

5. Credits or certificates referred to in Section 3 and 4 of this Article X shall not mature until the dissolution or liquidation of this Cooperative but shall be callable by this Cooperative at any time in order of priority specified in Section 3 of this Article X.

## **ARTICLE XI ▪ Power to Dispose of Property and Borrow Money**

1. This Cooperative may not sell, mortgage, lease or otherwise dispose of any of its property other than

- (a) property which, in the judgment of the Board of Directors is or will be neither necessary nor useful in operating and maintaining this Cooperative's system, provided, however, that sales of such property shall not in any one year exceed ten per centum (10%) in value of all of the property of this Cooperative;
- (b) services of all kinds, including electric energy;
- (c) personal property acquired for resale; and
- (d) merchandise;

unless such sale, lease or other disposition is authorized by a majority vote of the members at a meeting thereof and the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained the Board of Directors, without the consent or vote of the members of the Cooperative or any part thereof, shall have full power and authority to borrow money and to authorize the making and issuance of bonds, notes or other evidences of indebtedness, secured or unsecured, for money so borrowed, and to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative.

2. Sale or Other Disposition of Assets Other than in Regular Course of Business. A sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Cooperative with or without the goodwill, if not made in the usual and regular course of business, may be made upon terms and conditions and for such consideration which may consist in

whole or in part of money or property, real or personal, including shares of any other cooperative association organized under the statutes of the State of Iowa as long as such sale, lease, exchange or other disposition is authorized in the following manner:

- (a) The Board of Directors of the Cooperative shall adopt a resolution recommending the sale, lease, exchange or other disposition and directing the submission thereof to a vote at a meeting of the membership, which may be either an annual or special meeting.
- (b) Written or printed notice of the proposal shall be given to each member of record entitled to vote at the meeting within a time and in the manner provided by these Articles of Incorporation for the giving of notice of meetings of members and whether the meeting be an annual or a special meeting shall state that the purpose, or one of the purposes of the meeting is to consider the proposed sale, lease, exchange or other disposition of substantially all of the property and assets of the Cooperative.
- (c) At the meeting the membership may authorize the sale, lease, exchange or other disposition and may fix or may authorize the Board of Directors to fix any and all of the terms and conditions thereof and the consideration to be received by this Cooperative. Such authorization shall be approved if two-thirds (2/3) of the members vote affirmatively on a ballot on which a majority of all voting members of the Cooperative participate.
- (d) After the authorization by the vote of members, the Board of Directors of the Cooperative may nevertheless, in its discretion, abandon the sale, lease, exchange or other disposition of assets, subject to the rights of the third parties under any contracts relating thereto without further action or approval by the members.

## **ARTICLE XII   ▪   Distribution of Assets Upon Dissolution**

Upon dissolution or liquidation, the assets of this Cooperative shall be applied, first, to pay liquidation expenses; next, to pay all obligations of this Cooperative other than patronage dividends or certificates issued therefor; third, to pay any deferred patronage dividends or certificates issued therefor; fourth, to pay members at the date of liquidation or dissolution the amounts for which their memberships were originally issued