

HOUSING FACILITIES (EXCERPT)
Act 18 of 1933 (Ex. Sess.)

125.698 Bonds; powers of borrower.

Sec. 48.

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds or obligations, a borrower, in addition to its other powers, shall have power:

(a) To pledge all or any part of the gross or net rents, fees or revenues of the project or combined projects with respect to which the bonds are issued or the obligations incurred, whether or not such rents, fees or revenues are then in existence or may thereafter come into existence.

(b) To mortgage all or any part of such project or combined projects, whether consisting of real or personal property, and whether then owned or thereafter to be acquired in connection with such project or combined projects.

(c) To covenant against pledging all or any part of the rents, fees and revenues of such project or combined projects, or against mortgaging all or any part of such project or combined projects, to which its or the commission's right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or project or combined projects or any part thereof; to covenant with respect to limitations on its or the commission's right to sell, lease or otherwise dispose of such project or combined projects or any part thereof; and to covenant as to what other, or additional obligations may be incurred by it in connection with such project or combined projects.

(d) To pledge for the payment of any or all of such bonds or obligations all or any part of any contributions received or to be received for or in aid of the project or combined projects with respect to which the bonds are issued or the obligations incurred or to covenant against pledging all or any part of any contributions.

(e) To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of such bonds or interest thereon; and to redeem the bonds, and to covenant for their redemption and to provide the terms and conditions thereof.

(f) To covenant (subject to the limitations contained in this act) as to the rents and fees to be charged in the operation of a housing project, whether constructed as a single project or as part of a combined project, the amount to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in such funds.

(g) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given.

(h) To covenant as to the use of any or all of the real or personal property held or to be held in connection with such project or combined projects; and to covenant as to the maintenance of such project or combined projects, the replacement of any part thereof, the insurance to be carried thereon and the use and disposition of the insurance moneys.

(i) To covenant as to the rights, liabilities, powers and duties arising upon the breach of any covenant, condition or obligation pertaining to such project or combined projects or to the bonds issued or obligations incurred in connection therewith; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of such bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

(j) To vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default, to take possession and use, operate and manage such housing project or combined projects or part thereof, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement with said trustee; to provide for the powers and duties of a trustee or trustees and to limit the liabilities thereof; and to provide the terms and conditions upon which the trustee or trustees or the holders of bonds or any proportion of them may enforce any covenant or rights securing or relating to the bonds.

(k) To exercise all or any part or combination of the powers herein granted; to make covenants other than and in addition to the covenants herein expressly authorized, of like or different character; to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of the borrower, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

History: Add. 1938, Ex. Sess., Act 5, Imd. Eff. Sept. 8, 1938 ;-- CL 1948, 125.698