§ 601-c. Sale, lease, exchange or other disposition of property, rights, privileges and franchises. 1. Subject to subdivision eight of section six hundred five of this chapter, and except as otherwise provided by law or by its organization certificate or other certificate filed pursuant to law, a corporation organized under the laws of this state and subject to the provisions of article three, article six, article eight, article ten or article twelve of this chapter may voluntarily sell, lease, exchange or otherwise dispose of its property, rights, privileges and franchises, or any interest therein or any part thereof; provided, however, that if such sale, lease, exchange or other disposition is not made in the regular course of business of the corporation and involves all or substantially all of its property, rights, privileges and franchises, or an integral part thereof essential to the conduct of the business of the corporation, such sale, lease, exchange or other disposition shall be authorized only in accordance with the following procedure:

(a) In the case of a corporation subject to the provisions of article three, article eight, article twelve or a stock-form banking organization subject to either article six or article ten of this chapter, the board of directors of the corporation by a majority vote of all the members thereof shall approve the proposed sale, lease, exchange or other disposition and direct its submission to a vote of stockholders.

Notice of meeting shall be given to each stockholder of record, whether or not entitled to vote.

The stockholders shall authorize such sale, lease, exchange or other disposition and may fix, or may authorize the board of directors to fix, any of the terms and conditions thereof and the consideration to be received by the corporation therefor, which may consist in whole or in part of cash or other property, real or personal, including shares, bonds or other securities of any other domestic or foreign corporation or corporations, by vote at a meeting of stockholders of the holders of two-thirds of all outstanding shares entitled to vote thereon.

(b) In the case of a mutual corporation subject to the provisions of article six of this chapter, the board of trustees of the corporation by

a vote of a majority of all the members thereof shall approve and authorize the proposed sale, lease, exchange or other disposition and shall fix any of the terms and conditions thereof and the consideration to be received by the corporation therefor, which may consist in whole or in part of cash or other property, real or personal, including such shares, bonds or other securities of any other domestic or foreign corporation or corporations as are authorized investments for savings banks, subject to those limitations applicable to such investments.

A verified copy of the minutes of the meeting at which the board of trustees approves and authorizes the proposed transaction shall be filed in the office of the superintendent together with a copy of the agreement governing the proposed transaction, a statement setting forth the reasons why the trustees believe the proposed transaction would be in the best interest of the savings bank, its depositors and the public and such other information as the superintendent may require. In determining whether or not to approve the proposed transaction, the superintendent shall consider whether the proposed transaction would be in the best interests of the savings bank, its depositors and the public and such other information as the superintendent may deem appropriate. The superintendent shall notify the board of trustees in writing of his or her determination. If the superintendent disapproves, the board of trustees shall abandon the proposed transaction.

(c) In the case of a mutual corporation subject to the provisions of article ten of this chapter, the board of directors of the corporation by a majority vote of all the members thereof shall approve the proposed sale, lease, exchange or other disposition and direct its submission to a vote of shareholders.

Notice of meeting shall be given to each shareholder.

The shareholders shall authorize such sale, lease, exchange or other disposition and may fix, or may authorize the board of directors to fix, any of the terms and conditions thereof and the consideration to be received by the corporation therefor, which may consist in whole or in part of cash or other property, real or personal, including such shares, bonds or other securities of any other domestic or foreign corporation

or corporations as are authorized investments for savings and loan associations, subject to those limitations applicable to such investments, by vote at a meeting of shareholders of the holders of two-thirds in amount of the book value of all outstanding shares entitled to vote thereon.

A verified copy of the minutes of the meetings at which the board of directors and shareholders approve and authorize the proposed transaction shall be filed in the office of the superintendent together with a copy of the agreement governing the proposed transaction, a statement setting forth the reasons why the directors believe the proposed transaction would be in the best interest of the savings and loan association, its shareholders and the public and such other information as the superintendent may require. In determining whether or not to approve the proposed transaction, the superintendent shall consider whether the proposed transaction would be in the best interests of the savings and loan association, its shareholders and the public. The superintendent shall notify the board of directors in writing of his or her determination. If the superintendent disapproves, the board of directors shall abandon the proposed transaction.

2. Notwithstanding stockholder or shareholder authorization, the board may abandon the proposed sale, lease, exchange or other disposition without further action by the stockholders or shareholders, subject to the rights, if any, of third parties under any contract relating thereto.

3. This section shall not be applicable to a sale or disposition of assets the acquisition of which is authorized by section six hundred one-a of this chapter, or to any sale or other disposition of assets after the entry of an order pursuant to subdivision four of section six hundred five of this chapter, or to a sale or disposition of all or substantially all of the assets by a mutual corporation subject to the provisions of article six or article ten of this chapter to a national banking association or national banking associations or a corporation or corporations subject to the provisions of article three, article eight or article twelve of this chapter or to a stock-form corporation subject

to article six or article ten of this chapter or to a stock-form federal savings bank or to a stock-form federal savings and loan association.