

§1975. Provisions in case of default on bonds

Except as may otherwise be provided in a bond resolution or trust indenture or loan or security agreement, in the event that the authority shall default in the payment of principal or interest on any of its bonds after the principal or interest falls due and that default shall continue for a period of 60 days or shall default in any other agreement with the bondholders or with a trustee under a trust indenture or loan or security agreement, the holders of 25% in aggregate principal amounts of the bonds then outstanding by instrument filed in the office of the Secretary of State duly acknowledged may appoint a trustee to represent the bondholders for the purpose provided in this section. The trustee may upon the written request of the holders of 25% in principal amount of the bonds then outstanding: [PL 1981, c. 595, §3 (NEW).]

1. Enforcement of rights of bondholders. By mandamus or other suit, action or proceeding at law or in equity enforce the rights of the bondholders; [PL 1981, c. 595, §3 (NEW).]

2. Suit upon bonds. Bring suit upon the bonds; [PL 1981, c. 595, §3 (NEW).]

3. Enjoinment of acts or other things. Enjoin any acts or other things which may be unlawful or in violation of the rights of the bondholders; or [PL 1981, c. 595, §3 (NEW).]

4. Require accounting. By action or suit in equity require the authority to account as if it were trustee of an expressed trust for the bondholders. The trustee shall be entitled, as a right, to the appointment of a receiver who may, to the extent that the authority could itself do, enter and take possession of the facilities of the authority or any part thereof, the revenue or receipts from which are or may be applicable to the payment of the bonds so in default, and operate and maintain the same and collect and receive all revenue thereafter arising therefrom in the same manner as the authority might do and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. In any suit, action or proceeding by the trustee, the fees, counsel fees and expenses of the trustee and the receiver, if any, and all costs and disbursements allowed by the court shall be a first charge on any revenues and receipts derived from the turnpike, the revenues and receipts from which are or may be applicable to the payment of the bonds so in default. The trustees shall, in addition, have and possess all the powers necessary and appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of the bondholders in the enforcement and protection of their rights. Except as may otherwise be provided in a bond resolution or trust indenture or loan or other security agreement, in addition to other rights and limitations any bondholder shall have the right by mandamus or other suit, action or proceeding in law or in equity to enforce his rights against the authority, including the right to require the authority to carry out any agreement or covenant and to perform its duties under this chapter.

[PL 1981, c. 595, §3 (NEW).]

SECTION HISTORY

PL 1981, c. 595, §3 (NEW).

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