

IC 23-17-20

Chapter 20. Sale of Assets

IC 23-17-20-1

Disposal and encumbrance of property

Sec. 1. (a) A corporation may, on the terms and conditions and for the consideration determined by the board of directors, do the following:

(1) Sell, lease, exchange, or otherwise dispose of all, or substantially all, of the corporation's property in the usual and regular course of the corporation's activities.

(2) Mortgage, pledge, dedicate to the repayment of indebtedness, with or without recourse, or otherwise encumber the corporation's property whether or not in the usual and regular course of the corporation's activities.

(b) Unless articles of incorporation require approval of the members or any other person of a transaction described in subsection (a) is not required.

As added by P.L.179-1991, SEC.1.

IC 23-17-20-2

Disposal of property other than in usual or regular course of business; authorization; abandonment of transactions

Sec. 2. (a) A corporation may sell, lease, exchange, or otherwise dispose of all, or substantially all, of the corporation's property, with or without the goodwill, other than in the usual and regular course of the corporation's activities on the terms and conditions and for the consideration determined by the corporation's board of directors if the proposed transaction is authorized by subsection (b).

(b) Unless this article, articles of incorporation, bylaws, a board of directors, or members acting under subsection (d) require a greater vote or voting by class, a proposed transaction to be authorized must be approved as follows:

(1) By the board of directors.

(2) By the members by a majority of the votes cast.

(3) In writing by a person whose approval is required by articles of incorporation authorized under IC 23-17-17-1 for an amendment to the articles of incorporation or bylaws.

(c) If a corporation does not have members, the transaction must be approved by a vote of a majority of the directors in office at the time the transaction is approved. In addition, the corporation shall provide notice of a directors meeting at which the approval is to be obtained under IC 23-17-15-3. The notice must state that the purpose of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property or assets of the corporation and contain or be accompanied by a copy or summary of a description of the transaction.

(d) Unless articles of incorporation provide otherwise, a proposed transaction must be initiated by a board of directors. The board of directors may condition the board's submission of the proposed

transaction on receipt of a higher percentage of the members of affirmative votes or on any other basis.

(e) If a corporation seeks to have a transaction approved by the members at a membership meeting, the corporation shall give notice to the members of the proposed membership meeting under IC 23-17-10-5. The notice must state that the purpose of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property or assets of the corporation and contain or be accompanied by a copy or summary of a description of the transaction.

(f) If a board of directors seeks to have a transaction approved by the members by written consent or written ballot, the material soliciting the approval must contain or be accompanied by a copy or summary of a description of the transaction.

(g) After a sale, a lease, an exchange, or other disposition of property is authorized, the transaction may be abandoned subject to any contractual rights without further action by the members or a person who approved the transaction:

(1) in accordance with the procedure in the resolution proposing the transaction; or

(2) if a procedure is not set forth, in the manner determined by the board of directors.

As added by P.L.179-1991, SEC.1. Amended by P.L.1-1992, SEC.128; P.L.96-1993, SEC.14.