lieu of the shares or other securities or obligations, if any, of the surviving or new corporation and [such]

(5) Such other details and provisions as are deemed [necessary] desirable, including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance of fractional shares of the surviving or new or other corporation.

B. Except in cases where the approval of shareholders is unnecessary under section [908 B hereof] 902.1 of this act, the board of directors of each domestic corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote of the shareholders of such corporation entitled to vote thereon at an annual or special meeting of the shareholders. Written notice shall, not less than ten days before such annual or special meeting, be given to each shareholder of record of such corporation, whether or not entitled to vote on such plan. The notice shall state the place, day, hour, and purpose of the meeting. There shall be included in, or enclosed with, such notice a copy or a summary of the plan of merger or plan of consolidation, as the case may be, and unless subsection [B] L of section [908] 515 of this act is applicable, a copy of subsection A of section 908 and of section 515 of this act.

C. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon of each of the merging or consolidating domestic corporations, and if any class of shares of any of such corporations is entitled to vote thereon as a class, the affirmative vote of the holders of at least a majority of the outstanding shares of each class of shares entitled to vote thereon as a class. Any plan of merger or consolidation may contain a provision that at any time prior to the filing of articles of merger or consolidation with the Department of State the plan may be terminated by the board of directors of any corporation which is a party to the plan notwithstanding approval of the plan by the share-

holders of all or any of the corporations which are parties to the plan.

Section 46. The act is amended by adding after section 902 a new section to read:

Section 902.1. Merger Without Shareholder Approval.—A. Unless otherwise required by its articles a plan of merger which does not alter the state of incorporation of a business corporation nor any provision of the articles (except that such a plan may change the corporate name) nor otherwise affect its outstanding shares shall not require the approval of the shareholders of such corporation if:

(1) Such corporation owns directly or indirectly ninety percent or more of the outstanding shares of each class of each of the other corporations which are parties to the plan immediately prior to the adoption of the plan and at all times thereafter prior to its effective date; or

(2) The authorized unissued or treasury shares of any class of the surviving corporation to be issued or delivered under the plan do not exceed fifteen percent of the shares of the business corporation of the same class outstanding immediately prior to the effective date of the plan.

B. If a plan of merger is adopted by a business corporation pursuant to this section, then the articles of merger shall set forth that fact in lieu of the statement relating to shareholder approval required by the next section of this act.

Section 47. Section 903 of the act, amended August 27, 1963 (P. L. 1355) and January 18, 1966 (P. L. 1305), is amended to read:

Section 903. Articles of Merger or Consolidation.—Upon the [approval] adoption of the plan of merger or consolidation by the corporations desiring to merge or consolidate, as provided in the preceding [section] sections, articles of merger or articles of consolidation, as the case may be, shall be executed under the seal of each corporation and signed by two duly authorized officers of each corporation, and shall set forth:

(1) The name and the location of the registered office of the domestic surviving or new corporation, or, in the case of a foreign surviving or new corporation, the name of such corporation, and its domiciliary state, together with the location of its office registered with such state.

(2) The name and the location of the registered office of each other domestic business corporation and qualified foreign business corporation which is a party to the plan of merger or consolidation.

(3) If the plan of merger or consolidation is to be effective on a specified date, the hour, if any, and the month, day and year of such effective date.

[(2)] (4) The [time and place of the meeting of the shareholders if required of each domestic corporation at which the plan of merger or consolidation, as the case may be, was adopted, the kind and period of notice given to the shareholders, and the total vote by] manner in which the plan was adopted by the shareholders of each domestic corporation, and, if one or more foreign corporations are parties to the plan, the fact that the plan

[(2.1) The fact that the plan of merger or consolidation] was authorized, adopted or approved, as the case may be, by each of the foreign corporations, in accordance with the laws of the jurisdiction in which it was formed.

[(2.2) The fact that none of the constituent corporations is a public utility corporation or that the plan of merger or consolidation has been approved by, or does not require the approval of, the Pennsylvania Public Utility Commission, as the case may be.

(3) If the surviving or new corporation be a domestic corporation, any changes desired to be made in the articles including a restatement of the articles of the surviving corporation in the case of a merger, or, in the case of a consolidation, all of the statements required by this act to be set forth in original articles in the case of the formation of a corporation.

(4) The number, names and addresses of the persons to be the first directors of the surviving or new corporation.]

(5) The plan of merger or consolidation.

(6) If the surviving or new corporation is to be a foreign corporation, a designation of the Secretary of the Commonwealth and his successor in office as the true and lawful attorney of such corporation upon whom may be served all lawful process in any action or proceeding against it for enforcement against it of any obligation of any constituent domestic corporation or any obligation arising from the merger or consolidation proceedings or any action or proceeding to determine and enforce the rights of any shareholder under the provisions of section [nine hundred eight] 908 of this act, and an agreement that the service of process upon the Secretary of the Commonwealth

¹ "of" in original.

shall be of the same legal force and validity as if served on such corporation and that the authority for such service of process shall continue in force as long as any of the aforesaid obligations and rights remain outstanding in this Commonwealth.

Section 48. Section 905 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 905. Filing of Articles of Merger or Consolidation.—[A.] The articles of merger or articles of consolidation, as the case may be shall be delivered to the Department of State which shall, upon filing the articles, issue to the corporation, or its representative, a certificate of merger or certificate of consolidation, as the case may be. No certificate from any department evidencing the payment of taxes and charges shall be required if the surviving or new corporation is to be a domestic corporation, or shall, on the effective date of the merger or consolidation, be a qualified foreign business corporation [authorized, under Article X. of this act, to do business in this Commonwealth].

[B. In the case of any merger or consolidation of any corporations under this act which, by virtue of any other act, requires the prior approval of the Pennsylvania Public Utility Commission, the Department of State shall not file any such articles or issue any certificate of merger or certificate of consolidation unless and until the approval of such commission is first obtained in the manner required by law.]

Section 49. Section 907 of the act, amended November 10, 1959 (P. L. 1406), is amended to read:

Section 907. Effect of Merger or Consolidation.—Upon the merger or consolidation becoming effective, the several corporations parties to the plan of merger or consolidation shall be a single corporation which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation. The separate existence of all corporations parties to the plan of merger or consolidation shall cease, except that of the surviving corporation, in the case of a merger. The surviving or new corporation, as the case may be, if it be a domestic corporation, shall not thereby acquire authority to engage in any business or exercise any right which a corporation may not be formed under this act to engage in or exercise. All the property, real, personal, and mixed and franchises of each of the corporations parties to the plan of merger or consolidation, and all debts due on whatever account to any of them, including subscriptions to shares and other choses in action belonging to any of them, shall be taken and deemed to be transferred to and vested in the surviving or new corporation, as the case may be, without further act or deed. The surviving or new corporation shall thenceforth be responsible for all the liabilities and obligations of each of the corporations so merged or consolidated, but the liabilities of the merging or con-

¹ underscoring supplied.

solidating corporations, or of their shareholders, directors, or officers, shall not be affected, nor shall the rights of the creditors thereof or of any persons dealing with such corporations, or any liens upon the property of such corporations, be impaired by such merger or consolidation, and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or ¹ consolidation had not taken place, or the surviving or new corporation may be proceeded against or substituted in its place. Any taxes, [bonus,] penalties and public accounts of the Commonwealth, claimed against any of the merging or consolidating corporations, but not settled, assessed or determined prior to such merger or consolidation, shall be settled, assessed or determined against the surviving or new corporation, and, together with interest thereon, shall be a lien against the franchises and property, both real and personal, of the surviving or new corporation. In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the [articles] plan of merger; and in the case of a consolidation, the statements which are set forth in the [articles] plan of consolidation, and, if the new corporation be a domestic corporation, which are required or permitted to be set forth in [the] restated articles of incorporation of corporations formed under this act, shall be deemed to be the articles of incorporation of the new corporation.

Section 50. Section 908 of the act, amended July 11, 1957 (P. L. 711), November 10, 1959 (P. L. 1406), and January 18, 1966 (P. L. 1305), is amended to read:

Section 908. Rights of Dissenting Shareholders.—A. If any shareholder of a domestic corporation which becomes a party to a plan of merger or consolidation shall object to such plan of merger or consolidation and shall comply with the provisions of section 515 of this act, such shareholder shall be entitled to the rights and remedies of dissenting shareholders therein provided if any.

B. [The rights of dissenting shareholders granted by subsection A of this section shall not apply (except as to minority shareholders in a subsidiary corporation) to the merger or consolidation of two or more corporations, one of which owns directly or indirectly ninety per cent or more of the outstanding shares of each class of each of the others immediately prior to the approval of the plan of merger or consolidation and at all times thereafter prior to its effective date: Provided, That neither the articles nor the state of incorporation of the parent corporation are altered by such plan. The shareholders of such parent corporation shall not have such rights of dissenting shareholders by reason of any such merger or consolidation and the ap-

¹ "consolidation" in original.

proval of the plan by the shareholders of the parent corporation as specified in section 902 of this act shall not be necessary.

C.] Where a corporation acquires assets by purchase, lease or exchange, by the issuance of shares, evidences of indebtedness or otherwise, with or without assuming liabilities other than by the procedure for merger or consolidation prescribed in this Article IX, the rights, if any, of dissenting shareholders shall be governed by section 311 of this act, and not by this section [908].

Section 51. Clauses (6) and (7) of subsection C of section 909 of the act, amended January 18, 1966 (P. L. 1305), are amended to read:

Section 909. Domestication of Foreign Corporations.—* * *

C. The articles of domestication shall be executed under the seal of the corporation and signed by two duly authorized officers thereof, and shall set forth in the English language:

* * *

(6) [If the shares are divided into classes, a description of each class and a] A statement of the designations, preferences, qualifications, limitations, restrictions, and the special or relative rights [granted to, or imposed upon] in respect of the shares of [each] any class or a series of any class, the fixing of which by the articles of incorporation is desired.

(7) [If the corporation is authorized to issue the shares of any preferred or special class in series, a description of each series and a statement of the variations in the relative rights and preferences as between different series in so far as the same are fixed in the articles and a] A statement of [any] such authority [vested] as it may then be desired to vest in the board of directors to [establish series and] fix [and determine the variations in the relative rights and preference as between series] by resolution any designations, preferences, qualifications, limitations, restrictions, and special or relative rights of any class or any series of any class that may be desired but which shall not be fixed in the articles.

* * *

Section 52. Clause (9) of subsection B of section 1001 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 1001. Admission of Foreign Business Corporations.—* * *

B. Without excluding other activities which may not constitute doing business in this Commonwealth, a foreign business corporation shall not be considered to be doing business in this Commonwealth for the purposes of this section and of sections 1012 and 1014 of this act,

but not necessarily for the purposes of taxation or of section 1011 of this act concerning service of process, by reason of carrying on in this Commonwealth any one or more of the following activities:

* * *

(9) Transacting any business in interstate or foreign commerce;

* * *

Section 53. Section 1004 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 1004. Application for a Certificate of Authority.—The foreign business corporation, or its representative, shall deliver to the Department of State a certificate of the appropriate official of the jurisdiction under the laws of which it was incorporated, dated within sixty days of delivery of the application to the Department of State to the effect that it is a corporation duly incorporated and existing under the laws of such jurisdiction, the registry statement specified in section 206 of this act, and an application for a certificate of authority, executed under the seal of the corporation, and signed by at least two duly authorized officers thereof, which shall set forth:

(1) The name of the corporation.

(2) If the name of the corporation does not contain one of the words "corporation," "company," [or] "incorporated," or "limited" or an abbreviation thereof, or one of the words "association," "fund," or "syndicate" or if the word "company" or the abbreviation "Co." is used and is immediately preceded by the word "and," or any symbol or substitute thereof, and is not immediately followed by [the words] one of the words "incorporated" or "limited" or an abbreviation thereof, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this Commonwealth.

(3) The name of the state or country under the laws of which it is incorporated.

(4) The address, including street and number, if any, of its principal office in the state or country under the laws of which it is incorporated.

(5) The address, including street and number, if any, of its proposed registered office in this Commonwealth.

(6) A designation of the Secretary of the Commonwealth and his successor in office as the true and lawful attorney of the corporation upon whom all lawful process in any action against it may be served, providing that the service of process upon the Secretary of the Commonwealth shall be of the same legal force and validity as if served on the corporation, and that the authority for such service of process shall continue in force as long as any liability remains outstanding against the corporation in this Commonwealth.

(7) A brief statement of the business it proposes to do within this Commonwealth and a statement that such business is authorized by its articles.

[(7.1)] (8) A statement that it is a corporation incorporated for a

purpose or purposes involving pecuniary profit, incidental or otherwise, to its shareholders.

[(8) A statement of the aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(9) A statement of the aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(10) Such further and additional information as the Department of State may from time to time require for the purpose of ascertaining whether or not the applicant corporation is entitled to a certificate of authority.]

Section 54. Subsections C and D of section 1011 of the act, subsection C amended August 13, 1963 (P. L. 703) and subsection D added January 18, 1966 (P. L. 1305), are amended to read:

Section 1011. Service of Process Upon the Secretary of the Commonwealth.—* * *

C. For the purposes of determining jurisdiction of courts within this Commonwealth, the [entry of] doing by any corporation [into] in this Commonwealth [for the doing] of a series of similar acts for the purpose of thereby realizing pecuniary benefit or otherwise accomplishing an object, or doing a single act in this Commonwealth for such purpose, with the intention of thereby initiating a series of such acts, shall constitute "doing business." For the purposes of this subsection the shipping of merchandise directly or indirectly into or through this Commonwealth shall be considered the doing of such an act in this Commonwealth.

D. For the purpose of determining jurisdiction of courts within this Commonwealth, [the entry of any foreign business corporation into this Commonwealth for the purpose of] inspecting, appraising and acquiring real estate and mortgages, and other liens thereon, and personal property and security interests therein, and holding, leasing away, conveying and transferring the same, as fiduciary or otherwise, or [for the purpose of] collecting debts and enforcing mortgages and rights in property securing the same by any foreign business corporation shall not constitute "doing business."

Section 55. Section 1012 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 1012. Acquisition of Real Property.—Every foreign business corporation [authorized to transact business within this Commonwealth, or] the activities of which in this Commonwealth do not constitute doing business in this Commonwealth, may acquire, hold, mortgage, lease and transfer real property in this Commonwealth, in the same manner and subject to the same limitations as domestic

business corporations. [Every such corporation may purchase in its corporate name, at any tax or judicial sale, any real estate within this Commonwealth upon which such corporation may have or hold a judgment or lien, and may, at its pleasure, sell and convey such real estate. All the rights, privileges and duties now by law accorded to and imposed upon lien creditors purchasing at judicial sales are hereby extended to such corporations.]

Section 56. Subsection B of section 1104 of the act, amended September 23, 1959 (P. L. 959), is amended to read:

Section 1104. Winding Up in Voluntary Dissolution Proceedings.—

* * *

B. After the [approval by] filing with the Department of State of a certificate of election to dissolve, the board of directors shall immediately cause notice of the winding up proceedings to be mailed to each known creditor and claimant and by certified or registered mail to each municipality in which its registered office or principal place of business in this Commonwealth is located, and to be published in the county in which the registered office of the corporation is located once a week for two successive weeks in two newspapers published in the English language, one of which shall be a newspaper of general circulation and the other the legal newspaper, if any, designated by the rules of court for the publication of legal notices; otherwise, in two newspapers of general circulation published in the county in which the registered office of the corporation is located. Where there is but one newspaper of general circulation published in any county, advertisement in such newspaper shall be sufficient.

* * *

Section 57. Section 1105 of the act, amended January 18, 1966 (P. L. 1305), is amended to read:

Section 1105. Articles of Dissolution.—When all debts, liabilities, and obligations of the business corporation have been paid and discharged, or adequate provision shall have been made therefor, and all of the remaining property and assets of the corporation shall have been distributed to its shareholders, or in case its property and assets are not sufficient to satisfy and discharge its debts, liabilities and obligations, when all the property and assets have been fairly and equitably applied, as far as they will go, to their payment, articles of dissolution shall be executed under the seal of the corporation and signed by two duly authorized officers of the corporation, which shall set forth:

(1) The name of the corporation.

(2) The address, including street and number, if any, of the registered office of the corporation.

(3) A statement that the corporation has theretofore delivered to the Department of State a certificate of election to dissolve, and the date on which the certificate was filed by the Department of State.

(4) A statement: (i) that all debts, obligations and liabilities of the corporation have been paid and discharged, or that adequate provision has been made therefor; or (ii) that the property and assets of the corporation are not sufficient to satisfy and discharge its debts, obligations and liabilities, and that all the property and assets of the corporation have been fairly and equitably applied, as far as they will go, to their payment.

(5) A statement that all the remaining property and assets of the corporation have been distributed among its shareholders, in accordance with their respective rights and interests.

(6) A statement that there are no actions pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment or decree which may be obtained against the corporation in each such pending action.

(7) [A statement that the corporation has never been a public utility corporation or that it is not required by any other act to continue to operate as a public utility] A statement that notice of the winding-up proceedings of the corporation was mailed by certified or registered mail to each municipality in which the corporation's registered office or principal place of business in this Commonwealth is located.

The articles of dissolution, proof of the advertisement required by the preceding section, and certificates from the proper departments of the Commonwealth evidencing the payment of all taxes and charges as required by law shall be delivered to the Department of State which shall, upon filing the articles, issue to the corporation, or its representative, a certificate of dissolution. Upon the filing of the articles of dissolution by the Department of State, the existence of the corporation shall cease.

Section 57.1. Subsection A of section 1111, amended July 11, 1957 (P. L. 711), is amended to read:

Section 1111. Survival of Remedies and Rights After Dissolution. —A. The dissolution of a business corporation, either by the [issuance of a certificate of dissolution by] filing of articles of dissolution in the Department of State, or by the decree of a court of common pleas, when the court has not liquidated the assets and property of the corporation, or by expiration of its period of duration, [or by the sale of all its franchises, property and assets to another business corpora-

tion] shall not take away or impair any remedy given against such corporation, its directors or shareholders, for any liability incurred prior to such dissolution, if suit thereon is brought and service of process had before or within two years after the date of such dissolution. Such suits may be prosecuted against and defended by the corporation in its corporate name.

* * *

Section 58. The section heading of section 1203 of the act, added January 18, 1966 (P. L. 1305), is amended to read:

Section 1203. Additional Acts and Parts of Acts Specifically Repealed in 1966.—* * *

Section 59. The act is amended by adding, after section 1203, a new section to read:

Section 1204. Additional Acts and Parts of Acts Specifically Repealed in 1968.—(a) The following acts and parts of acts are hereby specifically repealed absolutely:

(1) Section 2, act of February 6, 1830 (P. L. 42), entitled "A supplement to an act entitled 'An act to incorporate the owners and occupiers of the Wicacoa and Movamensing meadows, in the county of Philadelphia, for the sole purpose of keeping the banks, dams, sluices and flood-gates in repair, and to raise a fund to defray the expenses thereof,' passed twelfth April, eighteen hundred and twenty-eight, and for other purposes."

(2) Sections 2 and 4, act of May 5, 1832 (P. L. 501), entitled "An act regulating lateral Rail-Roads."

(3) Section 13, act of July 16, 1842 (P. L. 391), entitled "An act to authorize the court of Common Pleas, of Luzerne county, to appoint auditors in certain cases, and for other purposes."

(4) Section 11, act of July 26, 1842 (P. L. 430), entitled "An act to Incorporate the Liberty Fire Company of Holmesburg, in the county of Philadelphia."

(5) Section 5, act of May 6, 1844 (P. L. 564), entitled "An act further to regulate proceedings in courts of justice, and for other purposes."

(6) Section 17, act of February 19, 1849 (P. L. 79), entitled "An act regulating railroad companies."

(7) Section 10, act of April 21, 1855 (P. L. 264), entitled "A supplement to the act Consolidating the city of Philadelphia."

(8) Section 3, act of April 9, 1856 (P. L. 288), entitled "A supplement to an act, entitled 'An Act regulating Railroad Companies,' approved the nineteenth day of February, Anno Domini one thousand eight hundred and forty-nine."

(9) Act of March 11, 1857 (P. L. 77), entitled "An act to provide for the incorporation of Gas and Water Companies."

(10) Act of April 11, 1863 (P. L. 334), entitled "An act to prevent actions at law, or proceedings in equity, in certain cases."

(11) Act of April 22, 1863 (P. L. 532), entitled "An act to encourage the extension of lateral railroads."

(12) Act of April 23, 1864 (P. L. 550), entitled "An act relative to railroads using steam in the city of Philadelphia."

(13) Act of April 27, 1864 (P. L. 617), entitled "A supplement to an act, entitled 'An Act relating to railroad companies,' passed May sixteenth, one thousand eight hundred and sixty-one."

(14) Act of March 23, 1865 (P. L. 41), entitled "A further supplement to an act, entitled 'An Act relating to railroad companies,' passed May sixteenth, one thousand eight hundred and sixty-one."

(15) Section 1, act of March 24, 1865 (P. L. 43), entitled "A supplement to the general law relating to railroad companies, approved nineteenth February, one thousand eight hundred and forty-nine."

(16) Sections 6 and 8, act of April 4, 1868 (P. L. 62), entitled "An act to authorize the formation and regulation of railroad corporations."

(17) Act of April 24, 1869 (P. L. 93), entitled "A supplement to an act to provide for the incorporation of Gas and Water Companies, approved March eleventh, one thousand eight hundred and fifty-seven."

(18) Act of March 16, 1871 (P. L. 231), entitled "An act to declare

the meaning of an act compelling railroad and other corporations to pay counsel fees of plaintiff in certain cases, approved May third, one thousand eight hundred and sixty-six."

(19) Act of March 28, 1871 (P. L. 237), entitled "An act to allow the improvement of creeks and rivulets."

(20) Act of April 4, 1872 (P. L. 41), entitled "A supplement to an act, entitled 'An Act to allow the improvements of creeks and rivulets,' approved twenty-eighth of March, one thousand eight hundred and seventy-one."

(21) Act of April 12, 1872 (P. L. 61), entitled "An act relating to the stock and bonds of railroad and canal companies, merged or proposing to merge, and held by executors, guardians or trustees."

(22) Act of March 13, 1873 (P. L. 45), entitled "An act to authorize railroad corporations to secure the payment of their bonds and obligations by a mortgage upon their property, rights and franchises."

(23) Act of March 25, 1873 (P. L. 399), entitled "A supplement to an act, entitled 'An Act to allow the improvement of creeks and rivulets in the county of Cambria,' approved March twenty-eighth, one thousand eight hundred and seventy-one."

(24) Clauses X, XXIII, XXIV and XXV of subdivision 2 relating to corporations for profit-second class, of section 2; first proviso of section 23 relating to filing of certificate from Auditor General; clause 4 of section 33; and clauses 6 and 13 of section 39; act of April 29, 1874 (P. L. 73), entitled "An act to provide for the incorporation and regulation of certain corporations."

(25) Act of May 15, 1874 (P. L. 188), entitled "An act supplementary to an act, entitled 'An Act to provide for the incorporation of gas and water companies,' approved the eleventh day of March, eighteen hundred and fifty-seven."

(26) Act of June 5, 1874 (P. L. 275), entitled "An act to enable railroads, canals or other transportation companies to accept of the terms of the seventeenth article of the constitution, adopted the six-

teenth day of December, Anno Domini one thousand eight hundred and seventy-three."

(27) Act of May 1, 1876 (P. L. 84), entitled "An act supplementary to an act, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, providing for the regulation of incline plane railways."

(28) Act of May 8, 1876 (P. L. 135), entitled "An act to authorize narrow gauge railroad corporations to borrow money and secure the payment of their bonds and obligations by a mortgage upon their property, rights and franchises."

(29) Act of May 8, 1876 (P. L. 147), entitled "An act relating to the use of motive power upon passenger railways."

(30) Act of April 30, 1878 (P. L. 38), entitled "An act to authorize cities of the first class to consent to the extension of street passenger railways."

(31) Act of May 18, 1878 (P. L. 75), entitled "A supplement to an act, entitled 'An act to provide for the incorporation of gas and water companies' approved the eleventh day of March, Anno Domini one thousand eight hundred and fifty-seven."

(32) Act of May 23, 1878 (P. L. 111), entitled "An act to provide for the incorporation and government of street railway companies in cities of the third, fourth and fifth classes, and in the boroughs and townships in this commonwealth."

(33) Section 3, act of May 25, 1878 (P. L. 145), entitled "A supplement to an act, entitled 'An act concerning the sale of railroads, canals, turnpikes, bridges and plank roads,' approved the eighth day of April, Anno Domini one thousand eight hundred and sixty-one, extending the provisions of said act to coal, iron, steel, lumber, or oil or mining, manufacturing, transportation and telegraph companies, in this commonwealth."

(34) Section 3, act of May 21, 1881 (P. L. 27), entitled "A further

supplement to an act, entitled 'An act to authorize the formation and regulation of railroad corporations' approved the fourth day of April, Anno Domini one thousand eight hundred and sixty-eight, authorizing railroad companies incorporated under said act, and supplements thereto, not exceeding fifteen miles in length, to extend their lines."

(35) Act of June 9, 1881 (P. L. 89), entitled "An act to authorize foreign corporations to become corporations of Pennsylvania and to prescribe the mode for their so doing."

(36) Act of June 10, 1881 (P. L. 117), entitled "An act relative to the securing and assessment of railroad damages upon property situated in two or more counties."

(37) Act of June 5, 1883 (P. L. 84), entitled "An act to escheat to the Commonwealth the telegraph lines and property of telegraph corporations, associations and companies, which violate the provisions of the Constitution, prohibiting the consolidation with or the holding of a controlling interest in the stock or bonds of a competing line of telegraph, or the acquisition, by purchase or otherwise, of any other competing line of telegraph, prescribing the method by which the same may be done and regulating the proceedings thereunder."

(38) Act of June 20, 1883 (P. L. 127), entitled "An act to make accepted orders and certificates for petroleum negotiable."

(39) Act of July 5, 1883 (P. L. 176), entitled "An act relating to certain contracts for the lease or conditional sale of railroad equipment, and rolling stock and providing for the record thereof."

(40) Act of July 5, 1883 (P. L. 186), entitled "An act to provide for gauging the petroleum in the custody of, and examination into the condition of firms, associations and corporations, engaged in the business of storing and transporting of petroleum, by means of pipe lines."

(41) Section 3, act of May 7, 1887 (P. L. 94), entitled "An act to enforce against railroad corporations the provisions of section seven of Article sixteen, of the Constitution."

(42) Act of May 14, 1889 (P. L. 211), entitled "An act to provide for the incorporation and government of street railway companies in this Commonwealth."

(43) Act of June 2, 1891 (P. L. 170), entitled "An act providing for the recovery of damages to trees along the public highways, by telegraph, telephone and electric-light companies."

(44) Act of May 11, 1893 (P. L. 42), entitled "An act to authorize corporations organized for profit under the laws of Pennsylvania, to make allowances or pensions to employes for faithful and long continued service, who, in such service, have become old, infirm, or disabled."

(45) Act of June 8, 1893 (P. L. 350), entitled "An act authorizing the courts of common pleas to direct the filing of bonds to the Commonwealth, by railroad and canal companies to secure payment of damages for taking land and materials, in cases where there is a disputed, doubtful or defective title, or where any party interested is absent, unknown, covert, not of full age, of unsound mind, or from any cause cannot be bargained with or served with notice or have a bond tendered to them, and appoint guardians ad litem or trustees for such persons."

(46) Act of May 15, 1895 (P. L. 63), entitled "An act authorizing street passenger railway companies, whose line or lines are not on township or county roads, to enter into contracts with traction or motor power companies, which contracts may provide for the lease, for the sale and for the operation of all or of any part of their property and franchises, and for the construction of necessary cables, motors, apparatus and appliances to be paid for by mortgage bonds and otherwise."

(47) Act of May 21, 1895 (P. L. 93), entitled "An act to amend an act, entitled 'An act to provide for the incorporation and government of street railway companies in this Commonwealth,' approved the

fourteenth day of May, Anno Domini one thousand eight hundred and eighty-nine, increasing the length of the tracks of other companies that may be used, authorizing the carrying and distribution of mails of the United States, and the abandonment of portions of street rail-ways."

(48) Act of June 24, 1895 (P. L. 253), entitled "An act amending paragraph ten of the second sub-division of the second section of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, and the several supplements thereto, providing for the incorporation of companies to supply materials for refrigerating purposes to the public through pipes or conduits from central stations."

(49) Act of June 24, 1895 (P. L. 266), entitled "An act to revoke and annul all exclusive rights, franchises and privileges of gas companies which were in existence prior to the act of April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' which have since accepted the provisions of said act and its supplements, pursuant to the provisions of the twenty-sixth section of said act, so far as said exclusive rights, franchises, and privileges are conferred by the provisions of said act or of any amendment thereof, or supplement thereto."

(50) As much of the act of July 2, 1895 (P. L. 432), entitled "An act being a further supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, one thousand eight hundred and seventy-four, to further provide for the incorporation and regulation of corporations heretofore or hereafter incorporated for the purpose of the supply, storage or transportation of water and water power for commercial and manufacturing purposes," as reads as follows: "and the stock in any company incorporated for the purposes named in this

act may be owned and held by corporations of this or other states of the United States."

(51) Second and third sentences relating to return of actual increase of capital stock of section 3, act of February 9, 1901 (P. L. 3), entitled "An act to provide for increasing the capital stock and indebtedness of corporations."

(52) Act of June 7, 1901 (P. L. 514), entitled "An act to further amend an act, entitled 'An act to provide for the incorporation and government of street railway companies in this Commonwealth,' approved the fourteenth day of May, Anno Domini one thousand eight hundred and eighty-nine, and the amendments thereto, approved the twenty-first day of May, Anno Domini one thousand eight hundred and ninety-five; and providing for the length of tracks of any companies that may be used by another company; for the use by any company of streets, highways and bridges which have been abandoned or may be abandoned, or are not in use by any other companies, chartered or authorized to use the same, or which are not in constant daily use for the transportation of passengers by such companies; and for the use of streets, highways and bridges by any company, which other companies have relinquished the right to use, or which are only in temporary use, either by virtue of the provisions of any act of Assembly, or of any ordinance of Council, or of any contract or agreement with the Commonwealth or the local authorities of any city, borough or township, and providing compensation therefor; limiting the time within which application must be made to the local authorities of any city, borough or township, within which work must be commenced and the railway completed; and providing that where a company shall receive a charter to build a road on any street or highway, no other charter shall be granted to any other company to occupy the same street or highway, until after the time given to the first company to obtain the consent of the local authorities and begin and

complete its work, shall have elapsed; conferring the right to acquire property by purchase, for certain uses of the corporation.”

(53) Act of June 7, 1901 (P. L. 523), entitled “An act to provide for the incorporation and government of passenger railways, either elevated or underground, or partly elevated and partly underground, with surface rights.”

(54) Act of June 19, 1901 (P. L. 572), entitled “A supplement to an act, entitled ‘An act to provide for the incorporation and government of passenger railways, either elevated or underground, or partly elevated and partly underground, with surface rights,’ approved June seventh, one thousand nine hundred and one, authorizing the building of either an elevated or underground railway, or both an elevated and underground railway, having first obtained consent of local authorities.”

(55) Act of May 3, 1905 (P. L. 379), entitled “An act authorizing contracts between cities, boroughs, and townships, of the one part, and street passenger railway companies and motor power companies, of the other part; providing for the keeping of certain streets free from street railway tracks by permitting the temporary relocation or abandonment of tracks already laid, or the postponement of the laying of tracks duly authorized, while preserving the rights of such company to resume the exercise of its said franchises upon the termination or breach of such contract.”

(56) Act of April 15, 1907 (P. L. 80), entitled “An act authorizing contracts between cities, boroughs or townships, of the one part, and street passenger railway companies, surface, elevated or underground, or motor power companies leasing and operating the franchises and property of such companies, of the other part, affecting, fixing and regulating the franchises, powers, duties and liabilities of such companies, the management of the same, the relations and respective rights of the contracting parties, and the ultimate acquisition by such

cities, boroughs and townships of the property, leaseholds and franchises of said contracting companies."

(57) Act of April 22, 1907 (P. L. 96), entitled "An act to confer upon street railway companies, and the lessees or operators thereof, the right to do an express business, and to transport light freight and property, and to charge and collect reasonable compensation therefor."

(58) Act of May 1, 1907 (P. L. 147), entitled "An act to require corporations owning, leasing, or operating steam or electric railways, and engaged in the business of carrying freight or passengers, within this State, to report to the Secretary of Internal Affairs the number of statute miles of lines so operated; and providing a penalty for failure so to report, and for making an incorrect report."

(59) Act of June 1, 1907 (P. L. 368), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and government of street railway companies in this Commonwealth,' approved the fourteenth day of May, Anno Domini one thousand eight hundred and eighty-nine; authorizing companies chartered under the said act to locate or relocate their lines of railway so that the same may be either in whole or in part on public highways, or in whole or in part on private property; and conferring upon them the right of eminent domain; and providing the method for the assessment of damages for property taken, injured, or destroyed; and making them common carriers of certain kinds of freight."

(60) Act of June 1, 1907 (P. L. 385), entitled "An act providing that no railroad corporation of this State shall hereafter acquire, purchase, or guarantee the stock, bonds, or other securities of, or lease or purchase the franchises of, or in any way control, any street passenger railway corporation owning or having under its control a parallel or competing line with said railroad, and providing a penalty for the violation hereof."

(61) Act of June 12, 1907 (P. L. 526), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and government

of street railway companies in this Commonwealth,' approved the fourteenth day of May, Anno Domini one thousand eight hundred and eighty-nine; to confer upon street railway companies, incorporated under said act, its supplements and amendments, the right and power to divert its route and tracks from public highways to private property, and to return to such highways."

(62) Act of April 22, 1909 (P. L. 114), entitled "An act relating to street railway corporations, incorporated as common carriers; requiring them to transport, upon demand, the United States mail; and providing a method of fixing the rate of compensation for such service, where there is a failure to agree upon the amount."

(63) Fourth proviso relating to mergers of railroad, canal or telegraph companies and fifth proviso, relating to franchises of gas and water companies and to the act of June 7, 1907, of section 1, act of May 3, 1909 (P. L. 408), entitled "An act authorizing the merger and consolidation of certain corporations."

(64) Act of May 6, 1909 (P. L. 457), entitled "An act to confer upon street railway companies, and the lessees or operators thereof, the right to transport all kinds of freight and property, and to charge and collect reasonable compensation therefor, provided the consent of the local authorities be first obtained."

(65) Act of May 6, 1909 (P. L. 458), entitled "An act to authorize and empower street railway companies and railroad companies, heretofore or hereafter incorporated, to connect their tracks and to interchange their cars, whether passenger or freight, and the continuous movement thereof between and over their said tracks, provided the consent of the local authorities be first obtained."

(66) Act of June 15, 1911 (P. L. 990), entitled "An act requiring the approval of the Water Supply Commission of Pennsylvania to any extension of the time within which, in the exercise of their charter rights under the existing law, water or water-power companies shall

begin and complete their works; and also providing for the annulment of charters of water or water-power companies which shall not have begun or completed works within the time set by existing law."

(67) Act of May 9, 1913 (P. L. 190), entitled "An act to permit of the relocation of certain portions of the track of street passenger railway companies, with the consent of the local authorities."

(68) Act of May 14, 1915 (P. L. 495), entitled "An act to authorize the merger and consolidation of street railway corporations organized under the laws of the Commonwealth of Pennsylvania with street-railway corporations organized under the laws of other states, where the lines of said street-railway corporations meet at the State line of any State adjoining the Commonwealth of Pennsylvania, and form a continuous line with each other, and validating all such mergers and consolidations heretofore made."

(69) Act of May 14, 1915 (P. L. 519), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and government of street-railway companies in this Commonwealth,' approved the fourteenth day of May, Anno Domini one thousand eight hundred and eighty-nine; authorizing companies chartered under the said act to construct, equip, and operate such parts of their railways as are located on private property or turnpikes, and such parts thereof as, with the consent of the local authorities of cities, boroughs, and townships, are located within the limits of the public streets, roads, or bridges, or other highways of such cities, boroughs, and townships, without first obtaining the consents of the local authorities of all of the cities, boroughs, and townships through which the said companies are, by their charters, authorized to build their lines."

(70) Act of July 5, 1917 (P. L. 681), entitled "An act permitting corporations to invest their surplus funds in bonds of the United States issued for war purposes."

(71) Act of July 11, 1917 (P. L. 804), entitled "An act empower-

ing certain corporations, societies, and voluntary associations, having subordinate lodges or branches within this Commonwealth, to change the location of their principal office or place of business and providing for the approval by the court of common pleas, and the filing of notice of such changes."

(72) Act of April 18, 1919 (P. L. 84), entitled "An act authorizing companies incorporated to supply light, heat, and power or either of them, by electricity, to merge and consolidate with motor power or street railway companies."

(73) Act of February 24, 1921 (P. L. 10), entitled "An act to authorize and empower any street railway company of this Commonwealth which shall own at least two-thirds of the capital stock of any other street railway company or of any motor power company of this Commonwealth and shall have a railway connecting with the railway of such other street railway company or motor power company, to acquire the corporate powers, franchises, property, rights, and credits, of any such street railway company or motor power company."

(74) Act of May 20, 1921 (P. L. 1010), entitled "An act authorizing the merger and consolidation of water or water power companies organized prior to the first day of April, one thousand nine hundred and five, and providing the manner in which such merger shall be effected."

(75) Sections 1 and 5, act of May 25, 1921 (P. L. 1159), entitled "An act authorizing certain corporations to issue preferred or common stock of one or more classes; providing for the manner of issuance, restrictions and regulations in the manner of voting thereof, and the rights and privileges of the holders thereof; validating certain acts of corporations not participated in by the holders of non-voting stock; and repealing all acts and parts of acts inconsistent therewith."

(76) Act of May 17, 1923 (P. L. 251), entitled "An act authorizing the sale, assignment, disposition, transfer, and conveyance of the fran-

chises and of the property, real, personal and mixed, of any water or power water companies organized prior to the first day of April, one thousand nine hundred and five, to another water or water power company, also, organized prior to the first day of April, one thousand nine hundred and five; and providing the manner in which said sale and purchase shall be effected."

(77) Act of April 18, 1927 (P. L. 301), entitled "An act to authorize and empower any corporation, heretofore incorporated under any act of Assembly of the Commonwealth of Pennsylvania, and actually engaged, by virtue of its charter powers, in the operation of any lines of street railway, and owning at least two-thirds of the capital stock of any motor power company, or street railway company, of this Commonwealth, to acquire the corporate powers, franchises, property, rights, and credits, of any such motor power company or street railway company."

(78) Section 705, act of April 9, 1929 (P. L. 343), known as "The Fiscal Code."

(79) Act of June 26, 1931 (P. L. 1402), entitled "An act authorizing any street railway company or any motor power company of this Commonwealth owning all of the capital stock of any company having power to transport persons in common carriage by motor vehicle, incorporated under the law of this Commonwealth, to acquire the corporate powers, franchises, property, rights, and credits of such company."

(80) Act of July 2, 1937 (P. L. 2824), entitled "An act authorizing any street railway company or any motor power company of this Commonwealth, owning all of the capital stock of any company having power to transport persons in common carriage by trackless trolley car, incorporated under the law of this Commonwealth, to acquire the corporate powers, franchises, property rights, and credits of such company."

(81) Act of June 30, 1951 (P. L. 982), entitled "An act providing for the merger of certain existing railroad corporations into street passenger railway corporations; setting forth the procedure to be followed; the effect of the merger upon property and franchises; and defining the rights, powers and privileges of the surviving company."

(82) Section 4, act of August 10, 1951 (P. L. 1199), entitled "An act concerning devises, bequests or gifts in trust for the care and maintenance of cemeteries, burial grounds or cemetery lots, trustees and substituted trustees thereof, sureties of said trustees, the investment of such trust funds, accounts of said trustees, approving actions and proceedings prior to this act; and repealing conflicting laws."

(83) Act of July 29, 1953 (P. L. 1030), entitled "An act providing for the exercise of the right of eminent domain by certain corporations with certain restrictions, exceptions and limitations, and preserving the jurisdiction of the Pennsylvania Public Utility Commission."

(b) The following acts and parts of acts are hereby specifically repealed in so far as they relate to business corporations and foreign business corporations:

(1) Act of March 13, 1847 (P. L. 333), entitled "An act relating to certain corporations."

(2) Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 19 and 20, act of February 19, 1849 (P. L. 79), entitled "An act regulating railroad companies."

(3) Act of February 25, 1856 (P. L. 61), entitled "An act declaratory of the construction of the eleventh section of an act passed on the twenty-sixth day of July, Anno Domini one thousand eight hundred and forty-two."

(4) Act of March 29, 1859 (P. L. 290), entitled "A supplement to an act in reference to running of Locomotive Engines and Cars on

¹ "20" in original.

² "1952" in original.

Connecting Railroads, approved thirteenth March, one thousand eight hundred forty-seven."

(5) Act of April 23, 1861 (P. L. 410), entitled "An act relating to certain Corporations."

(6) Act of May 16, 1861 (P. L. 702), entitled "An act relating to Railroad Companies."

(7) Section 2, act of March 24, 1865 (P. L. 43), entitled "A supplement to the general law relating to railroad companies, approved nineteenth February, one thousand eight hundred and forty-nine."

(8) Act of March 24, 1865 (P. L. 49), entitled "An act supplementary to an act, regulating railroad companies, approved the nineteenth day of February, Anno Domini one thousand eight hundred and forty-nine."

(9) Act of May 20, 1865 (P. L. 847), entitled "An act to entitle the stockholders of any railroad company, incorporated by this Commonwealth, accepting this act, to one vote for each share of stock."

(10) Act of June 21, 1865 (P. L. 852), entitled "An act authorizing the purchase, by railroad companies, of branch, or connecting, roads."

(11) Act of April 17, 1866 (P. L. 106), entitled "An act relating to railroads."

(12) Act of January 7, 1867 (P. L. 1368), entitled "An act relating to the qualifications of directors of railroad companies."

(13) Act of February 14, 1868 (P. L. 40), entitled "A supplement to an act, entitled 'An Act relating to certain corporations,' approved March thirteenth, Anno Domini one thousand eight hundred and forty-seven, authorizing the governor to appoint directors for certain corporations in certain cases."

(14) Act of April 2, 1868 (P. L. 53), entitled "An act relating to the consolidation of railroad companies."

(15) Sections 1, 2, 3, 4, 5, 7, 12 and 13, act of April 4, 1868 (P. L.

62), entitled "An act to authorize the formation and regulation of railroad corporations."

(16) Act of April 14, 1868 (P. L. 100), entitled "An act to authorize railroad companies leasing or using other railroads to provide for the payment of liens thereon."

(17) Act of March 17, 1869 (P. L. 11), entitled "An act supplementary to an act relating to certain corporations, approved the twenty-third day of April, Anno Domini one thousand eight hundred and sixty-one."

(18) Act of March 17, 1869 (P. L. 11), entitled "An act to authorize an increase in the number of directors or managers of railroad companies, and to give stockholders the power to locate the general office of such companies."

(19) Act of April 10, 1869 (P. L. 24), entitled "An act supplementary to an act relating to railroad companies, approved May sixteenth, Anno Domini one thousand eight hundred and sixty-one."

(20) Act of April 15, 1869 (P. L. 31), entitled "An act to authorize railroad and canal companies to aid in the development of the coal, iron, lumber and other material interests of this Commonwealth."

(21) Act of February 17, 1870 (P. L. 31), entitled "An act to authorize railroad companies to lease or become lessees, and to make contracts with other railroad companies, corporations and parties."

(22) Act of April 1, 1870 (P. L. 45), entitled "An act to authorize and direct the Attorney General, upon complaint made by parties whose interests are thereby affected, to institute proceedings, according to law, against corporations alleged to have violated duties imposed upon them by law."

(23) Act of April 14, 1870 (P. L. 73), entitled "A supplement to an act regulating railroad companies, approved February nineteenth, one thousand eight hundred and forty-nine."

(24) Act of April 14, 1870 (P. L. 75), entitled "A supplement to an

act, entitled 'An Act relating to railroad and canal companies,' approved April eleventh, one thousand eight hundred and sixty-four."

(25) Act of April 26, 1870 (P. L. 1274), entitled "An act further supplementary to an act regulating railroad companies, approved the nineteenth day of February, Anno Domini one thousand eight hundred and forty-nine."

(26) Act of April 28, 1871 (P. L. 246), entitled "A supplement to the act of April fourth, one thousand eight hundred and sixty-eight, relative to the formation and regulation of railroad corporations."

(27) Act of May 18, 1871 (P. L. 942), entitled "An act relating to certain railroad, canal and incorporated companies authorized to construct railroads, and authorizing such companies to purchase and hold stock and bonds, to lease roads and property of and consolidate with each other, in the counties of Susquehanna, Wyoming, Wayne and Luzerne."

(28) Act of June 2, 1871 (P. L. 283), entitled "An act to authorize married women owning capital stock of any railroad company to sell and transfer the same."

(29) Act of June 5, 1873 (P. L. (1874) 331), entitled "An act authorizing directors of railroad companies to elect vice president."

(30) Section 2.1, act of April 29, 1874 (P. L. 73), entitled "An act to provide for the incorporation and regulation of certain corporations."

(31) Act of June 8, 1874 (P. L. 277), entitled "A supplement to an act, entitled 'An Act to authorize the formation and regulation of railroad corporations'."

(32) Act of June 15, 1874 (P. L. 289), entitled "An act requiring every railroad or canal corporation, organized in this state, to maintain an office therein for the transaction of its business."

(33) Act of March 17, 1875 (P. L. 7), entitled "An act to extend the time for the completion of railroads authorized to be constructed by

railroad or railway corporations of this commonwealth under any general law."

(34) Act of March 18, 1875 (P. L. 28), entitled "A supplement to an act to authorize the formation and regulation of railroad corporations, approved April four, Anno Domini one thousand eight hundred and sixty-eight."

(35) Act of May 1, 1876 (P. L. 90), entitled "An act supplementary to an act, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, relative to the incorporation and powers of telegraph companies for the use of individuals, firms and corporations, and for fire alarm, police and messenger business."

(36) Act of May 1, 1876 (P. L. 93), entitled "An act defining the rights and obligations of corporations formed under the laws of other states, and under the said laws succeeding to or becoming invested with the rights of purchasers or mortgagees under mortgages executed by railroad companies of other states, but authorized or confirmed by the laws of this state, where such mortgages extend to or include railroads partly within this and partly within another or other state or states, and where foreclosures or sales of the mortgaged premises have been decreed by courts of the states within which the said last named companies were incorporated, and such decrees of sale or foreclosure have been confirmed or enforced by confirmatory or ancillary decrees rendered by state or federal courts of or in this commonwealth."

(37) Act of May 13, 1876 (P. L. 157), entitled "A further supplement to an act, entitled 'An Act to authorize the formation and regulation of railroad corporations,' approved April fourth, Anno Domini one thousand eight hundred and sixty-eight, authorizing articles of association to be filed and recorded in the office of the secretary of the commonwealth, and companies to organize, when two thousand

dollars of stock is subscribed and ten per centum thereon paid in good faith, in cash, to the directors, for roads not exceeding fifteen miles in length."

(38) Act of June 12, 1878 (P. L. 183), entitled "A supplement to an act to authorize railroad corporations to secure the payment of their bonds and obligations, by a mortgage upon their property, rights and franchises, approved the thirteenth day of March, Anno Domini one thousand eight hundred and seventy-three, applying the provisions thereof to mortgages upon certain personal property of such corporations."

(39) Act of May 21, 1881 (P. L. 27), entitled "A further supplement to an act, entitled 'An act to authorize the formation and regulation of railroad corporations,' approved the fourth day of April, Anno Domini one thousand eight hundred and sixty-eight, authorizing railroad companies incorporated under said act, and supplements thereto, not exceeding fifteen miles in length, to extend their lines."

(40) Section 2, act of June 1, 1883 (P. L. 57), entitled "An act relating to the terminal points to which railroads may be constructed."

(41) Sections 1 (except the opening clause and clause fifth), 2, 5, 10 (except the second sentence and the first, second and third provisos thereto), 11, 12, 13 and 17, act of May 29, 1885 (P. L. 29), entitled "An act to provide for the incorporation and regulation of natural gas companies."

(42) Act of June 25, 1885 (P. L. 186), entitled "An act limiting the time for the completion of railroads by corporations organized by purchasers at judicial sales."

(43) Sections 1, 2, 4 and 5, act of May 7, 1887 (P. L. 94), entitled "An act to enforce against railroad corporations the provisions of section seven of Article sixteen, of the Constitution."

(44) Act of May 13, 1889 (P. L. 205), entitled "An act prescribing the amount of stock and bonds which may be issued by railroad com-

panies heretofore or hereafter consolidated and merged."

(45) Act of June 16, 1891 (P. L. 301), entitled "An act authorizing the extension of the corporate existence of any railroad corporation organized under either a special or general law of this Commonwealth."

(46) Act of June 18, 1895 (P. L. 195), entitled "An act validating purchases or leases heretofore made or acquired by water companies of lands to preserve their water supply from contamination."

(47) Act of July 2, 1895 (P. L. 432), entitled "An act being a further supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, one thousand eight hundred and seventy-four to further provide for the incorporation and regulation of corporations heretofore or hereafter incorporated for the purpose of the supply, storage or transportation of water and water power for commercial and manufacturing purposes."

(48) Section 4, act of February 9, 1901 (P. L. 3), entitled "An act to provide for increasing the capital stock and indebtedness of corporations."

(49) Act of February 9, 1901 (P. L. 6), entitled "An act to permit the classification by railroad, railway and transportation corporations of their boards of directors or managers."

(50) Act of March 22, 1901 (P. L. 53), entitled "An act to authorize and empower any railroad corporation of this Commonwealth, which shall own at least two-thirds of the whole capital stock of any other like corporation of this Commonwealth, and shall have a railroad connecting with the railroad of the latter, to acquire the franchises, property, rights and credits of the latter."

(51) Act of April 4, 1901 (P. L. 63), entitled "An act to authorize railroads, heretofore or hereafter constructed to any river forming the boundary between this and any adjoining State, to be built by means of a bridge and its approaches to the middle of such river, and there

connect with any railroad of such adjoining State, heretofore or hereafter constructed."

(52) Act of May 21, 1901 (P. L. 270), entitled "An act granting certain rights and privileges to regularly organized and incorporated water companies."

(53) Act of April 22, 1905 (P. L. 264), entitled "An act to authorize railroad companies of this Commonwealth, in order to secure an adequate supply of water for their corporate purpose, to acquire, hold, dispose of, and guarantee the stock and securities of water companies."

(54) Act of April 26, 1917 (P. L. 102), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of natural gas companies,' approved the twenty-ninth day of May, one thousand eight hundred and eighty-five; providing that corporations engaged in the business of supplying natural gas may manufacture or purchase, and transport and supply, manufactured fuel gas."

(55) Act of May 23, 1919 (P. L. 253), entitled "A supplement to the act, approved the twenty-ninth day of May, one thousand eight hundred and eighty-five (Pamphlet Laws, twenty-nine), entitled 'An act to provide for the incorporation and regulation of natural gas companies,' authorizing corporations created under said act to renew their charters which are about to expire or have already expired, and providing a procedure therefor, and for the payment of fees and bonus."

(56) Act of June 20, 1919 (P. L. 509), entitled "A supplement to an act, approved the eighth day of May, one thousand eight hundred and eighty-nine (Pamphlet Laws, one hundred and thirty-six), entitled 'An act to amend an act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved the twenty-ninth day of April, Anno Domini one thousand and eight hundred and seventy-four, providing for the incorporation and regulation of electric light, heat and power companies'; granting electric light, heat and

power companies the right to exercise their charter powers in adjoining States.”

(57) Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13, act of July 22, 1919 (P. L. 1123), entitled “A supplement to an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four; providing for the incorporation and regulation of telephone companies; defining the rights, powers, and privileges of such corporations; authorizing and regulating the purchase, acquisition, and leasing the whole or any part of the properties, systems, capital stock, and securities of other corporations, associations, and persons engaged in the telephone business; and authorizing existing telegraph corporations to accept the provisions of this act.”

(58) Act of May 20, 1921 (P. L. 949), entitled “An act authorizing certain telephone companies and certain telephone and telegraph companies to acquire all or any part of the capital stock, franchises, property, rights, and credits of each other, and to purchase, lease or otherwise acquire all or any part of the lines, systems, rights, privileges, municipal consents, and corporate franchises of each other.”

(59) Act of April 6, 1927 (P. L. 126), entitled “A supplement to an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ approved the twenty-ninth day of April, one thousand eight hundred and seventy-four, providing that companies incorporated for the manufacture and supply of gas, or the supply of light or heat to the public by any other means, or for the manufacture and supply of light, heat, and fuel or any of them by any process of manufacture shall, in addition to the powers heretofore granted, be authorized and empowered to produce, deal in, transport, convey and distribute natural gas or gas formed by mixing natural gas with manufactured gas.”

(60) Act of April 14, 1927 (P. L. 297), entitled "An act authorizing any natural gas company, or any manufactured gas company, incorporated under the laws of this Commonwealth, to sell, assign, dispose of, convey, or lease to any natural gas company, or to any manufactured gas company, incorporated under the laws of this Commonwealth, its franchises and property or any part thereof; providing the manner in which such sales, conveyances, or leases, shall be consummated; and requiring the payment of all taxes due the Commonwealth before the returns authorizing such sales, conveyances, and leases shall be filed in the office of the Secretary of the Commonwealth."

(61) Act of June 25, 1931 (P. L. 1366), entitled "An act to authorize any corporation of this Commonwealth, created by virtue of any special act of Assembly, and possessing under such act, or supplements thereto, franchises for various purposes, including the right to construct and operate railroads for public use, to segregate its railroad lines and franchises by the sale and conveyance thereof to any duly organized railroad corporation of this Commonwealth which owns or controls a line or lines of railroad connecting therewith not parallel or competing."

(62) Act of July 17, 1935 (P. L. 1139), entitled "An act relating to the recording of certificates of incorporation of domestic corporations, incorporated prior to July third, one thousand nine hundred and thirty-three; validating acts done, and transfers and conveyances made to or by corporations before the recording of their certificates, or of certified copies thereof; permitting the recording of such certificates or copies thereof; and making certified copies of the record of certified copies of certificates competent evidence for all purposes."

(63) Act of July 2, 1937 (P. L. 2859), entitled "An act concerning proxies authorizing representation and voting of capital stock of railroad corporations, at meetings and elections thereof."

(64) Act of June 9, 1939 (P. L. 313), entitled "An act permitting

railroad corporations to fix in their by-laws the time for annual and other meetings and the election of directors."

(65) Act of June 9, 1939 (P. L. 313), entitled "An act to provide for increasing the indebtedness of railroad corporations, with the privilege of converting the same into capital stock."

(66) Act of May 8, 1947 (P. L. 178), entitled "An act to authorize railroad corporations, incorporated in this Commonwealth, to hold directors' meetings at such place within this Commonwealth or elsewhere as appointed by a majority of the directors."

(67) Act of May 23, 1947 (P. L. 307), entitled "An act providing for and regulating the merger and consolidation of corporations organized for the transportation and storage of oil or any petroleum products by means of pipe lines and tanks, defining the rights and powers of the surviving or new corporation; providing for the service of process on foreign corporations and defining the rights of dissenting stockholders."

(68) Act of March 10, 1949 (P. L. 307), entitled "An act making it lawful for the board of directors of any railroad company to elect a chairman of said board, in such manner and with such powers and duties and compensation, including pensions, as may be fixed by said board; making it lawful for the board of directors of any such company to select from among their number or from the stockholders, a president and one or more vice-presidents, in such manner and with such powers and duties and compensation, including pensions, as may be fixed by said board; making it lawful for the board of directors of any such company to provide for the number of directors thereof, not less than three; and providing for the effectiveness of action taken by any such board in accordance herewith, without further corporate action and notwithstanding any contrary or inconsistent provision in any previously enacted act or in any existing charter or by-laws of any such company; and for other purposes."

(69) Act of May 9, 1949 (P. L. 965), entitled "An act to reenact the title and section one of the act, approved the twentieth day of April, one thousand eight hundred seventy-four (Pamphlet Laws 110), entitled 'An act to enable the officers of dissolved corporations to convey real estate held by such corporations,' as amended."

(70) Act of November 10, 1959 (P. L. 1461), entitled "An act authorizing the board of directors of railroad companies to constitute an executive committee from among their number, and conferring such authority upon the committee as the board shall provide."

(71) Act of November 10, 1959 (P. L. 1461), entitled "An act concerning the right of stockholders of record of railroad corporations to vote at meetings and elections thereof; providing for the voting in person, or by proxy, of shares of capital stock of railroad corporations held of record by fiduciaries or by two or more persons and for voting shares pledged by the holder thereof; and repealing certain acts and parts of acts relating to railroad corporations."

(72) Act of January 25, 1966 (P. L. 1587), entitled "An act relating to railroad corporations and other corporations subject to the jurisdiction of the Pennsylvania Public Utility Commission which have shareholders outside of Pennsylvania, eliminating any requirement that any members of the board of directors be residents of this Commonwealth, validating certain corporate action, and repealing inconsistent legislation."

(c) The following acts and parts of acts are hereby specifically repealed in so far as they are inconsistent with section 322 of this act:

(1) Section 12, act of April 4, 1868 (P. L. 62), entitled "An act to authorize the formation and regulation of railroad corporations."

(2) First proviso of clause 1 relating to consent of councils and clause 2 of section 34, act of April 29, 1874 (P. L. 73), entitled "An act to provide for the incorporation and regulation of certain corporations."

(3) Section 4, act of May 1, 1876 (P. L. 90), entitled "An act supplementary to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, relative to the incorporation and powers of telegraph companies for the use of individuals, firms and corporations, and for fire alarm, police and messenger business."

(4) First sentence, subsection (d) of section 2, act of June 2, 1883 (P. L. 61), entitled "An act supplementary to an act, entitled 'An act for the incorporation and regulation of corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, authorizing the incorporation of pipe lines for the transportation of petroleum, and providing for the exercise of the right of eminent domain in taking lands and property for such purposes."

(5) Section 13, act of May 29, 1885 (P. L. 29), entitled "An act to provide for the incorporation and regulation of natural gas companies."

(6) Proviso of clause 1, section 2, act of May 8, 1889 (P. L. 136), No. 153, entitled "An act to amend an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, providing for the incorporation and regulation of electric light, heat and power companies."

(7) First proviso of section 1 relating to consent of councils, act of July 2, 1895 (P. L. 425), entitled "An act granting to water power companies, and other corporations owning or controlling water power, authority to develop and distribute electric power by means of their water power, and to erect, construct and maintain the necessary buildings, plant and apparatus for that purpose."

(8) Act of June 6, 1907 (P. L. 417) No. 287, entitled "An act requiring that all water, gas or electric light corporations, before entering

upon or occupying any public street or highway in any township of the first class of this Commonwealth, shall first make application to the proper authorities of such township of the first class and obtain its consent to such entry or occupancy."

(9) Section 3, act of July 22, 1919 (P. L. 1123), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four; providing for the incorporation and regulation of telephone companies; defining the rights, powers, and privileges of such corporations; authorizing and regulating the purchase, acquisition, and leasing the whole or any part of the properties, systems, capital stock, and securities of other corporations, associations, and persons engaged in the telephone business; and authorizing existing telegraph corporations to accept the provisions of this act."

(d) The following acts and parts of acts are hereby repealed in so far as they are inconsistent with section 322 of this act:

(1) Section 3, act of April 16, 1838 (P. L. 626), entitled "An act granting certain powers to the Authorities of the cities of Lancaster and Philadelphia, and for other purposes."

(2) Last paragraph of section 18, act of May 11, 1911 (P. L. 244), entitled "An act providing for the original location, laying out and construction of public roads or highways in the several counties of this Commonwealth, and for the permanent improvement of certain public roads or highways therein; making such originally constructed or improved roads and highways county roads; authorizing the relocation, opening, straightening, widening, extension and alteration of the same, and the vacation of so much of any road as may thereby become unnecessary; providing that the county commissioners of any county may prescribe rules and regulating the use of roads constructed or maintained by the various counties, and prescribing penalties for the

violation thereof; providing for the taking of property for such improvement, the compensation to be paid therefor, and the payment of damages resulting from such taking, and the manner in which such damages may be determined; providing for the payment of the costs and expenses of such construction or improvement and in thereafter repairing and maintaining said roads; authorizing the levy of a tax or the issuing of bonds to provide a fund for the expense thereof; prescribing a method for improving a county road lying within or traversing a borough, and apportioning the cost of such improvement; and authorizing the vacation of any county road."

(3) Section 1057, act of June 23, 1931 (P. L. 932), known as "The Third Class City Code."

(4) Clause LVII of section 1502 and section 2084, act of June 24, 1931 (P. L. 1206), known as "The First Class Township Code."

(5) Section 1156, act of May 1, 1933 (P. L. 103), known as "The Second Class Township Code."

(6) Section 1202, act of February 1, 1966 (P. L. 1656), No. 581, known as "The Borough Code."

(7) To the extent inconsistent with section 322 of this act, all other parts of those acts which are specified in clauses (1) through (6) of this subsection and all other acts or parts of acts.

(e) The following acts and parts of acts are hereby specifically repealed except in so far as they relate to the condemnation of rights-of-way or easements for occupation by water, electric, gas, oil and/or petroleum products, telephone or telegraph lines used directly or indirectly in furnishing service to the public:

(1) Section 41, act of April 29, 1874 (P. L. 73), entitled "An act to provide for the incorporation and regulation of certain corporations."

(2) Section 3, act of June 2, 1883 (P. L. 61), entitled "An act supplementary to an act, entitled 'An act for the incorporation and regulation of corporations,' approved April twenty-ninth, one thousand eight

hundred and seventy-four, authorizing the incorporation of pipe lines for the transportation of petroleum, and providing for the exercise of the right of eminent domain in taking lands and property for such purposes."

(3) Act of April 17, 1929 (P. L. 531), entitled "An act authorizing the courts of common pleas to direct the filing by corporations of bonds to the Commonwealth, to secure payment of damages for the taking of lands, waters, materials, or other property or rights, or for injury thereto, in cases where there is a disputed, doubtful or defective title, or where any party interested is absent, unknown, not of full age, of unsound mind, or is an unincorporated association, or, from any cause, cannot be bargained with or be served with notice or tendered a bond within the county, and to appoint guardians ad litem or trustees for such persons."

(f) Section 10, act of May 29, 1885 (P. L. 29), entitled "An act to provide for the incorporation and regulation of natural gas companies," is hereby specifically repealed in so far as it relates to practice and procedure for determination of damages in eminent domain proceedings.

(g) First paragraph of section 39, and clauses 2 and 11 of section 39, act of April 29, 1874 (P. L. 73), entitled "An act to provide for the incorporation and regulation of certain corporations," are hereby specifically repealed absolutely except, in the case of clause 2 of section 39, as to sales subject to section 11 of said act.

(h) Act of March 31, 1868 (P. L. 50), entitled "An act to authorize incorporated companies to invest and re-invest surplus funds in mortgages, stocks and other securities, and fixing the time for holding elections for directors," is hereby specifically repealed except in so far as it relates to investments in mortgages on improved real estate, ground rents or obligations of the United States or of any state or political subdivision, authority or agency thereof.

(i) Act of May 5, 1832 (P. L. 501), entitled "An act regulating lateral Rail-Roads," and its several supplements are hereby specifically repealed in so far as they relate to business corporations and foreign business corporations.

Section 60. This act shall take effect in thirty days.

APPROVED—The 20th day of July, A. D. 1968.

RAYMOND P. SHAFER.

No. 217

AN ACT

HB 2649

Implementing the ¹ provisions of clause (4) of subsection (a) of section 7 of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt; providing for a capital budget bill; imposing duties upon the Governor, the Auditor General and the State Treasurer; prescribing procedures for the issuance, sale and payment of certain general obligation bonds, the disposition of the proceeds therefrom, and the funding of debt and refunding of bonds; exempting said bonds from State and local taxation; creating certain funds; and providing for certain appropriations.

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

Section 1. Short Title.—This act shall be known and may be cited as the "Capital Facilities Debt Enabling Act of 1968."

Section 2. Definitions.—As used in this act—

(1) "Capital project" means and includes (i) any building, structure, facility, program or physical public betterment or improvement; or (ii) any land or rights in land; or (iii) any furnishings, machinery, apparatus, or equipment for any public betterment or improvement; or (iv) any undertaking to construct, repair, renovate, improve, equip, furnish or acquire any of the foregoing, provided that the project is designated in a capital budget as a capital project, has an estimated useful life in excess of two years and an estimated financial cost in excess of seventy-five thousand dollars (\$75,000), and shall include projects to be financed by the incurring of debt, such projects being separated into the following categories:

"Community College Projects," means and includes projects for a community college of a type which the State Public School Building Authority is authorized to undertake under the provisions of the act of July 5, 1947 (P. L. 1217), known as the "State Public School Build-

¹ "provision" in original.