

## CHAPTER 67

## Senate Bill 151

## AN ACT

RELATING TO ELECTRIC COOPERATIVES; PRESCRIBING  
AUTHORITY TO ENCUMBER PROPERTY, AND AMEND-  
ING SECTION 10-768, ARIZONA REVISED STATUTES.**Be it enacted by the Legislature of the State of Arizona:**

Section 1. Sec. 10-768, Arizona Revised Statutes, is amended to read:

**10-768. DISPOSITION OF PROPERTY**

A. The board of directors of a cooperative may, without authorization by the members thereof, authorize the execution and delivery of mortgages or deeds of trust pledging or encumbering 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 therefrom, all upon such terms and conditions as the board of directors determines, to secure any indebtedness of the cooperative to the United States or any agency or instrumentality thereof, or to any person, association or corporation licensed, chartered or regulated by the United States, a state or any department or agency of either. Any such mortgages or deeds of trust shall be exempt from the mortgage recording tax.

B. A cooperative may not otherwise sell, mortgage, lease or otherwise dispose of or encumber all or a substantial portion of its property unless the sale, mortgage, lease or other disposition or encumbrance is authorized by the affirmative vote of not less than a majority of all members of the cooperative, but notwithstanding any other provision of this article, or any other provision of law, the board of directors may, upon the authorization of a majority of those members of the cooperative present at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another cooperative doing business in this state pursuant to this article, or to the holders of any notes, bonds or other evidences of indebtedness issued to the United States or any agency or instrumentality thereof.

Approved by the Governor—April 22, 1970

Filed in the Office of the Secretary of State—April 22, 1970

---