

17-6801. Sale, lease or exchange of assets; consideration; procedure; abandonment of proposed sale, lease or exchange. (a) Every corporation may at any meeting of its board of directors or governing body sell, lease or exchange all or substantially all of its property and assets, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or other property, including shares of stock in, and other securities of, any other corporation or corporations, as its board of directors or governing body deems expedient and for the best interests of the corporation, when and as authorized by a resolution adopted at a meeting duly called upon at least 20 days' notice as follows: (1) By the holders of a majority of the outstanding stock of the corporation entitled to vote thereon; (2) in the case of nonstock corporations, other than those corporations that are the subject of the next paragraph, by a majority of the members entitled to vote for the election of the members of the governing body and any other members entitled to vote thereon under the articles of incorporation or the bylaws of such corporation; or (3) in the case of nonprofit nonstock corporations, other than a nonprofit dental service corporation organized and operated under the nonprofit dental service corporation act, K.S.A. 40-19a01 et seq., and amendments thereto, by a majority of the members entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote thereon under the articles of incorporation or the bylaws of such corporation voting at such meeting. The notice of the meeting shall state that such a resolution will be considered.

(b) Notwithstanding authorization or consent to a proposed sale, lease or exchange of a corporation's property and assets by the stockholders or members, the board of directors or governing body may abandon such proposed sale, lease or exchange without further action by the stockholders or members, subject to the rights, if any, of third parties under any contract relating thereto.

(c) For purposes of this section only, the property and assets of the corporation include the property and assets of any subsidiary of the corporation. As used in this subsection, "subsidiary" means any entity wholly owned and controlled, directly or indirectly, by the corporation and includes, without limitation, corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies and statutory trusts. Notwithstanding subsection (a), except to the extent the articles of incorporation otherwise provide, no resolution by stockholders or members shall be required for a sale, lease or exchange of property and assets of the corporation to a subsidiary.

History: L. 1972, ch. 52, § 91; L. 1973, ch. 100, § 10; L. 2004, ch. 143, § 57; L. 2016, ch. 110, § 78; July 1.