

317A.735 DISTRIBUTION OF ASSETS.

Subdivision 1. **General.** In performing their duties under section 317A.725, the board, or the officers acting under the direction of the board, shall distribute the assets of the corporation in the following order of priority:

- (1) distribution of assets received and held for a special use or purpose under subdivision 2;
- (2) payment of costs and expenses of the dissolution proceedings, including attorney fees and disbursements;
- (3) payment of debts, obligations, and liabilities of the corporation;
- (4) distribution of assets pursuant to articles or bylaws of the dissolving corporation or the rules or canons of another organization under subdivision 3; and
- (5) distribution of remaining assets under subdivision 4.

Subd. 2. **Special use or purpose.** Assets of the corporation may not be diverted from the uses and purposes for which the assets have been received and held, or from the uses and purposes expressed or intended by the original donor.

Subd. 3. **Articles, bylaws, or another organization.** Where the articles or bylaws of the dissolving corporation, or the rules or canons of another organization by which the dissolving corporation is bound, provide for a particular distribution of the assets of the dissolving corporation, the assets must be distributed accordingly.

Subd. 4. **Remainder.** The distribution of assets held for or devoted to a charitable or public use or purpose is subject to section 501B.31.

History: 1989 c 304 s 104; 1989 c 340 art 2 s 10; 1990 c 488 s 34,35