
CHAPTER 323.

AN ACT to incorporate the Bank of Petersburg.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

§ 1. That there is hereby incorporated and established in the town of Petersburg, Boone county, Kentucky, a bank of deposit and discount, to be known as the Bank of Petersburg, with a capital stock of fifty thousand dollars, divided into shares of one hundred dollars each, and in that name it may contract and be contracted with, sue and be sued, plead, answer and defend, in all courts or places whatever,

and exercise all the rights, privileges and powers herein granted, expressly or by implication, as a natural person; may have and use a common seal, alter the same at pleasure; but no agreement, contract, obligation or deed, or other writing, shall be invalid for want of such seal, if the same be executed as is customary, or in such form or manner as the directors may by order or by-laws direct, or by the president and directors themselves.

§ 2. That a written article which shows certain subscribers' names, and the shares subscribed, to stock of this proposed bank, may, by order of the directors, be entered at large upon the minute book of said bank; and the said subscribers thereby become subscribers to the stock of this bank hereby incorporated. Each stockholder shall be entitled to a certificate for each share of his stock when paid up by him, and said subscribers shall pay up said stock or call, as made by the board of directors, but no call shall be made at any one time to exceed twenty per cent. of the stock, and no subscriber be in default until ten days' notice of the call shall have been given him in such manner as the board of directors shall deem proper; and when any subscriber is in default, the said bank may recover of him the sum he is in default by a suit in any court having jurisdiction of the amount.

§ 3. Said bank shall be under the control and management of a board of eleven (11) directors, who shall be stockholders in said bank, and that E. L. Workum, Wm. Appleton, Chas. Schramm, M. F. Wingate, Elijah Parker, John W. Berkshire, Solon Early, R. Y. Randall, Geo. W. Terrill, Wm. R. Kirtley and W. M. Cleveland be, and they are hereby, constituted the first board of directors for said bank, and shall hold their office until the first Saturday in April, 1889, and until their successors are duly elected and qualified. The directors shall hereafter be elected on the first Saturday in April each year, and each board

shall go into office at any time within five days after its election, first being duly sworn. Unless a majority of the directors elected at any election qualifies by taking the oath required herein within five days after their election, the old board shall hold over as if no election had been held. Each director shall qualify by taking an oath, before some officer authorized to administer oaths, that he will faithfully discharge his duties as such. The directors shall cause said election to be held at their banking-house, or at such place in said town as may be selected by them, and appoint suitable officers to conduct the same and certify the result. At such elections each stockholder shall have a vote for each share of stock subscribed by him, and the eleven (11) persons receiving the highest vote shall be elected directors for the ensuing term, and shall receive from the election officers a certificate showing their election, which they shall file and cause to be noted on the minute book of the bank. If a majority of the directors qualify within the time allowed, then the old board shall give way to them, and they may proceed to organize and fill vacancies and discharge all the duties of the board. If from any cause no election is held at the time fixed by this charter, then the board in office shall continue until their successors are elected and qualified. All vacancies occurring in the board shall be filled by those remaining, and any director shall vacate his office by ceasing to be a stockholder. The first election of directors under this charter shall be held on the first Saturday in April, 1889. All suitable rules and regulations concerning said elections and the method of voting may be made by the directors not inconsistent herewith. A majority of the board may constitute a quorum for doing business. Any member who fails to attend the meetings of the board for three consecutive regular meetings vacates his office, and the rest of the board shall so declare and fill the vacancy.

§ 4. That the directors of said bank are hereby authorized and empowered to enact and put in force such rules, by-laws and regulations for its management, government and control of its property, and of all its business and affairs, as they may deem expedient, not inconsistent with the laws of this State or United States, and alter and repeal the same at will; and each board shall elect one of its number president, and in like manner fill any vacancy that may occur in that office, and may appoint all such officers, agents and servants as they may deem necessary to conduct the business of said bank, and may agree with them as to compensation for their services, and pay them therefor, and take from them bond with security, approved by the directors of the bank, in such penalty as they deem necessary to secure well, truly and faithfully the performance of their duty, upon which bond recovery may be had for any breach thereof. The directors may prescribe the duties and powers of its officers and employes, and may declare dividends and pay over the same amongst the stockholders in proportion to their stock.

§ 5. The said bank may lease, buy, or acquire and hold, possess or occupy, and enjoy all such real and personal property as may be needed for the transaction of its business, or which may be pledged to it or conveyed to it by mortgage or otherwise, as surety for any debt, judgment or decree, or which may be bought by it under any judgment, order or decree in its favor, or to the benefit of which it may be entitled by purchase or otherwise, and may use, sell, convey or otherwise dispose of same as a natural person: *Provided, however,* Said bank shall not hold any real estate conveyed to it as surety for or purchased in satisfaction of any debt, judgment or decree in its favor, or to the benefit of which it may be entitled by purchase for a longer time than five years.

§ 6. That said bank shall have power to buy and sell bills of exchange, stocks, bonds, promissory

notes, due-bills and other securities, loan money, discount promissory notes, due-bills, and other evidences of debt, receive deposits of gold and silver coin, bank notes, United States Treasury notes, and other currency, and pay same in kind, or as may be agreed upon, and may do a general banking business, and have all the powers and privileges of like corporations by the laws of this State; but it shall issue no notes to circulate as money. It may take mortgages from a borrower, or from any one else, on any personal or real property, to secure any loan made by it, or any demand or any debt coming to it, and may have said property insured for its use and benefit while under said mortgage; and it may enforce such mortgage, and subject the property to its debt or demand by action in any court having jurisdiction, as a natural person might do. It may also receive on pledge for money loaned by it, or for any money advanced by it, or debt due or accruing to it, goods, wares, merchandise, farm products, public or private securities of individuals, city, county, town, district, corporation or societies, and sell the same on the non-payment of the debt or demand at the stipulated time of payment, in pursuance of the provisions of an act, entitled "An act for the benefit of the incorporated banks of this Commonwealth," approved March 16, 1871, or it may proceed, by proper action in court, to subject such pledge to its debt or demand.

§ 7. The stock of said bank shall be deemed personal property, and shall only be assignable and transferable on the books of the bank, and in the mode which shall be provided by the directors from time to time; and no transfer or assignment of any such stock shall prejudice any lien the bank may have thereon, unless the lien be expressly waived by the directors; nor shall the dividends of any stockholder be transferred or paid over without the express consent of the directors, so long as such stockholder's

stock is not paid up in full, or he is otherwise indebted to the bank.

§ 8. The directors shall cause certificates of stock to be issued to the stockholders; but no such certificate shall issue until the stock it represents has been paid in full and received by the bank.

§ 9. Married women and minors may make deposits in said bank, and may check the same out as other depositors, or withdraw the same and receipt therefor; and their checks or receipts shall be valid and protect the bank from all further liability for any such deposits.

§ 10. Each stockholder shall be responsible to the creditors of the bank to the amount of his unpaid-up stock, but no further.

§ 11. All promissory notes negotiable and payable at this bank, or at any other bank incorporated by the Legislature of the State, or doing business under the laws of the United States within this State, purchased or discounted by this bank, shall be, and are hereby, placed upon the footing of foreign bills of exchange.

§ 12. That any conveyance made by the bank of real property shall be valid if the deed be executed and delivered by the president for and on behalf of the bank, in pursuance of an order of the directors, if acknowledged before some officer competent to take acknowledgments of deeds and conveyances; and all notes, bonds, or obligation taken on sale of such property, or any property sold by the bank, may be enforced and collected by the bank by appropriate action.

§ 13. That the capital stock of said bank may be increased by the board of directors to any sum not exceeding one hundred thousand dollars; but no such increase shall be made until the question of such increase shall have been submitted to a vote of the stockholders, and a majority of all the stockholders' votes shall have been given in favor of such increase; and

the board of directors shall, when they deem it prudent, by suitable rules and by-laws, submit the question to the stockholders and provide rules for conducting said election and determining the result; and if the stock is increased, the directors shall open books for subscription of such increased stock.

§ 14. The board of directors may be reduced to any number not less than seven at any time, to take effect at the beginning of any term next after such reduction; but no such reduction shall be made until the question of such reduction is submitted to a vote of the stockholders, to be taken by the directors at such time and place and under such rules as they may prescribe, and a majority be given for it.

§ 15. When any election is held under this charter, or ordered by the directors, if not otherwise provided, each stockholder shall be entitled to as many votes as he has subscribed shares of stock in said company.

§ 16. That any officer, agent or servant appointed by the directors may continue in such position until removed by the same or some subsequent board. Any bond given by any such appointee on his appointment, or any that may be required thereafter, shall continue and bind the principal and sureties, even though the term of employment may change, so long as the appointee continues in service of the company. The board may require new bond and sureties at any time, from its appointees it may believe the sureties on any bond insufficient, and no such additional bond shall be a release or waiver of any liability of the sureties in any other bond theretofore given. If any appointee fails to give new bond and surety as required by the board, it may remove such appointee at pleasure, though his term of service may not have expired, and, for good cause, any agent, officer or servant may be removed at any time by the board.

§ 17. This act shall take effect from its passage, and continue in force thirty years.

Approved February 28, 1888.