
A. On the terms and conditions and for the consideration determined by the corporation's board of directors, a corporation may sell, lease, exchange or otherwise dispose of all or substantially all of its property, with or without the goodwill, other than in the usual and regular course of its activities.

B. For a proposed transaction to be approved, all of the following shall have occurred:

1. The board of directors shall approve the transaction. If the members of the corporation are entitled to vote on the proposed transaction, the board of directors shall submit the proposed transaction for approval by its members and shall recommend the proposed transaction to the members, unless the board of directors determines that because of a conflict of interest or other special circumstances it should not make a recommendation and communicates the basis for its determination to the members with the plan.

2. If the members of the corporation are entitled to vote on the proposed transaction, the members entitled to vote on the proposed transaction shall approve the proposed transaction.

3. Each person whose approval is required by the articles of incorporation for the sale, lease, exchange or other disposal shall approve the proposed transaction in writing.

C. The board of directors may condition its submission of the proposed transaction on any basis.

D. If the corporation submits the transaction for member action at a membership meeting, the corporation shall notify each member to which the proposed transaction is to be submitted for approval of the proposed membership meeting in accordance with section 10-3705. The notice shall state that the purpose or one of the purposes of the meeting is to consider the proposed transaction and shall contain or be accompanied by a copy or summary of a description of the transaction.

E. Unless chapters 24 through 40 of this title, the articles of incorporation or the board of directors acting pursuant to subsection C of this section requires a greater vote or voting by class, a majority of the votes cast or a majority of the voting power of the class, whichever is less, shall approve the proposed transaction to be authorized.

F. At any time before consummation of the sale, lease, exchange or other disposition of property, the transaction may be abandoned, subject to any contractual rights, without further action by the members or any other person who approved the transaction, in accordance with the procedure set forth in the resolution proposing the transaction or, if none is set forth, in the manner determined by the board of directors.
G. A transaction that constitutes a distribution is governed by sections 10-11301 and 10-11302 and not by this section.

H. Except as provided in subsection K of this section and chapter 35.1 of this title, any person who intends to purchase, lease or otherwise acquire all or substantially all of the assets of a tax-exempt corporation described in section 501(c)(3) of the internal revenue code of 1986, or all or substantially all of the assets located in this state of a tax-exempt foreign corporation described in section 501(c)(3) of the internal revenue code of 1986 and is conducting affairs in this state, shall comply with subsection B of this section before such a purchase, lease or acquisition if either:

1. The person is a tax-exempt organization described in section 501(c)(3) of the internal revenue code of 1986 but intends to use in an unrelated trade or business, determined by applying section 513(a) of the internal revenue code of 1986 to such organization, any substantial portion of the assets to be acquired which were not being used in an unrelated trade or business of the corporation or foreign corporation conveying the assets immediately before the proposed purchase, lease or acquisition.

2. The person is not a tax-exempt organization described in section 501(c)(3) of the internal revenue code of 1986.

I. A person subject to the requirements of subsection H of this section shall give public notice of the intended transaction in accordance with subsection J of this section and shall hold a public hearing on the intended transaction no less than ten days after the first publication of the notice and no less than ten days before the intended purchase, lease or acquisition occurs. The sole purpose of the public hearing is to receive public comment regarding the proposed transaction. The public hearing shall be held before at least two representatives of the person intending to purchase, lease or otherwise acquire the assets of the corporation or foreign corporation and at least two representatives of the corporation or foreign corporation.

J. Notice of the intended transaction shall include the time, date and place of the public hearing, the names of the parties to the transaction, a general summary of the intended transaction, a general description of the assets to be purchased, leased or otherwise acquired and a general description of the intended use of the assets after the completion of the transaction. The notice shall be published three consecutive times in a newspaper of general circulation in the county of the known place of business of the corporation or foreign corporation from which the assets are intended to be purchased, leased or otherwise acquired. The first notice shall be published no less than twenty days before the intended purchase, lease or acquisition occurs.

K. The requirements of subsections I and J of this section do not apply to the purchase, lease or other acquisition of assets under this section from a domestic or foreign corporation as provided in this section if any of the following applies:

1. The transaction involves assets having a book value at the time of the transaction, net of accumulated depreciation, of less than two million dollars.
2. The transaction is in the usual course of business of the transferor or in connection with the mortgage or pledge of any or all property and assets of the corporation or foreign corporation whether or not in its usual and regular course of business.

3. The transferor has assets immediately prior to such transaction, with a book value of more than ten million dollars, net of accumulated depreciation.

4. The transaction is to enable the transferor to finance the purchase of assets or to refinance assets already owned by it, or if, after the transaction has been completed, the transferor continues to have possession of the assets purchased, leased or otherwise acquired or used in the usual and regular course of its business.

5. The transferor offers goods or services only to members who are entitled to vote for its board of directors.

6. The transferor is organized for religious purposes and does not have, as a substantial portion of its business, the offering of goods or services on a regular basis to the public for remuneration.

7. The purchase, lease or sale of assets as described in subsection A of this section by the United States, this state, a political subdivision of this state or an agency or instrumentality of such a governmental entity.

8. The purchase, lease or sale of assets as described in subsection A of this section by a hospital, medical, dental or optometric service corporation licensed pursuant to title 20, chapter 4, article 3.

L. For the purposes of subsection K, paragraph 6 of this section:

1. Goods and services shall include, but are not limited to, medical, hospital, dental or counseling or social services offered on a regular basis to the public for remuneration.

2. A transferor organized for religious purposes includes a corporation or foreign corporation that controls or is controlled directly or indirectly by a corporation or foreign corporation organized for religious purposes.

M. The exemption provided by subsection K, paragraph 7 of this section does not apply to a corporation or foreign corporation that provides services to or operates assets of such a governmental entity pursuant to a lease or contract.