

"individual" are substituted for the former references to a "member, trustee, or officer of the Corporation, or any private person" for brevity.

In subsection (a)(2) of this section, the former reference to a "part of" net earnings is deleted as surplusage.

Defined term: "Corporation" § 11-101

11-406. DISPOSITION OF ASSETS ON LIQUIDATION.

ON THE LIQUIDATION, DISSOLUTION, OR WINDING UP OF THE CORPORATION, AFTER PAYMENT OF THE OBLIGATIONS AND LIABILITIES OF THE CORPORATION, ALL OF THE ASSETS OF THE CORPORATION SHALL BE TRANSFERRED TO ONE OR MORE CORPORATIONS OR ASSOCIATIONS THAT:

- (1) HAVE A CHARACTER OR PURPOSE SIMILAR TO THE CORPORATION'S;
- (2) ARE SELECTED BY THE BOARD; AND
- (3) QUALIFY UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 10, § 45H(f).

In the introductory language of this section, the word "[o]n" is substituted for the former phrase "[i]n the event of" for brevity.

Also in the introductory language of this section, the former phrase "in any manner or for any reason whatever" is deleted as surplusage.

In item (1) of this section, the former reference to an "analogous" character is deleted as included in the reference to a "similar" character.

In item (2) of this section, the reference to the "Board" is substituted for the former reference to the "Corporation's trustees" for accuracy and consistency within this title.

Defined terms: "Board" § 11-101

"Corporation" § 11-101

"Internal Revenue Code" § 11-101

11-407. ANNUAL AUDITS.

(A) REQUIRED.

(1) THE ACCOUNTS OF THE CORPORATION SHALL BE AUDITED ANNUALLY.

(2) THE AUDITS SHALL BE CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.

(B) PROCEDURES.