

may be rejected and new proposals received upon like advertisement; provided, however, that in lieu of such advertisement for sale and conveyance to the highest responsible bidder, such lands may be conveyed for public purposes to any county, city, village, borough, town, or school district upon such terms and conditions as are agreed upon between the governing body thereof and the commissioner of highways, *or such lands may be offered for sale and sold at public auction to the highest responsible bidder. Such sale shall be made after publication of notice thereof in a newspaper of general circulation in the area where the property is located for at least two successive weeks and such other advertising as the commissioner of highways may direct. If the sale is made at public auction a duly licensed auctioneer may be retained to conduct such sale, his fees for such service to be paid from the proceeds, and there is appropriated from such proceeds an amount sufficient to pay such fees.*

Approved April 18, 1959.

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#### CHAPTER 351—S. F. No. 465

*An act relating to cooperative associations; amending Minnesota Statutes 1957, Section 308.07, Subdivisions 3 and 6, Section 308.10, Section 308.14, Subdivision 2, Section 308.14, Subdivision 4, Section 308.15, Subdivision 1.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 308.07, Subdivision 6, is amended to read:

Subd. 6. Where district or other local units are so created, the bylaws may provide for the election of all or part of the directors upon a district or unit basis, in which event directors may be nominated *at district meetings but shall be elected at the annual meeting* by the members of the district or unit *at the annual meeting* and directors so elected may be removed for cause only by the vote of the members of the district or unit from which they were elected. Nothing herein contained shall prevent any cooperative association from providing for the election and removal of directors in any other lawful manner.

Sec. 2. Minnesota Statutes 1957, Section 308.10, is amended to read:

308.10 **Quorum.** At any regular or special meeting

of the stockholders of any association incorporated under sections 308.05 to 308.18 a quorum necessary to the transaction of business shall be ten per cent of the total number of stockholders in the association when the number of stockholders in the association does not exceed 500, and, in associations having a *larger* number of stockholders, 50 stockholders present shall constitute a quorum *irrespective of the quorum requirements stated in the Articles of Incorporation and Bylaws; provided however that any cooperative which has filed Articles of Incorporation providing for a larger quorum after March 26, 1949, such quorum shall apply, and provided further that any cooperative may amend its Articles of Incorporation and Bylaws so as to provide for a larger quorum after May 1, 1959.* In determining a quorum at any meeting, on a question submitted to a vote by mail, stockholders or members present in person or represented by mail vote shall be counted. The fact of the attendance of a sufficient number of stockholders to constitute a quorum shall be established by a registration of the stockholders of the association present at such meeting, which registration shall be verified by the president and secretary of the association and shall be reported in the minutes of the meeting. No action by any association organized under sections 308.05 to 308.18 shall be valid or legal in the absence of a quorum at the meeting at which such action may be taken.

Sec. 3. Minnesota Statutes 1957, Section 308.14, Subdivision 2, is amended to read:

Subd. 2. Voluntary proceedings for dissolution of any association organized under or subject to the provisions of sections 308.05 to 308.18 of any other law of Minnesota relating to the organization of cooperative associations may be instituted whenever a resolution therefor is adopted by two-thirds of the voting power voting thereon at a meeting duly called for that purpose. The resolution may provide that the affairs of the association shall be wound up out of court, in which case the resolution shall designate a trustee or trustees to conduct the winding up, and may provide a method for filling vacancies in the office of trustees; *and shall require the election of a president and secretary of the trustees from their own number if the resolution provides for more than one trustee*, but such appointment shall not be operative until a certificate setting forth the resolution and the manner of adoption thereof, signed and acknowledged by the president or vice-president and by the secretary or assistant secretary, shall be filed for record with the secretary of state. If a vacancy occurs in the office of trustee, it may be filled by resolution adopted by a majority of the voting power represented at a

meeting of stockholders or members. The meeting may be called by the remaining trustee or trustees, if any, and if none, then by any stockholder or member. Unless the resolution to dissolve otherwise provides, the trustee or trustees may be removed with or without cause by the vote of a majority of the voting power at a meeting called for that purpose. The resolution to dissolve may provide that the affairs of the corporation shall be wound up under the supervision of the court, in which case the resolution shall authorize certain directors or stockholders to sign and present a petition to the court praying that the corporation be wound up and dissolved under the supervision of the court. Where a corporation is being wound up and dissolved out of court, the trustee, or if there be more than one then a majority of the trustees, may by petition apply to the court for a receiver and to have the proceedings continued under the supervision of the court, and thereafter the proceedings shall continue as if originally instituted subject to the supervision of the court.

Sec. 3. Minnesota Statutes 1957, Section 308.14, Subdivision 4, is amended to read:

Subd. 4. When an association has been completely wound up, the court, if the proceedings is subject to the supervision of the courts, shall make an order adjudging the association to be dissolved; and if the proceeding is out of court, the trustee, *if only one has been provided for in the resolution of dissolution, or if more than one has been provided for, then the president or secretary of the trustees, or the attorney of the trustee or trustees if he makes affidavit that he acted as such* shall sign and acknowledge a certificate stating that the association has been completely wound up and is dissolved. *The provisions of this subdivision 4 as herein amended shall apply to all associations who heretofore, or hereafter shall have filed for record in the office of the Secretary of State a certificate of dissolution.*

Sec. 4. Minnesota Statutes 1957, Section 308.15, Subdivision 1, is amended to read:

Subdivision 1. The articles of incorporation of any association organized under sections 308.05 to 308.18 or which may elect to come under the provisions of those sections may be amended in the following manner: The board of directors, by majority vote of its members may pass a resolution setting forth the full text of the proposed amendment. Upon such action by the board of directors, notice shall be mailed to each and every stockholder containing the full text of the proposed amendment — *and a mail ballot attached thereto if the board*

*of directors has provided for a mail ballot in its resolution. Such notice shall also designate the time and place of the meeting at which such proposed amendment shall be considered and voted upon, in the same manner as elsewhere provided in those sections. An association having in excess of 200 stockholders or members may publish such notice and ballot if required in the manner provided for in Section 308.09, Subdivision 1. If a quorum of the stockholders is registered as being present or represented by mail vote at such meeting, a majority of the members so present or represented by mail vote, may adopt or reject such proposed amendment. After an amendment has been adopted by the stockholders, articles of amendment setting forth the amendment and the manner of adoption thereof shall be signed and acknowledged by the president or vice-president and by the secretary or assistant secretary, and filed in the office of the Secretary of State and recorded in the office of the register of deeds of the county of its principal place of business.*

Sec. 5. Minnesota Statutes 1957, Section 308.07, Subdivision 3, is amended to read:

Subd. 3. Any cooperative association organized under Section 308.05 to 308.18 may acquire and hold stock in any other corporation organized under any law of this state or of any other state of the United States, the purpose of which may be a federation of cooperative associations or for the purpose of forming a district, state or national marketing, sales, or service agency or for the purpose of acquiring marketing facilities at terminal or other markets in this state or other states. A stockholder in any cooperative association organized under those sections shall not be entitled to more than one vote which shall be in person, or by mail, as hereinafter provided, and not by proxy, except that any such cooperative association which holds stock in any other corporations shall have the power and authority, by its board of directors or by its stockholders, to elect or appoint any person to represent it at any meeting of any corporation in which it owns stock and the person so elected or appointed shall have full power and authority to represent such cooperative association and also to cast its vote or votes at any such meeting. *Any stockholder or delegate may exercise his voting right on any matter which is before the meeting at the time of his arrival at the meeting, unless the articles or bylaws specify an earlier and specific time for closing the right to vote.*

Approved April 18, 1959.

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