

MICHIGAN FAMILY FARM DEVELOPMENT ACT (EXCERPT)
Act 220 of 1982

285.273 Default by authority; appointment and powers of trustee; notice by trustee.

Sec. 23. (1) If the authority defaults in the payment of principal of or interest on an issue of notes or bonds after the notes or bonds become due, whether at maturity or upon call for redemption, and that default continues for a period of 30 days, or if the authority fails or refuses to comply with the provisions of this act, or defaults on an agreement made with the holders of an issue of notes or bonds, the holders of 25% in aggregate principal amount of the notes or bonds of the issue then outstanding, by instrument or instruments filed in the office of the clerk of the county of Ingham and approved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of those notes or bonds for the purposes provided in this section.

(2) The trustee may, and upon written request of the holders of 25% in principal amount of the notes or bonds then outstanding shall, in the trustee's own name:

(a) By civil action or administrative proceeding, enforce all rights of the noteholders or bondholders, including the right to require the authority to collect fees and charges and interest and amortization payments on mortgages or secured loans made by it adequate to carry out any agreement as to, or pledge of, such fees and charges and interest and amortization payments on mortgages or secured loans and other properties and to require the authority to carry out any other agreements with the holders of the notes or bonds and to perform its duties under this act.

(b) Bring a civil action upon the notes or bonds.

(c) By civil action, require the authority to account as if it were the trustee of an express trust for the holders of the notes or bonds.

(d) By civil action, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of the notes or bonds.

(e) Declare all the notes or bonds due and payable, and if all defaults shall be made good, then, with the consent of the holders of 25% of the principal amount of the notes or bonds then outstanding, to annul that declaration and its consequences.

(3) The trustee, in addition to the powers granted in subsection (2), shall have and possess all of the powers necessary or appropriate for the exercise of a function specifically provided in this section or incident to the general representation of bondholders or noteholders in the enforcement and protection of their rights.

(4) Before declaring the principal of notes or bonds due and payable pursuant to this section, the trustee shall first give 30 days' notice in writing to the governor, to the authority, and to the attorney general of this state.

History: 1982, Act 220, Imd. Eff. July 10, 1982.