

**16-16-1205 Voluntary dissolution by the board and members.**

- (1) Except as otherwise provided in Section 16-16-1204, for a limited cooperative association to voluntarily dissolve:
  - (a) a resolution to dissolve shall be approved by a majority vote of the board of directors unless a greater percentage is required by the organic rules;
  - (b) the board of directors shall call a members meeting to consider the resolution, to be held not later than 90 days after adoption of the resolution; and
  - (c) the board of directors shall mail or otherwise transmit or deliver to each member in a record that complies with Section 16-16-508:
    - (i) the resolution required by Subsection (1)(a);
    - (ii) a recommendation that the members vote in favor of the resolution or, if the board determines that because of conflict of interest or other special circumstances it should not make a favorable recommendation, the basis of that determination; and
    - (iii) notice of the members meeting, which shall be given in the same manner as notice of a special meeting of members.
- (2) Subject to Subsection (3), a resolution to dissolve shall be approved by:
  - (a) at least two-thirds of the voting power of members present at a members meeting called under Subsection (1)(b); and
  - (b) if the limited cooperative association has investor members, at least a majority of the votes cast by patron members, unless the organic rules require a greater percentage.
- (3) The organic rules may require that the percentage of votes under Subsection (2)(a) is:
  - (a) a different percentage that is not less than a majority of members voting at the meeting;
  - (b) measured against the voting power of all members; or
  - (c) a combination of Subsections (3)(a) and (b).

Amended by Chapter 378, 2010 General Session