

17-1640. Surviving association right to issue bonds or other obligations. When two or more associations or corporations are merged or consolidated, the association or corporation surviving or resulting from the merger or consolidation may issue bonds or other obligations, negotiable or otherwise, and with or without coupons or interest certificates thereto attached, to an amount sufficient with the association's or corporation's capital stock to provide for all the payments the association or corporation will be required to make, or obligations it will be required to assume, in order to effect the merger or consolidation. For the purpose of securing the payment of any such bonds and obligations, it shall be lawful for the surviving or resulting association or corporation to mortgage the association's or corporation's corporate franchise, rights, privileges and property, real, personal or mixed. The surviving or resulting association or corporation may issue certificated or uncertificated shares of the association's or corporation's capital stock and other securities to the members of the constituent associations or corporations in exchange or payment for the original shares, in such amount as shall be necessary in accordance with the terms of the agreement of merger or consolidation in order to effect such merger or consolidation in the manner and on the terms specified in the agreement.

History: L. 1991, ch. 74, § 4; May 30.