§ 159D-11. Financing agreements.

(a) Every financing agreement shall provide that:

(1) Repealed by Session Laws 1987, c. 517, s. 7.

(2) The amounts payable under the financing agreement shall be sufficient to pay all of the principal of and interest and redemption premium, if any, and interest on the bonds issued by the agency to pay the cost of the project as they respectively become due;

(3) The obligor shall pay all costs incurred by the agency in connection with the financing and administration of the project, except as may be paid out of the proceeds of bonds or otherwise, including, but without limitation, insurance costs, the cost of administering the financing agreement and the security document and the fees and expenses of the fiscal agent or trustee, paying agents, attorneys, consultants and others;

(4) The obligor shall pay all the costs and expenses of operation, maintenance and upkeep of the project; and

(5) The obligor's obligation to provide for the payment of the bonds in full shall not be subject to cancellation, termination or abatement until payment of the bonds or provision for payment has been made.

(b) The financing agreement may be in the nature of:

(1) A sale and leaseback,

(2) A lease purchase,

(3) A conditional sale,

(4) An installment sale,

(5) A secured or unsecured loan,

(6) A loan and mortgage, or

(7) Another similar transaction.

(c) The financing agreement, if in the nature of a lease agreement, shall either provide that the obligor has an option to purchase, or require that the obligor purchase, the project upon the expiration or termination of the financing agreement subject to the condition that payment in full of the principal of, and the interest and any redemption premium on, the bonds, or provision for payment has been made.

(d) The financing agreement may provide the agency with rights and remedies in the event of a default by the obligor under it including, without limitation, any one or more of the following:

(1) Acceleration of all amounts payable under the financing agreement;

(2) Reentry and repossession of the project;

(3) Termination of the financing agreement;

(4) Leasing or sale or foreclosure of the project to others; and

(5) Taking whatever actions at law or in equity may appear necessary or desirable to collect the amounts payable under, and to enforce covenants made in, the financing agreement.

(e) The agency's interest in a project under a financing agreement may be that of owner, lessor, lessee, conditional or installment vendor, mortgagor, mortgagee, secured party or otherwise, but the agency need not have any ownership or possessory interest in the project.

(f) The agency may assign all or any of its rights and remedies under the financing agreement to the trustee or bondholders under the security document.

(g) The financing agreement may contain any additional provisions the agency considers necessary or convenient to effectuate the purposes of this Article. (1977, 2nd Sess., c. 1198, s. 1; 1987, c. 517, s. 7; 2000-179, s. 2.)