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IN THE SENATE BY THE COMMITTEE ON FINANCE
BY REQUEST

SENATE BILL NO. 122

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIRST LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing the acquisition, construction and equipping of certain buildings on and at the University of Alaska and the issuance and sale of not to exceed seven hundred and fifty thousand dollars (\$750,000.00) of revenue bonds of the University of Alaska to provide the money necessary for the same; authorizing the issuance and sale of refunding bonds; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

I. DEFINITIONS AND GENERAL PROVISIONS

Section 1. DEFINITIONS. As used in this Act the following terms shall have the meanings ascribed to them in this section unless the context requires otherwise:

(1) "Board" means the Board of Regents of the University of Alaska.

(2) "Bonds" mean bonds issued by the University pursuant to this Act and payable exclusively from revenues of the enterprise and from any other funds specified as provided herein upon which the bonds are to be made a charge and from which they are to be payable.

(3) "Charges" includes fees, tolls, rates and rentals.

(4) "Committee" or "Finance Committee" means the Finance Committee of the University of Alaska created by this Act.

1 (5) "Comptroller" means the Comptroller of the Univer-
2 sity of Alaska.

3 (6) "Enterprise" means one or more dormitories to be
4 acquired and constructed with the proceeds from the sale of the
5 bonds pursuant to this Act. Said dormitories may consist of one
6 or more buildings to be used for the housing of students of the
7 University of Alaska, together with all personal property and
8 other appurtenances including utilities necessary to fully equip
9 and furnish same.

10 (7) "Holder of bonds" or "bondholder" means

11 (a) the bearer of any outstanding bond registered
12 to bearer or not registered;

13 (b) the registered owner of an outstanding bond
14 registered other than to bearer.

15 (8) "Law" includes the charter and by-laws of the
16 University of Alaska.

17 (9) "Revenues" mean all charges received for, and all
18 other income and receipts derived by the University from, the
19 operation of the enterprise or arising from the enterprise.
20 Revenue includes revenue deposited in a sinking, redemption, or
21 reserve fund or other fund to secure the bonds or to provide for
22 the payment of them or the interest on them.

23 (10) "University" means the University of Alaska, and
24 its officers, agents and employees, including the Board of Regents
25 and the Finance Committee.

26 Sec. 2. POWERS: LIMITATIONS. The powers conferred by this
27 Act are in addition to, and the limitations imposed by this Act
28 do not affect, the powers conferred upon the University of Alaska
29 by any other law.

1 Sec. 3. INCONSISTENCY WITH OTHER LAW: LIBERAL CONSTRUCTION.
2 If this Act is inconsistent with any other law, this Act is
3 controlling. This Act shall be liberally construed to promote
4 its objects.

5 Sec. 4. DEFECT OR OMISSION: VALIDITY OF PROCEEDINGS OR BONDS.
6 This Act shall be deemed to confer jurisdiction upon the Univer-
7 sity of Alaska, its Board of Regents, Finance Committee, and
8 their duly authorized officers, agents and employees to provide
9 for the issuance and sale of revenue bonds in accordance with the
10 provisions of this Act, and the defect or omission of such author-
11 ities in proceedings hereunder shall not invalidate the proceed-
12 ings or bonds issued under this Act.

13 II. POWERS OF UNIVERSITY OF ALASKA

14 Sec. 5. CHARGES, PROVISION FOR COLLECTION: REMEDIES FOR
15 COLLECTION AND ENFORCEMENT. The University may prescribe, revise
16 and collect charges for the services furnished by the enterprise.
17 It may provide for the collection of such charges. Remedies for
18 their collection and enforcement are cumulative and may be pur-
19 sued alternatively or consecutively as it determines.

20 Sec. 6. PENALTIES FOR NON-PAYMENT. The University may pro-
21 vide for a basic penalty of not more than 15% for non-payment of
22 the charges within the time and in the manner prescribed by it,
23 and in addition may provide for a penalty of not exceeding 1%
24 per month for non-payment of the charges and basic penalty.

25 Sec. 7. REGULATION OF ENTERPRISE. The University has power
26 over the enterprise acquired and constructed pursuant to this Act
27 to make and enforce all necessary regulations to protect the
28 public health and welfare in the operation and maintenance of the
29 enterprise.

1 Sec. 8. GENERAL POWERS. The University may execute all
2 instruments, perform all acts, and do all things necessary or
3 convenient in the exercise of the powers granted by this Act or
4 in the performance of its covenants or duties.

5 Sec. 9. CONSTRUCTION OF ENTERPRISE AND SALE OF BONDS AUTHOR-
6 IZED. The University of Alaska is hereby authorized to acquire,
7 construct and equip, or provide for the acquisition, construction
8 and equipping of, one or more dormitory buildings for students of
9 the University of Alaska and to acquire and install or provide for
10 the acquisition and installation of all personal property and other
11 appurtenances including utilities necessary to fully equip the same.
12 For the purpose of providing part or all of the funds to be used
13 therefor the issuance and sale of revenue bonds by the University
14 of Alaska in the total principal sum of not to exceed seven hundred
15 and fifty thousand (\$750,000.00) dollars is hereby authorized in the
16 manner hereinafter provided.

17 Sec. 10. FINANCE COMMITTEE. There is hereby created a
18 committee to be known as the University of Alaska Finance Com-
19 mittee, the members of which shall be the Board of Regents of the
20 University and the Comptroller of the University.

21 The Chairman of the Board of Regents shall be chairman
22 thereof, and the Comptroller shall be secretary thereof. A
23 majority of the members of the committee shall constitute a quorum
24 for the transaction of business. The committee shall keep a full,
25 complete and permanent record of its proceedings which shall be
26 kept in the office of the Comptroller.

27 III. ISSUANCE OF AND PROVISIONS RELATING TO BONDS

28 Sec. 11. DETERMINATION OF NECESSITY AND AMOUNT: SUCCESSIVE
29 ISSUES; SALE. The finance committee shall determine the neces-

1 sity or desirability of issuing any bonds herein authorized to be
2 issued and the amount then to be issued and sold. Successive
3 series of bonds may be issued and sold and shall be designated by
4 an appropriate number or other designation. It is not necessary
5 that all of the bonds herein authorized be issued and sold at any
6 one time. If the issue of bonds is divided into series, the
7 finance committee may prescribe different dates for the bonds of
8 each series. The maximum maturity date of each series shall be
9 calculated from the date on the face of each bond separately.

10 Sec. 12. RESOLUTION. Whenever the finance committee deter-
11 mines that the sale of all or any part of the bonds authorized to
12 be issued is necessary or desirable, it shall adopt a resolution
13 to that effect. The resolution shall authorize and direct the
14 Comptroller to arrange for the preparation of the requisite num-
15 ber of suitable bonds and shall specify as to such bonds then to
16 be sold:

17 (1) The aggregate number, aggregate par value, denom-
18 inations and the date of the bonds to be then sold. Such denon-
19 inations shall be in the sum of one thousand (\$1,000) dollars,
20 or multiples thereof. The date appearing on said bonds shall be
21 deemed to be the date of issuance for all purposes of this Act,
22 irrespective of the actual date of delivery of such bonds and
23 the payment of the purchase price thereof.

24 (2) The dates of maturity, and the amount and numerical
25 sequence of the bonds maturing at each date of maturity, which
26 amounts need not be equal, but which dates shall be at annual or
27 semiannual intervals, and the first of which dates of maturity
28 shall be not more than five years, and the last of which dates of
29 maturity shall be not more than thirty years, after the date of

1 the bonds.

2 (3) Whether or not the bonds are to be subject to
3 redemption at the option of the University prior to maturity, and,
4 if so, the provisions for such redemption, the manner of the call
5 thereof, and the price or prices at which the bonds shall be sub-
6 ject to redemption.

7 (4) The annual rate, or rates, of interest which the
8 bonds to be issued shall bear, to be in multiples of one-fourth of
9 1 percent, which rate, or rates, at the discretion of the com-
10 mittee, may be determined by the bidder at the time of sale of
11 said bonds, not exceeding 6 percent per annum, payable semi-
12 annually.

13 (5) The number, numerical sequence, and due dates of
14 the interest coupons to be attached to the bonds.

15 (6) The technical form and language of the bonds and
16 interest coupons.

17 (7) Whether or not the bonds are to be subject to
18 registration, and if so, whether such registration is to be as to
19 principal only, or as to both principal and interest, or in either
20 of such forms at the option of the holder, and the form and all
21 of the terms and conditions of such registration. If such regis-
22 tration is provided for, all of the provisions of this Act with
23 reference to the payment of bonds and interest coupons shall be
24 subject to the terms and conditions of such registration with
25 respect to the payment of registered bonds and the interest thereon.

26 Sec. 13. RESOLUTION: OPTIONAL PROVISIONS. The resolution
27 may, in addition to the provisions set forth in Sec. 11, hereof,
28 also provide:

29 (1) The terms and conditions upon which the bonds may

1 be declared or become due and payable upon specified defaults.

2 (2) For the replacement of mutilated, destroyed,
3 stolen or lost bonds.

4 (3) The manner for authenticating the bonds.

5 (4) That the bonds may recite that they are issued
6 pursuant to this Act and bonds containing such recital are con-
7 clusively deemed valid and issued in conformity with this Act.

8 (5) All other terms and conditions of the bonds and
9 of the execution, issuance and sale thereof, which shall be con-
10 sistent with all of the provisions of this Act.

11 Sec. 14. DATES OF MATURITY: AMOUNT OF BONDS TO MATURE AT
12 EACH DATE. In determining the dates of maturity of the bonds, and
13 the amount thereof to mature at each date of maturity, the com-
14 mittee shall be guided, so far as it may deem to be practicable,
15 by the amounts and dates of maturity of the revenue estimated to
16 accrue. The committee shall fix and determine the dates and
17 amounts of such maturities in such manner that, together with the
18 dates and amounts of interest payments on the bonds, they shall
19 coincide, as nearly as it may deem to be practicable, with the
20 dates and amounts of such estimated revenues.

21 Sec. 15. RATE OF INTEREST: INTEREST COUPONS. The rate of
22 interest to be borne by the bonds need not be uniform for all
23 bonds of the same issue, and shall be the rate or rates specified
24 in the bid accepted by the finance committee and fixed and deter-
25 mined by the committee in a resolution adopted at or after the
26 sale of the bonds. The interest coupons first payable may be so
27 payable at any time within one year after the date of such bonds.

28 Sec. 16. MEDIUM OF PAYMENT: PLACE OF PAYMENT. Both prin-
29 cipal of and interest on the bonds shall be payable in lawful

1 money of the United States, at the office of the Comptroller of
2 the University of Alaska, and may also be made payable at the
3 office of the state fiscal agent or at the office of any duly
4 authorized agent of the Comptroller.

5 Sec. 17. NEGOTIABILITY. In the absence of an express
6 recital on its face that the bond is non-negotiable, the bond is
7 a negotiable instrument.

8 Sec. 18. BIDS, NOTICE, AWARD: REJECTION OF BIDS: READVER-
9 TISEMENT: PRIVATE SALE. Before selling the bonds or any part
10 thereof, the finance committee shall give notice inviting sealed
11 bids in such manner as the finance committee may prescribe. If
12 satisfactory bids are received, the bonds offered for sale shall
13 be awarded to the highest responsible bidder. If no bids are
14 received or if the finance committee determines that the bids
15 received are not satisfactory as to price or responsibility of
16 the bidder, the finance committee may reject all bids received,
17 if any, and either readvertise or sell the bonds at private sale.

18 Sec. 19. AMOUNT OF BONDS: DETERMINATION. In determining the
19 amount of bonds to be issued, the finance committee may include:

20 (1) All costs, and estimated costs incidental to or
21 connected with the acquisition, construction, or financing of the
22 enterprise.

23 (2) All engineering, inspection, legal and fiscal
24 agent's fees, costs of the issuance of the bonds, bond reserve
25 funds and working capital and bond interest estimated to accrue
26 during the construction period and for a period of not to exceed
27 12 months after completion of construction.

28 Sec. 20. SIGNATURES: SEAL. All bonds shall bear the fac-
29 simile signature of the Chairman of the Board of Regents of the

1 University and shall be endorsed by the Comptroller of the Univer-
2 sity either by original signature or by a signature stamp, and
3 each of said bonds shall bear an impress or a facsimile of the
4 seal of the University. Interest coupons attached to each bond
5 shall bear the facsimile signature of the Comptroller.

6 Sec. 21. VALIDITY OF BONDS: SIGNERS CEASING TO BE OFFICERS
7 BEFORE DELIVERY. Bonds bearing the signature of officers of the
8 University in office on the date of the signing are valid, not-
9 withstanding that before delivery the persons signing have ceased
10 to be officers.

11 Sec. 22. VALIDITY OF AUTHORIZATION AND ISSUANCE, PROCEEDINGS
12 AND CONTRACT. The validity of the authorization and issuance of
13 the bonds is not affected by proceedings for the acquisition and
14 construction of the enterprise or by contracts in connection
15 therewith.

16 Sec. 23. INCORPORATION OF RESOLUTION AND CHAPTER PROVISIONS
17 BY REFERENCE. Reference on the face of the bonds to the resolu-
18 tion by its date of adoption incorporates the provisions of the
19 resolution and of this Act into the bonds and their coupons.

20 Sec. 24. RECOURSE BY-HOLDER TO RESOLUTION AND ACT PROVISIONS.
21 Each taker and subsequent holder of the bonds and attached or
22 detached coupons has recourse to all of the provisions of the
23 resolution and of this Act and is bound by their terms.

24 Sec. 25. SALE BELOW PAR: MAXIMUM NET INTEREST COST. The
25 finance committee may sell the bonds at a price below par value.

26 The maximum net interest cost on bonds sold below par or
27 face value shall not exceed an average of 6 percent a year pay-
28 able semiannually to the respective maturity date of the bonds
29 determined by standard tables of bond values.

1 Sec. 26. INCLUSION OF ACCRUED INTEREST IN SALE PRICE. The
2 sale price of all bonds sold shall include the interest accrued
3 to the date of delivery of and payment for the bonds.

4 Sec. 27. BONDS AS SPECIAL OBLIGATIONS: LIEN. The bonds are
5 special obligations of the University and are secured by a pledge
6 of and shall be a charge upon, and shall be payable, as to the
7 principal thereof, interest thereon, and any premiums upon the
8 redemption of any thereof, solely from and secured by a lien upon
9 the gross revenues of the enterprise and such other funds, if any,
10 as are described in the resolution authorizing the issuance of
11 the bonds.

12 Sec. 28. EXCLUSIVE PLEDGE: CHARGE: LIEN. The payment of
13 interest on and principal of the bonds and any premiums upon the
14 redemption of any thereof are secured by an exclusive pledge,
15 charge, and lien upon all of the revenues of the enterprise and
16 upon such other funds as shall be specified in the resolution
17 authorizing the issuance of the bonds.

18 Sec. 29. TRUST FUND FOR SECURITY AND PAYMENT. The revenues
19 and any interest earned on the revenues and all other funds
20 specified in the resolution authorizing the issuance of the bonds
21 constitute a trust fund for the security and payment of the
22 interest on and principal of the bonds.

23 Sec. 30. USE OF REVENUES AND INTEREST. So long as any
24 bonds or interest thereon are unpaid the revenues and interest
25 thereon shall not be used for any other purpose, except as pro-
26 vided in Secs. 31 and 32 of this Act.

27 Sec. 31. MAINTENANCE AND OPERATION COSTS: APPORTIONMENT
28 FROM REVENUES. If the interest and principal of the bonds and
29 all charges to protect or secure them are paid when due an amount

1 for the maintenance and operation costs of the enterprise may be
2 apportioned from the revenues.

3 Sec. 32. MAINTENACE AND OPERATION COSTS: PRIOR PAYMENTS.

4 Unless the finance committee provides otherwise in the resolution,
5 the principal, interest, and sums for other security funds shall
6 be paid from the revenues prior to paying the maintenance and
7 operation costs of the enterprise.

8 Sec. 33. EQUALITY OF SECURITY AS TO BONDS OF SAME ISSUE:
9 SUBORDINATION OF SERIES BY RESOLUTION. Bonds of the same issue
10 shall be equally secured by a pledge, charge, and lien upon the
11 revenues of the enterprise and all other funds specified in the
12 resolution authorizing the issuance of the bonds, without priority
13 for number, date of bonds, of sale, of execution, or of delivery
14 pursuant to this Act and the resolution authorizing the issuance
15 of the bonds; except that the University may authorize the
16 issuance of bonds of different series and may provide that the
17 bonds in any series shall, to the extent and in the manner pre-
18 scribed in the resolution, be subordinated and be junior in stand-
19 ing, with respect to the payment of principal and interest and
20 the security thereof, to such other bonds as may be specified in
21 the resolution.

22 Sec. 34. NONLIABILITY OF GENERAL FUND. Neither the general
23 fund of the University nor any funds of the State of Alaska are
24 liable for the payment of the bonds or their interest.

25 Sec. 35. CREDIT OR TAXING POWER: PLEDGE. The credit or
26 taxing power of the State of Alaska is not pledged for the pay-
27 ment of the bonds or their interest.

28 Sec. 36. EXERCISE OF TAXING POWER: FORFEITURE OF PROPERTY.
29 The holder of the bonds or coupons shall not compel the exercise

1 of the taxing power by the State of Alaska or the forfeiture of
2 the property of the State or the University of Alaska.

3 Sec. 37. AMOUNTS PAYABLE AS NOT A DEBT OF UNIVERSITY OR
4 CHARGE UPON ITS PROPERTY OR REVENUES. The principal of and in-
5 terest on the bonds and any premiums upon the redemption of any
6 thereof are not a debt of the University of Alaska or State of
7 Alaska, nor a legal or equitable pledge, charge, lien, or encom-
8 brance, upon any of their property, or upon any of its income,
9 receipts, or revenues except the revenues of the enterprise and
10 other funds that may be legally applied, pledged, or otherwise
11 made available to their payment.

12 Sec. 38. RECITAL IN BONDS AS TO SOURCE OF PAYMENTS. Every
13 bond shall recite in substance that the principal of and interest
14 on the bond are payable solely from the revenues and other funds
15 pledged or otherwise made available to its payment and that the
16 University of Alaska or the State of Alaska is not obligated to
17 pay it except from the revenues of the enterprise and from such
18 other funds.

19 Sec. 39. EXEMPTION FROM TAXATION: EXCEPTION. The bonds and
20 interest or income from the bonds are exempt from taxation in
21 this state except from inheritance and estate taxes.

22 IV. ADDITIONAL POWERS TO SECURE BONDS

23 Sec. 40. LIMITATIONS. The finance committee may provide
24 limitations on:

25 (1) The purpose to which the proceeds of sale of any
26 issue of bonds may be applied.

27 (2) The issuance of additional bonds for the same
28 purpose and on the lien of additional bonds.

29 (3) The right of the University to restrict and regu-

1 late the use of the enterprise.

2 Sec. 41. INSURANCE: AMOUNT AND KIND. The finance committee
3 may provide for the amount and kind of insurance on the enter-
4 prise including insurance against:

5 (1) Accident to or destruction of the enterprise from
6 any or all risks.

7 (2) Loss of revenues from an enterprise.

8 (3) Public liability or property damage and workmen's
9 compensation.

10 Sec. 42. INSURANCE MONEY: USE AND DISPOSITION. The finance
11 committee may provide for the use and disposition of insurance
12 money.

13 Sec. 43. INSURANCE: USE OF PROCEEDS FROM INSURANCE AGAINST
14 ACCIDENT OR DESTRUCTION TO REBUILD ENTERPRISE OR TO RETIRE BONDS.
15 Without limiting the authority granted, the finance committee
16 may specifically provide that money collected from insurance
17 against accident to or destruction of the physical enterprise
18 shall be used for repairing or rebuilding the damaged or destroyed
19 enterprise. The finance committee may provide that if the money
20 is not so applied within a period specified by the University,
21 it shall be applied to the retirement of any outstanding and un-
22 redeemed bonds issued for the enterprise.

23 Sec. 44. INSURANCE: USE OF PROCEEDS FROM INSURANCE AGAINST
24 LOSS OF REVENUE TO RETIRE BONDS. The finance committee may also
25 specifically provide that the proceeds of insurance against loss
26 of revenue shall be used solely for the payment and retirement
27 of the bonds issued for acquisition, construction and equipping
28 of the enterprise.

29 Sec. 45. COVENANTS AGAINST ENCUMBRANCES AND DISPOSITIONS.

1 The finance committee may insert in the resolution covenants
2 against the mortgaging or otherwise encumbering, selling, leasing,
3 pledging placing any charge upon, or disposing of the enterprise
4 or any of its revenues or any other funds pledged or otherwise
5 made available to secure payment of the principal of and inter-
6 est on the bonds.

7 Sec. 46. COVENANTS AGAINST AGREEMENTS IMPAIRING OPERATION
8 OF ENTERPRISE. The finance committee may insert covenants against
9 the entering into any agreements which impairs the operation of
10 the enterprise or any part of it necessary to secure adequate
11 revenues to pay the principal and interest of the bonds or which
12 otherwise would impair the rights of the bondholders with respect
13 to the revenues or the operation of the enterprise.

14 Sec. 47. BREACH OF COVENANTS, CONDITIONS OR OBLIGATIONS BY
15 UNIVERSITY. The finance committee may provide for the rights,
16 liabilities, powers, and duties arising upon the University's
17 breach of any covenants, or obligations.

18 Sec. 48. TRUSTEE TO ENFORCE COVENANTS. The finance com-
19 mittee may provide for the vesting in a trustee of the right to
20 enforce covenants to secure payment of or in relation to the bonds
21 and the trustee's powers, duties, and the limitations of his
22 liabilities.

23 Sec. 49. ENFORCEMENT BY BONDHOLDERS OF COVENANTS OR DUTIES.
24 The finance committee may provide for the terms upon which the
25 bondholders or any percentage of them may enforce covenants or
26 duties imposed by this Act.

27 Sec. 50. AMENDMENT OR ABROGATION OF RESOLUTION: PROCEDURE.
28 The finance committee may provide in the resolution for a proce-
29 dure for amending or abrogating the terms of the resolution with

1 the consent of the holders of a specified number of the bonds.

2 Sec. 51. AMENDMENT OR ABROGATION OF RESOLUTION: CONSENT OF
3 BONDHOLDERS. Any resolution containing such a procedure may also
4 provide for meetings of bondholders or for their written assent
5 without a meeting and the manner of consenting, with or without
6 a meeting.

7 Sec. 52. AMENDMENT OF RESOLUTION: EFFECT UPON HOLDERS OF
8 BONDS AND COUPONS. The resolution shall specifically state the
9 effect of amendment upon the rights of the holders of all of the
10 bonds and attached or detached interest coupons and shall be
11 binding upon the holders of all of the bonds and coupons issued
12 pursuant to the resolution.

13 Sec. 53. ACTS AND THINGS TO SECURE BONDS OR MAKE THEM MORE
14 MARKETABLE. The finance committee may provide for any other
15 acts and things necessary, convenient, or desirable to secure the
16 bonds or tending to make them more marketable.

17 V. DUTIES OF THE UNIVERSITY OF ALASKA

18 Sec. 54. PERFORMANCE OF DUTIES: ESSENCE OF CONTRACT. The
19 duties prescribed in this Act shall be performed by the University
20 and such performance is of the essence of the University's con-
21 tract with the bondholders.

22 Sec. 55. PAYMENT OF PRINCIPAL AND INTEREST. The University
23 shall pay or cause to be paid the principal and interest of the
24 bonds on the date, at the place, and in the manner mentioned in
25 the bonds and coupons and in accordance with the resolution author-
26 izing their issuance.

27 Sec. 56. OPERATION OF ENTERPRISE. The University shall
28 operate the enterprise in an efficient and economical manner and
29 shall maintain and preserve it in good repair and working order.

1 Sec. 57. CHARGES: PAYMENTS AFFECTING AMOUNT: ORDER OF PAY-
2 MENTS. After making allowances for contingencies and error in
3 the estimates, the charges, together with any other funds which
4 under this Act can legally be, and which are, pledged or otherwise
5 made available for the respective purposes hereinafter set forth,
6 shall be at least sufficient to pay the following amounts in the
7 order set forth:

8 (1) The interest on and principal of the bonds as they
9 become due and payable.

10 (2) All payments required for compliance with the
11 resolution authorizing the issuance of the bonds or any other
12 contract with the bondholders, including the creation of sinking
13 and reserve funds.

14 (3) All payments to meet any other obligations of the
15 University which are charges, liens, or encumbrances upon, or
16 payable from, the revenues of the enterprise.

17 (4) All current expenses of management, operation,
18 maintenance, and repair of the enterprise.

19 Sec. 58. PROTECTION OF SECURITY AND OF RIGHTS OF BONDHOLDERS:
20 DEFENSE AGAINST CLAIMS AND DEMANDS. The University shall preserve
21 and protect the security of the bonds and the rights of the bond-
22 holders and warrant and defend their rights against all claims
23 and demands of all persons.

24 Sec. 59. PAYMENT OF CLAIMS FOR LABOR AND MATERIALS. In
25 order to fully preserve and protect the priority and security of
26 the bonds the University shall pay and discharge all lawful
27 claims for labor, materials, and supplies, which if unpaid may
28 become a lien or charge upon the revenues prior or superior to
29 the lien of the bonds or impair the security of the bonds.

1 Sec. 60. HOLDING OF REVENUES AND FUNDS IN TRUST: APPLICATION:
2 INVESTMENT OF FUNDS. The University shall hold in trust the
3 revenues and other funds pledged to the payment of the principal
4 of and interest on the bonds, for the benefit of the bondholders
5 and shall apply the same pursuant to the resolution authorizing
6 the issuance of the bonds or to the resolution as modified. The
7 University may invest funds held in reserve, or in any sinking
8 fund, or funds not required for immediate disbursement, in pro-
9 perty or securities in which the State of Alaska or any of its
10 political subdivisions or municipal or other public corporations
11 may legally invest funds subject to their control. No such in-
12 vestment shall be made in contravention of any covenant or agree-
13 ment in any resolution authorizing the issuance of any outstanding
14 bonds.

15 Sec. 61. BOOKS OF RECORD AND ACCOUNTS. The University
16 shall keep proper books of record and accounts of the enterprise,
17 separate from all other records and accounts, in which complete
18 and correct entries shall be made of all transactions relating
19 to the enterprise.

20 Sec. 62. INSPECTION OF BOOKS. At all times the books shall
21 be subject to the inspection of the holders of not less than 10
22 percent of the outstanding bonds or their representatives author-
23 ized in writing.

24 Sec. 63. SUMMARY STATEMENT: CONTENTS: TIME OF PUBLICATION:
25 DISTRIBUTION. The University shall cause to be prepared a summary
26 statement showing the amount of gross revenues and the amount of
27 all other funds collected which are required to be pledged or
28 otherwise made available as security for payment of the principal
29 of and interest on the bonds, the disbursements from such revenues

1 and other funds in reasonable detail, and a general statement of
2 the financial and physical condition of the enterprise. The
3 statement shall be published annually, not more than 120 days
4 after the close of each fiscal year. The University shall fur-
5 nish a copy of the statement to any bondholder upon request.

6 Sec. 65. SUMMARY STATEMENT: PREPARATION OR AUDIT BY INDEPEN-
7 DENT ACCOUNTANT: FORM AND DETAIL. In the resolution authorizing
8 the bonds, the University may agree that the statement shall be
9 prepared or audited by an independent certified public accountant
10 and shall be in the form and contain the detail specified in the
11 resolution.

12 Sec. 66. EXPENDITURE OF FUNDS. The duties set forth in
13 this Act do not require the University to expend any funds other
14 than revenues received or receivable from the enterprise and such
15 other funds from any source as are legally available and as are
16 made available for the enterprise or to secure payment of the
17 principal of or interest on bonds as provided in this Act.

18 VI. FISCAL AGENT

19 Sec. 67. APPOINTMENT. In connection with the issuance of
20 bonds the University may appoint a fiscal agent for the payment
21 of bonds and coupons issued by the University. The University
22 fiscal agent shall be a well known and responsible banking firm
23 or association, or incorporated banking institution having a
24 paid-up capital and surplus of not less than one million
25 (\$1,000,000.00) dollars.

26 Sec. 68. AUTHORITY OF UNIVERSITY TO PROVIDE FOR POWERS:
27 DUTIES AND OTHER MATTERS. The University may:

28 (1) Provide for the powers, duties, functions, and
29 compensation of the fiscal agent.

- 1 (2) Limit the liabilities of the fiscal agent.
2 (3) Prescribe a method for his resignation and removal,
3 and the merger or consolidation of fiscal agents.
4 (4) Prescribe a method for the appointment of a suc-
5 cessor fiscal agent and the transfer of rights and properties to
6 the successor.
7 (5) Fix the amount of and require bonds from the fiscal
8 agent to the University, conditioned on the faithful performance
9 of its duties as fiscal agent.

10 Sec. 69. RECEIPT AND APPLICATION OF REVENUES AND OTHER
11 FUNDS. The University may authorize the fiscal agent to receive,
12 collect, hold, or disburse revenues collected from the enterprise
13 for or on account of the University or any other funds required
14 to be pledged or otherwise made available as security for pay-
15 ment of the principal of and interest on the bonds, and to apply
16 such revenues and other funds as provided in the resolution
17 authorizing the issuance of the bonds.

18 VII. VALIDATING SUIT

19 Sec. 70. TIME OF INSTITUTION: POWER TO BRING: VENUE. At
20 any time after the adoption of a resolution for the issuance of
21 the bonds and prior to their delivery to a purchaser, the Univer-
22 sity may bring an action to determine the validity of the bonds.

23 Sec. 71. JURISDICTION OF PARTIES: PUBLICATION OF SUMMONS.
24 Jurisdiction of all parties interested is had by publication of
25 summons once a week for three weeks in a newspaper of general
26 circulation published in the judicial district where the action
27 is pending. The court shall designate the paper.

28 Sec. 72. JURISDICTION: COMPLETION. Jurisdiction is complete
29 within ten days after full publication.

1 pursuant to federal legislation under which aid, assistance, and
2 cooperation may be furnished for these purposes by the United
3 States.

4 Sec. 77. OBTAINING FEDERAL AID: COOPERATION. The University
5 may do any and all things necessary to avail itself of such aid
6 and cooperation.

7 Sec. 78. STATE AND LOCAL AID: CONTRACTS: COOPERATION. The
8 University may accept contributions from, contract, and cooperate
9 with, the state, any state department, instrumentality, or agency,
10 or any municipal corporation or public corporation in the con-
11 struction, maintenance, and operation of, and in financing of the
12 enterprise.

13 Sec. 79. FORM AND NATURE OF CONTRIBUTIONS. The contribu-
14 tions may consist of money, rights of way, labor, materials, and
15 other property.

16 IX. REMEDIES OF BONDHOLDERS

17 Sec. 80. EQUAL BENEFIT AND PROTECTION OF BONDHOLDERS. Sub-
18 ject to any contractual limitations binding upon a bondholder or
19 his trustee, any bondholder or his trustee has the remedies set
20 forth in this Act for the equal benefit and protection of all
21 bondholders similarly situated.

22 Sec. 81. CONTRACTUAL LIMITATIONS. Such contractual limita-
23 tions include, but are not limited to, any limitation upon the
24 exercise of a remedy to bondholders or their trustees holding a
25 specific percentage of the bonds.

26 Sec. 82. FORM OF REMEDY: PARTIES DEFENDANT: SPECIFIC PER-
27 FORMANCE. By mandamus or other suit or proceeding at law or in
28 equity a bondholder or his trustee may enforce his rights against
29 the University, its finance committee, and any of its officers,

1 agents, and employees and compel them to perform and carry out
2 their duties under this Act and their agreements with bondholders.

3 Sec. 83. ACCOUNTING. By a suit in equity a bondholder or
4 his trustee may require the University to account as the trustee
5 of an express trust.

6 Sec. 84. INJUNCTION. By suit in equity a bondholder or his
7 trustee may enjoin any acts or things which are unlawful or violate
8 the bondholders' rights.

9 Sec. 85. CUMULATIVE CHARACTER OF REMEDIES. The remedies
10 conferred upon any bondholder or his trustee by this Act do not
11 exclude any other remedy. Each remedy is cumulative and in addi-
12 tion to every other remedy and may be exercised without exhausting
13 and without regard to any other remedy conferred by this Act or
14 other law.

15 Sec. 86. WAIVER AS NOT AFFECTING REMEDY FOR SUBSEQUENT DE-
16 FAULT OR BREACH. A waiver of any default or breach of duty or
17 contract by any bondholder or his trustee does not affect any
18 subsequent default or breach of duty or contract nor impair any
19 rights or remedies on the subsequent default or breach.

20 Sec. 87. EXERCISE OF RIGHT OR POWER UPON DEFAULT: DELAY OR
21 OMISSION. The delay or omission of any bondholder or his trustee
22 to exercise any right or power accruing upon any default does not
23 impair the right or power and is not a waiver of the default or
24 acquiescence in it.

25 Sec. 88. FREQUENT OF ENFORCING RIGHT AND REMEDY. Every
26 substantive right and remedy conferred upon the bondholders or
27 their trustee may be enforced and exercised as often as is deemed
28 expedient.

29 Sec. 89. ABANDONMENT OR ADVERSE DETERMINATION: RESTORATION

1 TO FORMER POSITION. If a suit, action, or proceeding to enforce
2 any right or exercise any remedy is abandoned or determined
3 adversely to the bondholders or their trustees, the University
4 and bondholder or trustee shall be restored to their former posi-
5 tions, rights, and remedies as if such suit, action, or proceeding
6 had not been brought or taken.

7 X. REFUNDING BONDS

8 Sec. 90. ISSUANCE: SALE OR EXCHANGE. The University may
9 provide for the issuance, sale, or exchange of refunding bonds to
10 redeem or retire bonds issued by it upon the terms, at the times,
11 and in the manner which the finance committee determines.

12 Sec. 91. APPLICATION OF ACT PROVISIONS. All provisions of
13 this Act applicable to the issuance of bonds are applicable to
14 funding or refunding bonds and to their issuance, sale, or exchange.

15 Sec. 92. PRINCIPAL AMOUNT. Funding or refunding bonds may
16 be issued in a principal amount sufficient to provide funds for
17 the payment of all of the following:

18 (1) All bonds to be funded or refunded by them.

19 (2) All expenses incident to the calling, retiring, or
20 paying of the outstanding bonds and the issuance of the funding
21 or refunding bonds, including the difference in amount between
22 the par value of the funding or refunding bonds and any amount
23 less than that for which the funding or refunding bonds may be
24 sold.

25 (3) Interest upon the funding or refunding bonds from
26 the date of sale to the date of payment of the bonds to be funded
27 or refunded out of the proceeds of the sale or the date upon which
28 the bonds to be funded or refunded will be paid pursuant to the
29 call or agreement with the holders of such bonds.

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(4) Any premium necessary in the calling or retiring of the outstanding bonds and the interest accruing on them to the date of the call or retirement.

Sec. 93. EFFECTIVE DATE. This Act shall become effective immediately upon its passage and approval or upon its becoming law without such approval.