

MINNESOTA STATUTES 1975 SUPPLEMENT

COOPERATIVE ASSOCIATIONS 308.12

CHAPTER 308. COOPERATIVE ASSOCIATIONS

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308.06 Incorporation, contents of articles, filing and recordation.

[For text of subd 1, see M.S.1974]

Subd. 2. The incorporators of a cooperative association under sections 308.05 to 308.18 shall sign and acknowledge written articles of incorporation, specifying (1) the name of the association, its purpose, and the principal place of transacting its business. Such name shall distinguish it from all other corporations, domestic or foreign, doing business in the state and shall be preserved to it during its corporate existence; (2) the period of its duration, which may be limited or perpetual; (3) if organized on a capital stock basis the total authorized number of shares and the par value of each share; a description of the classes of shares, if the shares are to be classified; a statement of the number of shares in each class and relative rights, preferences, and restrictions granted to or imposed upon the shares of each class, and a provision that only common stockholders shall have voting power; (4) that individuals owning common stock shall be restricted to one vote in the affairs of the association; (5) that shares of stock shall be transferable only with the approval of the board of directors of the association; (6) that dividends upon capital stock of the association shall not exceed eight percent annually; (7) the names, post office addresses and terms of office of the first directors; and (8) that net income in excess of dividends and additions to reserves shall be distributed on the basis of patronage, and that the records of the association may show the interest of patrons, stockholders of any classes and members in the reserves. The articles of incorporation shall always contain the provisions above required and may contain any other lawful provision; except that the names, post office addresses and terms of offices of the first directors may be omitted after their successors have been elected by the stockholders or when the articles are amended in their entirety. Cooperative associations may be incorporated for any of the purposes for which an association may also be formed upon a membership basis and without capital stock. Such associations organized on a capital stock basis may be organized, and shall have the same powers and authority as are conferred upon such associations, and the articles of incorporation of any such non-stock associations shall contain the provisions required in the articles of incorporation of an association organized upon a capital stock basis whenever the same are applicable to an association organized upon a membership basis. Except as provided for by section 308.07, subdivision 4, no member of an association organized upon a membership basis shall have more than one vote, and a membership shall be transferable only with the consent and approval of the board of directors of the association. Holders of shares of common stock which entitle the holder thereof to vote, shall be deemed to be members of associations organized on a capital stock basis. As used in sections 308.05 to 308.18, "stockholder," unless otherwise specified, means and includes only a holder of a share of common stock which entitles the holder thereof to vote.

[1975 c 7 s 1]

[For text of subds 3 and 4, see M.S.1974]

308.12 Earnings, reserve fund; distribution.

Subdivision 1. An association organized under sections 308.05 to 308.18 may set aside such part of its net income as its board of directors deems advisable, for the purpose of creating or maintaining a capital reserve. In addition to such capital reserve the directors of any such association may set aside a sum not to exceed five percent of the annual net income of the association, which shall be used for the purposes of promoting and encouraging cooperative organization, and may establish and accumulate reserves for new buildings, machinery and equipment, de-