

MICHIGAN EXPORT DEVELOPMENT ACT (EXCERPT)
Act 157 of 1986

447.161 Bonds or security agreement; resolution; trustee or depository.

Sec. 11.

(1) The resolution under which the bonds are authorized to be issued or any security agreement, including an indenture or trust indenture to be entered into in connection with the bonds, may contain any agreements and provisions customarily contained in instruments securing bonds including, without limiting the generality of the foregoing, provisions respecting the fixing and collection of obligations, the creation and maintenance of special funds, and the rights and remedies available, in the event of default, to the bondholders or to the trustee under the security agreement, all as the authority considers advisable and as is not in conflict with this act. However, in making an agreement or provisions, the authority may not obligate itself, except with respect to eligible export loans and transactions, and may not incur a pecuniary liability or a charge upon the general credit of the authority or of the state, or against the taxing powers of the state.

(2) The resolution of the authority authorizing bonds under this act and security agreement securing the bonds may provide that, in the event of default in payment of the principal of or the interest on the bonds or in the performance of an agreement contained in the proceedings or security agreement, the payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect any obligations and to apply any revenues pledged in accordance with the proceedings or the provisions of the security agreement. A security agreement also may provide that, in the event of default in payment or the violation of an agreement contained in the security agreement, the agreement may be foreclosed by proceedings at law or in equity, and may provide that a trustee under the security agreement or the holder of any of the bonds secured by the security agreement may become the purchaser at any foreclosure sale, if he or she is the highest bidder. A breach of any such agreement shall not impose pecuniary liability upon this state or the authority or a charge upon the general credit of the authority or of the state or against the taxing power of the state.

(3) A trustee under a security agreement, or a depository specified by a security agreement, may be a person or corporation the authority designates, notwithstanding that the person or corporation may be a nonresident of the state or incorporated under the laws of the United States or any state of the United States.

History: 1986, Act 157, Imd. Eff. July 7, 1986