279.140 Power of board of directors to encumber or dispose of property.

(1) Except as provided in KRS 279.090, 279.120 and 279.130, and in subsection (2) of this section, no corporation formed under this chapter may sell, lease or otherwise dispose of any of its property unless the board of directors is authorized so to do by a majority vote of the total membership. Due notice shall be given to all members of the proposed sale, lease or other disposition of such property. The board of directors, without authorization by the members, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of, the property, assets, rights, privileges, licenses, franchises, and permits of such a corporation, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, upon such terms and conditions as the board of directors shall determine, to secure any obligation of such corporation, any provision of the articles of incorporation or bylaws of such corporation to the contrary notwithstanding.

(2) The board may sell any of the following property without authority from the members:

(a) Property that is not necessary in operating and maintaining the system, but sales of such property shall not in any one year exceed ten percent (10%) in value of all the property of the corporation other than merchandise and property acquired for resale;

(b) Services and electric energy;

(c) Property acquired for resale; and

(d) Merchandise.

Effective: June 16, 1972

History: Amended 1972 Ky. Acts ch. 11, sec. 5, effective June 16, 1972. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 883j-23.