

OPERATED;

(4) THE INVESTMENT POWERS OF THE TRUST COMPANY WITH RESPECT TO THE FUND;

(5) THE TERMS AND CONDITIONS THAT GOVERN ENTRY IN AND WITHDRAWAL FROM THE FUND;

(6) THE AUDITING AND SETTLING OF ACCOUNTS OF THE TRUST COMPANY WITH RESPECT TO THE FUND;

(7) THE BASIS AND METHOD TO BE USED FOR VALUING FUND ASSETS;

(8) THE CIRCUMSTANCES AND MANNER IN WHICH THE FUND MAY BE TERMINATED; AND

(9) ANY OTHER MATTERS THAT ARE NECESSARY TO DEFINE CLEARLY THE RIGHTS AND DUTIES OF THE TRUST COMPANY AND FUND PARTICIPANTS.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 11, § 62(5) (a), (b) (i) and (iii), as those paragraphs relate to required statements, and (d).

The present law requires that a fund plan include statements of certain provisions — e.g., intervals between audits and valuations of common trust funds. However, it is clear from a reading of the present law as a whole that the provisions also are intended to be affirmative, substantive requirements. Therefore, the revision sets out the specific details of these provisions as express requirements in §§ 3-513 and 3-516 of this subtitle. The requirement that a fund plan include a general statement as to these provisions is retained in items (1), (2), and (6) of this section.

3-506. OPTIONAL PROVISIONS FOR FUND PLANS.

(A) IN GENERAL.

A FUND PLAN MAY PROVIDE FOR:

(1) THE AMORTIZATION OF PREMIUMS ON BONDS OR OTHER OBLIGATIONS;

(2) THE DISPOSITION OF DISCOUNTS, PROFITS, STOCK RIGHTS, STOCK DIVIDENDS, AND EXTRAORDINARY DIVIDENDS;

(3) THE ALLOCATION OR APPORTIONMENT BETWEEN PRINCIPAL OR INCOME OF THE ITEMS SPECIFIED IN ITEM (2) OF THIS SUBSECTION; AND

(4) ANY OTHER SIMILAR MATTERS.