308A.701 RESERVES.

Subdivision 1. **Capital reserve.** A cooperative may set aside a portion of net income as the board determines advisable to create or maintain a capital reserve.

Subd. 2. **Additional reserves.** In addition to a capital reserve, the board may:

(1) set aside an amount not to exceed five percent of the annual net income of the cooperative for promoting and encouraging cooperative organization; and

(2) establish and accumulate reserves for new buildings, machinery and equipment, depreciation, losses, and other proper purposes.

History: *1989 c 144 art 1 s 37*