

**76-6a19. Same; covenants and agreements.** (a) In order to secure the prompt payment of the principal and interest on such revenue bonds and the proper application of the revenue pledged thereto, the board is authorized by appropriate provisions in the resolution authorizing the bonds or in other resolutions:

- (1) To covenant as to the use and disposition of the proceeds of the sale of such bonds;
  - (2) to covenant as to the operation of the building and the collection and disposition of the revenues derived from such operation;
  - (3) to covenant as to the rights, liabilities, powers and duties arising from the pledge of any covenant and agreement into which it may enter in authorizing and issuing the bonds;
  - (4) to covenant and agree to carry such insurance on the building 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 building;
  - (5) to fix rents, charges and fees to be imposed in connection with and for the use of the building and the facilities supplied thereby, which rents, charges and fees shall be considered to be income and revenues derived from the operation of the building 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 building and with reference to requiring any class or classes of students to use the building as it deems desirable for the welfare of the institution and its students or for the accomplishment of the purposes of this act;
  - (6) to covenant to maintain a maximum percentage of occupancy of the building;
  - (7) to covenant, in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by revenues derived from student fees and not by the gross or net income and revenues of such building, to fix and impose or specify student fees, to pledge the revenues therefrom to assure the prompt payment of principal and interest on the bonds as each becomes due and to provide a reasonable reserve fund, to the extent such bonds are financed from student fees;
  - (8) to covenant against the issuance of any other obligations payable on a parity from the revenues to be derived from the building or from the revenues to be derived from student fees in the case of a building to be constructed by the state board of regents when the revenue bonds are to be financed in whole or in part by revenues derived from student fees and not by the gross or net income or revenues of such building;
  - (9) to make covenants other than and in addition to those herein expressly mentioned of such character as may be considered necessary or advisable to effect the purposes of this act.
- (b) All such agreements and covenants entered into by the board shall be binding in all respects upon the board and its officials, agents, employees, and upon its successors, 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 against the board, or its officials, agents, employees, or its successors. The rents, charges and fees to be imposed under the provisions of this act shall not be limited by the provisions of any prior act.

**History:** L. 1947, ch. 435, § 7; L. 1985, ch. 300, § 4; May 2.