

*the Board of Directors, sufficient to reflect the result of the operations during and the condition of the corporation at the end of the fiscal year. A report of such examination, audit and condition of such corporation shall be made in writing to each of the members and stockholders of such corporation and to the ~~Fiscal Research Bureau~~ of the SECRETARY OF State of Maryland on or before the thirtieth day of each succeeding fiscal year of said corporation.*

*425. Surplus, Obligations and Depositories.*

*(a) Such corporation shall set apart as an earned surplus all of its net earnings in each and every year until such earned surplus shall equal the total of the paid-in capital and paid-in surplus then outstanding. Said earned surplus shall be held in cash or invested in United States government bonds or as provided in such ~~corporation's~~ CORPORATION'S by-laws, and shall be kept and used to meet losses and contingencies of such corporation; and, whenever the amount of earned surplus shall become impaired, it shall be built up again to the required amount in the manner provided for its original accumulation.*

*(b) Such corporation shall not deposit any of its funds in any banking organization unless such banking organization has been designated as a depository by a vote of the majority of all of the directors of such corporation exclusive of any director who is an officer or director of the depository so designated, and unless such banking organization is doing business within the State of Maryland. Such corporation shall not receive money on deposit. Such corporation shall not make any loans directly or indirectly to any of its officers or to any firm in which any of its officers is a member or officer.*

*426. State Credit and State Officials.*

*Under no circumstances is the faith or credit of the State of Maryland pledged herein.*

*No officer or official of the State of Maryland, whether elected or appointed, shall be either an officer or a director of such corporation.*

*427. Tax Exemptions.*

*(a) The corporation shall not be liable for the tax imposed under the sub-title 'income tax' of Article 81 of the Annotated Code of Maryland; and the securities, evidence of indebtedness and shares of the capital stock issued by the corporation, their transfer, and income therefrom, and deposits of financial institutions to the extent invested therein, shall at all times be free from taxation within this State.*

*(b) Any stockholder, member or other holder of any securities, evidences of indebtedness, or shares of the capital stock of the corporation who realizes a loss from the sale, redemption, or other disposition of any securities, evidences of indebtedness, or shares of the capital stock of the corporation, including any such loss realized on a partial or complete liquidation of the corporation, and who is not entitled to deduct such loss in computing any of such stockholder's,*