317A.661 TRANSFER OF ASSETS; REQUIRED APPROVAL.

Subdivision 1. **Approval required.** A corporation may sell, lease, transfer, dispose of, or grant a security interest in all or substantially all of its property and assets only as provided in this section.

Subd. 1a. **Transfer of assets in the regular course of business; approval by board.** Unless otherwise provided in its articles or bylaws, a corporation, by the affirmative vote of a majority of directors, may sell, lease, transfer, or dispose of all or substantially all of its property and assets in the usual and regular course of its activities upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board considers expedient. Member approval is not required under this section.

Subd. 2. **Transfer of assets not in the regular course of business.** (a) A corporation, by the affirmative vote of a majority of all directors, may sell, lease, transfer, or dispose of all or substantially all of its property and assets, including its good will, not in the usual and regular course of its activities, upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board considers expedient. If there are members with voting rights, the sale, lease, transfer, or disposition must be submitted to the members under paragraph (b). If there are no members with voting rights, member approval is not required.

(b) Written notice must be given to each member with voting rights, within the time and in the manner provided in section 317A.435 for notice of meetings of members and, whether the meeting is a regular or special meeting, must state that a purpose of the meeting is to consider the sale, lease, transfer, or other disposition of all or substantially all of the property and assets of the corporation. The sale, lease, transfer, or disposition must be approved at a regular or special meeting of the members by the affirmative vote of the majority of the members with voting rights voting on the action.

Subd. 2a. **Grant of security interest; approval by board.** Unless otherwise provided in its articles or bylaws and subject to section 317A.501, subdivision 1, a corporation may, by the affirmative vote of a majority of directors, grant a security interest in all or substantially all of its property and assets whether or not in the usual and regular course of its activities, upon those terms and conditions and for those considerations, which may be money, securities, or other instruments for the payment of money or other property, as the board considers expedient. Member approval is not required under this section.

Subd. 3. **Notice to attorney general.** If applicable, a corporation shall comply with section 317A.811 before transferring all or substantially all of its assets under this section.

Subd. 4. **Signing of documents.** Confirmatory deeds, assignments, or similar instruments to evidence a sale, lease, transfer, or other disposition may be signed and delivered at any time in the name of the transferor by its current officers or, if the corporation no longer exists, by its last officers.

Subd. 5. **Transferee liability.** The transferee is liable for the debts, obligations, and liabilities of the transferor only to the extent provided in the contract or agreement between the transferee and the transferor or to the extent provided by this chapter or other statutes of this state.

History: *1989 c 304 s 92; 2010 c 250 art 1 s 37*