

§4156. Remedies of bondholders and noteholders

1. Default. In the event that the agency defaults in the payment of principal or interest on any bonds or notes issued under this chapter after it becomes due, whether at maturity or upon call for redemption and the default continues for a period of 30 days, or in the event that the agency fails or refuses to comply with this chapter, or defaults in any agreement made with the holders of an issue of bonds, notes or other evidences of indebtedness of the agency, the holders of 25% in aggregate principal amount of the bonds or notes of the issue then outstanding, by instrument or instruments filed in the office of the Secretary of State and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of those bonds or notes for the purposes provided in this chapter.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

2. Trustee; duties. The trustee appointed in subsection 1 may, and upon written request of the holders of 25% in principal amount of the bonds and notes then outstanding shall, in the trustee's own name:

A. Enforce all rights of the bondholders or noteholders, including the right to require the agency to fix and collect rates, fees and charges relating to projects or other obligations held by it adequate to carry out any agreement as to, or pledge of, the revenues of the agency and to require the agency to carry out any other agreements with the holders of the bonds or notes and to perform its duties under this chapter; [PL 1987, c. 141, Pt. A, §6 (NEW).]

B. Enforce all rights of the bondholders or noteholders, including the right to take possession and control of the business and properties of the agency, operate and maintain the business, make any necessary repairs, renewals and replacements to them and fix, revise and collect fees and charges, so as to carry out any contract as to, or pledge of, revenues and require the agency to carry out and perform the terms of any contract with the holders of the bonds or notes or its duties under this chapter; [PL 1987, c. 141, Pt. A, §6 (NEW).]

C. Bring suit upon all or any part of the bonds, notes or other evidences of indebtedness; [PL 1987, c. 141, Pt. A, §6 (NEW).]

D. By action or suit, require the agency to account as if it were the trustee of an express trust for the holders of the bonds, notes or other evidences of indebtedness; [PL 1987, c. 141, Pt. A, §6 (NEW).]

E. By action or suit, enjoin any acts which may be unlawful or in violation of the rights of the holders of the bonds, notes or other evidences of indebtedness; and [PL 1987, c. 141, Pt. A, §6 (NEW).]

F. Declare all bonds, notes or other evidences of indebtedness due and payable and, if all defaults are made good, with the consent of the holders of 25% of the principal amount of the bonds or notes then outstanding, annul the declaration and its consequences. [PL 1987, c. 141, Pt. A, §6 (NEW).]

The trustee shall, in addition to the powers set out in paragraphs A to F, possess all the powers necessary or appropriate for the exercise of any functions specifically set forth in this chapter or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights. [PL 1987, c. 141, Pt. A, §6 (NEW).]

3. Notice. Before declaring the principal of bonds, notes or other evidences of indebtedness due and payable, the trustee shall first give 30 days' notice in writing to the Governor, the agency and the Department of Attorney General.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

4. Action. The Superior Court of Kennebec County has jurisdiction of any suit, action or proceeding by the trustee on behalf of the bondholders or noteholders.

[PL 1987, c. 141, Pt. A, §6 (NEW).]

SECTION HISTORY

PL 1987, c. 141, §A6 (NEW). PL 1991, c. 855, §§1,2 (AFF).

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