

FORMATION OF CORPORATIONS.

- ment of its property, the regulation of its affairs, the transfer of its stock, and for carrying on all kinds of business within the objects and purposes of the company.
- Board of Trustees.** SEC. 5. The corporate powers of the corporation shall be exercised by a board of not less than three trustees, who shall be stockholders in the company, and a majority of them citizens of the United States, and residents of this State, and who shall, after the expiration of the term of the trustees first selected, be annually elected by the stockholders, at such time and place, and upon such notice and in such mode as shall be directed by the by-laws of the company; but all elections shall be by ballot, and each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock; and the persons receiving the greatest number of votes shall be trustees. When any vacancy shall happen among the trustees, by death, resignation or otherwise, it shall be filled for the remainder of the year in such manner as may be provided by the by-laws of the company.
- Vacancies.** SEC. 6. If it should happen, at any time, that an election of trustees shall not be made on the day designated by the by-laws of the company, the corporation shall not for that reason be dissolved; but it shall be lawful on any other day to hold an election for trustees, in such manner as shall be provided for by the by-laws of the company; and all acts of trustees shall be valid and binding upon the company until their successors shall be elected.
- If not elected.** SEC. 7. A majority of the whole number of trustees shall form a board for the transaction of business, and every decision of a majority of the persons duly assembled as a board shall be valid as a corporate act.
- Quorum.** SEC. 8. The first meeting of the trustees shall be called by a notice, signed by one or more of the persons named trustees in the certificate, setting forth the time and place of the meeting, which notice shall be either delivered personally to each trustee, or published at least ten days in some newspaper of the county in which is the principal place of business of the corporation, or if no newspaper be published in the county, then in some newspaper nearest thereto.
- First Meeting.** SEC. 9. The stock of the company shall be deemed personal estate, and shall be transferable in such manner as shall be prescribed by the by-laws of the company, but no transfer shall be valid except between the parties thereto, until the same shall have been so entered in the books of the company, as to show the names of the parties by and to whom transferred, the number and designation of the shares and the date of the transfer.
- Stock.** SEC. 10. The trustees shall have power to call in and demand from the stockholders the sums by them subscribed, at such times and in such payments or instalments as they may deem proper. Notice of each assessment shall be given to the stockholders personally, or shall be published once a week for at least four weeks in some newspaper published at the place designated as the principal place of business of the corporation, or if none is published there, in some newspaper nearest to such place. If, after such notice has been given, any stockholders shall make default in the payment of the assessment upon the shares held by him, so many of such shares may be sold as will be necessary for the payment of the assessment on all the shares held by him. The sale of said shares shall be made as prescribed in the by-laws of the company. Provided, that no sale shall be made except at public auction to the highest bidder, after a notice of thirty days published as above directed in this section, and that at such sale the person who will agree to pay the assessment so due, together with the expense of advertisement and the other expenses of sale for the smallest number of whole shares, shall be deemed the highest bidder.
- Assessments.** SEC. 11. Whenever any stock is held by any person or executor, administrator, guardian or trustee, he shall represent such stock at all meetings of the company, and may vote accordingly as a stockholder.
- How called and enforced.** SEC. 12. Any stockholder may pledge his stock, by a delivery of the certificates or other evidence of his interest, but may nevertheless represent the same at all meetings and vote accordingly as a stockholder.
- Trustee Stock.** SEC. 13. It shall not be lawful for the trustees to make any dividend, except from the surplus profits arising from the business of the corporation; nor to divide, withdraw, or in any way pay to the stockholders, or any of them, any part of the capital stock of the company, nor to reduce the capital stock unless in the manner prescribed in this act, and in case of any violation of the provisions of this section, the trustees under whose administration the same may have happened, except those who may have caused their dissent therefrom to be entered at large on the minutes of the board of trustees at the time, or were not present when the same did happen, shall, in their individual and private capacities, be jointly and severally liable to the corporation, and to the creditors thereof, in the event of its dissolution, to the full amount so divided, withdrawn, paid out or reduced. Provided, that this section shall not be construed to prevent a division and distribution of the capital stock of the company, which shall remain after the payment of all its debts, upon the dissolution of the corporation or the expiration of its charter.
- Pledging.** SEC. 14. The total amount of the debts of the corporation shall not any time
- Dividends.**