

§10956. Security for indebtedness; trust agreement

To secure the payment of any indebtedness established or issued pursuant to this chapter, the university may mortgage any project or any part of the project and create a lien upon any or all of the revenues of any project or projects or upon any or all of the real or personal property constituting a part of any project or projects or upon any interests the university may hold in connection with a project or projects. Any trust agreement, financing document or resolution may contain such other provisions as the university determines reasonable and proper for the security of the holders of evidences of indebtedness. [PL 1987, c. 735, §14 (NEW).]

A trust agreement or financing document containing a mortgage in respect of a project or projects or any part of a project, may authorize the trustee or mortgagee, as the case may be, in the event of a default as defined in respect to the evidences of indebtedness issued to provide for the costs of such project or projects or any part of a project, to take possession of all or any part of the mortgaged property constituting the project or projects or any part of a project, to hold, operate and manage the property and, with or without such taking of possession, to sell or from time to time to lease the property. Remedies provided under this chapter are not exclusive and these remedies shall be in addition to every other remedy existing at law, in equity. Upon satisfaction at any time of the obligations secured by the mortgage in respect of a project, projects or any part of a project, which shall be deemed to include all applicable fees and expenses, any surplus proceeds from such operation, sale or lease of such project or projects or any part of a project shall be paid to the mortgagor of a project, projects or any part of a project or to those claiming under the mortgagor, and subject to any sale or lease under this paragraph, the mortgaged property in respect of the project shall revert or be returned to the mortgagor or to those claiming under the mortgagor. [PL 1987, c. 735, §14 (NEW).]

In the discretion of the university, any evidences of indebtedness issued under this chapter may be secured by a trust agreement by and between the university and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State. Such a trust agreement or the resolution providing for the issuance of such evidences of indebtedness may pledge or assign all or any portion of the revenues of any project or projects or any other assets of a project or projects and may contain such provisions for protecting and enforcing the rights and remedies of the holders of evidences of indebtedness as may be reasonable and proper and not in violation of law. The provisions may include covenants setting forth the duties of the university in relation to the acquisition of property and the construction, reconstruction, renewal, replacement and insurance of any project in connection with which such evidences of indebtedness shall have been authorized, the fees, tuition, charges, or rents to be charged or other payments to be made for the use of the property or payment for the property, and the custody, safeguarding and application of all money. Any such trust agreement may set forth the rights and remedies of the holders of evidences of indebtedness and of the trustee, and may restrict the individual right of action by holders of evidences of indebtedness. [PL 1987, c. 735, §14 (NEW).]

All expenses incurred in carrying out the trust agreement, financing document or resolution may be treated as a part of the cost of the operation of a project. All pledges of revenues under this chapter are valid and binding from the time when the pledge is made. All such revenues so pledged and received by the university must immediately be subject to the lien of the pledges without any physical delivery of them or further action under the Uniform Commercial Code, Title 11, or otherwise. The lien of those pledges is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university irrespective of whether the parties have notice of the liens, and the liens are automatically, without further action, perfected and have the same status as a security interest perfected under the Uniform Commercial Code, Title 11, Article 9-A. [PL 1999, c. 699, Pt. D, §18 (AMD); PL 1999, c. 699, Pt. D, §30 (AFF).]

SECTION HISTORY

PL 1987, c. 735, §14 (NEW). PL 1989, c. 502, §A58 (AMD). PL 1999, c. 699, §D18 (AMD).
PL 1999, c. 699, §D30 (AFF).

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