A CLOSE CORPORATION SHALL HAVE AT LEAST ONE DIRECTOR UNTIL AN ELECTION BY THE CORPORATION IN ITS CHARTER TO HAVE NO BOARD OF DIRECTORS BECOMES EFFECTIVE.

REVISOR'S NOTE: This section presently appears as the introductory clause of Art. 23, §105(a) and is reworded for clarity.

The only changes are in style.

For provisions dealing with the effective date of an election to have no board of directors, see §4-302.

4-302. ELECTION TO HAVE NO BOARD OF DIRECTORS.

(A) EFFECTIVE TIME OF ELECTION.

AN ELECTION TO HAVE NO BOARD OF DIRECTORS BECOMES EFFECTIVE AT THE LATER OF:

(1) THE TIME THAT THE ORGANIZATION MEETING OF DIRECTORS AND THE ISSUANCE OF AT LEAST ONE SHARE OF STOCK OF THE CORPORATION ARE COMPLETED;

(2) THE TIME THE CHARTER DOCUMENT IN WHICH THE ELECTION IS MADE BECOMES EFFECTIVE; OR

(3) THE TIME SPECIFIED IN THE CHARTER DOCUMENT IN WHICH THE ELECTION IS MADE.

(B) CESSATION OF DIRECTOR'S STATUS.

A DIRECTOR AUTOMATICALLY CEASES TO BE A DIRECTOR WHEN AN ELECTION TO HAVE NO BOARD OF DIRECTORS BECOMES EFFECTIVE.

REVISOR'S NOTE: This section presently appears as Art. 23, §105(b).

The only changes are in style.

4-303. EFFECT OF ELECTION TO HAVE NO BOARD OF DIRECTORS.

IF THERE IS AN ELECTION TO HAVE NO BOARD OF DIRECTORS:

(1) THE STOCKHOLDERS SHALL MANAGE THE BUSINESS AND AFFAIRS OF THE CORPORATION BY THEIR DIRECT ACTION AND MAY EXERCISE ALL POWERS OF DIRECTORS;

(2) THE STOCKHOLDERS OF THE CORPORATION ARE RESPONSIBLE FOR TAKING ANY ACTION REQUIRED BY LAW TO BE TAKEN BY THE BOARD OF DIRECTORS;