

**12-3422. Same; pledges of revenues and income; powers of board of directors.** The board of directors of a port authority issuing bonds pursuant to the provisions of this act shall pledge for the payment of principal of or interest on such bonds, all or any part of the revenues to be derived from the management and operation of the buildings and facilities for the construction, acquisition or improvement of which the bonds are issued; together with any other available income and revenues from revenue producing facilities of such port authority. In order to secure prompt payment of the principal and interest, and the proper application or revenues pledged thereto, the board of directors of such port authority is authorized by appropriate resolution:

- (a) To covenant as to the use and disposition of the proceeds of the sale of such bonds;
- (b) to covenant as to the operation of the facilities and buildings and the collection and disposition of the revenues derived from such operation;
- (c) to covenant as to the rights, liabilities, powers and duties arising from the breach of any covenant or agreement into which it may enter in authorizing and issuing the bonds;
- (d) to covenant and agree to carry such insurance on the buildings and facilities, and the use and occupancy thereof as may be considered desirable and, in its discretion, to provide that the cost of such insurance shall be considered a part of the expense of operating the buildings and facilities;
- (e) to vest in a trustee or trustees the right to receive all or any part of the income and revenues pledged and assigned to or for the benefit of the holder or holders of bonds issued hereunder and to hold, apply and dispose of the same, and the right to enforce any covenant made to secure the bonds; and to execute and deliver a trust agreement or agreements which may set forth the powers and duties and the remedies available to such trustee or trustees and may limit the liability thereof and prescribe the terms and conditions upon which such trustee or trustees or the holder or holders of the bonds in any specified amount or percentage may exercise such rights and enforce any or all such covenants and resort to such remedies as may be appropriate;
- (f) to fix rents, charges and fees to be imposed in connection with and for the use of the buildings, services and facilities of such port authority, which rents, charges and fees shall be considered to be income and revenues derived from the operation of the buildings and facilities, and are hereby expressly required to be fully sufficient to assure the prompt payment of principal and interest on the bonds as each becomes due, and to make and enforce such rules and regulations with reference to the use of the buildings and facilities, as it may deem desirable for the accomplishment of the purposes of this act;
- (g) to covenant to maintain a maximum percentage of use and occupancy of the buildings and facilities for revenue producing purposes;
- (h) to covenant against the issuance of any other obligations payable from the revenues to be derived from the buildings and facilities; and to covenant as to priority of resort to such revenues between obligations of such port authority;
- (i) all such agreements and covenants entered into by the board of directors of such port authority shall be binding upon the board and the authority, its agents and employees, and upon its successors in interest; and all such agreements and covenants shall be enforceable by appropriate action or suit at law or in equity, which may be brought by any holder or holders of bonds issued hereunder or in their behalf.

**History:** L. 1969, ch. 89, § 22; July 1.