

effective use of electric energy and other services made available by the cooperative[, shall unless otherwise determined by a vote of the members, be distributed by the cooperative to its members and to other persons to whom the cooperative supplies electric energy or other services, as patronage refunds prorated in accordance with the patronage of the cooperative by the respective members and such other persons, paid for during such fiscal year; provided, however, that such distribution shall not be made to any such other person until he has become a member of the cooperative. If such other person does not become a member of the cooperative within one year after the amount of his distributive share or accumulated distributive shares equals the membership fee required by the bylaws of the cooperative, or, if no membership fee is required, within two years after the declaration of any such patronage refund, he shall cease to be entitled to such share or shares, which shall in such case, be paid into the education fund of the cooperative].

(D) Nothing [herein contained] IN THIS SECTION shall be construed to prohibit the payment by a cooperative of all or any part of its indebtedness prior to the date when the same shall become due.

24. Disposition of property.

(a) Execution of mortgages, deeds of trust or pledges. — The board of directors of a cooperative shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust of, or the pledging or encumbering of, 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 and income therefrom, all upon such conditions as the board of directors shall determine, to secure any indebtedness of the cooperative to the United States of America, to any agency or instrumentality thereof, to a national financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects and undertakings, in which the cooperative holds membership, or to any other financing institution, and provided further that such loans shall not be subject to the provisions of § 4-106(b) of the Real Property Article of the Code.

(b) Authority of members. — A cooperative may not otherwise sell, lease or otherwise dispose of all or a substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than a majority of all the members of the cooperative; and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding any other provisions of this act, 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 or a foreign corporation doing business in this State pursuant to this act or to the holder or holders of any notes, bonds or other evidences of indebtedness of the cooperative issued to the United States of America or any agency or instrumentality thereof.