

**272.311 Merger or consolidation -- Procedures -- Articles to be filed and recorded -
- Contents -- Effect.**

- (1) A plan of merger or consolidation shall be adopted in the following manner:
 - (a) The board of each merging or consolidating association shall adopt a resolution approving the proposed plan, and directing that it be submitted to a vote at a meeting of the association members, which may be at either an annual or a special meeting. Written or printed notice of the meeting shall be given to each member of the association entitled to vote at such meeting. The notice shall state that the proposed plan of merger or consolidation will be considered and acted upon at the meeting, and a copy or a summary of the plan of merger or plan of consolidation shall be included in or enclosed with such notice. Each notice shall be mailed by first-class mail at such time that not less than ten (10) full days shall elapse between the date of mailing the notice and the date of the meeting, and shall be mailed to each member of the association at his last known address as it appears on the records of the association. The proposed plan shall be adopted by the affirmative vote of not less than two-thirds (2/3) of the votes entitled to be cast by members present in person, or by proxy (if permitted by the bylaws), and voting at such meeting;
 - (b) By the affirmative vote of not less than two-thirds (2/3) of its members, the board of directors of a parent association may approve on behalf of a wholly-owned subsidiary association a plan of merger or consolidation; and
 - (c) After the approval by the members, and at any time prior to the filing of articles of merger or articles of consolidation, the merger or consolidation may be abandoned pursuant to provisions set forth in the plan of merger or consolidation.
- (2) Upon the approval of the members, articles of merger or articles of consolidation shall be executed, filed and recorded as provided in KRS 271B.11-050. A copy of the articles of merger or articles of consolidation endorsed by the Secretary of State, with the fact and time of recording in his office, shall be filed with the dean of the College of Agriculture of the University of Kentucky and with the Commissioner, Department of Agriculture.
- (3) The articles of merger or the articles of consolidation shall set forth:
 - (a) The plan of merger or the plan of consolidation; and
 - (b) A statement setting forth the date of the meeting of the members of each association at which the plan was adopted; that the meeting was duly called and that a quorum was present; and that such plan received an affirmative vote of not less than two-thirds (2/3) of the votes entitled to be cast by members.
- (4) The time when the merger or consolidation is effected is determined by the provisions of KRS 271B.11-060.
- (5) When the merger or consolidation has been effected:
 - (a) The several associations, parties to the plan of merger or plan of consolidation, shall be a single association which, in the case of a merger,

shall be the association designated as the surviving association, and, in the case of a consolidation, shall be the new association;

- (b) The separate existence of all associations which are parties to the plan of merger or plan of consolidation, except the surviving association or new association, shall cease;
- (c) The surviving association or new association shall have all the rights, privileges, franchises, immunities, and powers and shall be subject to all the duties and liabilities of an association organized under KRS 272.101 to 272.341;
- (d) The surviving association or new association shall, to the extent consistent with its articles of incorporation as established or changed by the merger or consolidation, possess all the rights, privileges, immunities, and franchises, of both public and private nature, of each of the merging or consolidating associations; and all property, real, personal and mixed; and all debts due on any account; and all choses in action; and every other interest, of or belonging to or due to each of the associations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such surviving association or new association without further act or deed; and the title to any real estate, wheresoever situated, or any interest therein, shall vest in the surviving association or new association and shall not revert or be in any way impaired by reason of the merger or consolidation;
- (e) The surviving association or new association shall be responsible for all the liabilities, contracts or other obligations and penalties of each of the associations so merged or consolidated; and any claim existing or action or proceeding, civil or criminal, pending by or against any of the associations may be prosecuted as if the merger or consolidation had not taken place, or the surviving association or new association may be substituted in its place; and any judgments rendered against any of the merged or consolidated associations may be enforced against the surviving association or new association. Neither the rights of creditors nor any liens upon the property of any merged or consolidated association shall be impaired by the merger or consolidation; and
- (f) The articles of incorporation of a surviving association shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the plan of merger. The articles of consolidation of a new association shall be deemed to be its articles of incorporation.

Effective: January 1, 1989

History: Amended 1988 Ky. Acts ch. 23, sec. 177, effective January 1, 1989. -- Amended 1972 Ky. Acts ch. 274, secs. 149 and 150. -- Amended 1968 Ky. Acts ch. 148, sec. 6. -- Created 1966 Ky. Acts ch. 208, secs. 23, 24 and 25.