

THE SCOTTISH ST. ANDREW SOCIETY OF GREATER ST. LOUIS

The following denotes changes which must be made to our Articles of Incorporation if they are to qualify for tax exemption under I. R. S. rules.

The present Article No. 5 states the declared purpose of the Society to be "Patriotic, historical, educational, cultural, charitable and philanthropic." This must be changed to read "Educational, cultural and charitable." The I. R. S. feels that our present purpose is stated too broadly to qualify.

In addition, there are two paragraphs to Article No. 5 which read as follows:

Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Circuit Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

The second paragraph simply means that regardless of what we have in our Articles of Incorporation, we cannot carry on any activities which are not permitted to a corporation which has been declared exempt from Federal income tax, whether it is prohibited by the present Federal Revenue Law or any future one.

The third paragraph means that if our corporation should cease to exist, we must first pay all our obligations and then turn over the remaining assets to another organization of a similar nature; if the Board of Directors does not do this, the assets will be disposed of by the Circuit Court to the City of St. Louis.