

MECHANICS' ASSOCIATIONS (EXCERPT)
Act 188 of 1857

454.7 Mechanics' associations; funds, use; payment; building erection, cost; gifts, use, investments.

Sec. 7. The funds received by such association shall be used in the first instance, or shall be invested, and the income thereof used, after paying necessary expenses, exclusively for the purposes, or some of them, mentioned in the articles of association. (This provision, however, shall not be construed to prevent any association organized under this act from using any of its funds to erect, on the real estate occupied or to be occupied by it, as mentioned in the preceding section, such building as the association may deem proper, and rent such portions thereof as may not be required for its own purposes. When the association shall not desire to use its funds on hand, or shall have no funds, or not sufficient for the erection and furnishing of said building, it may procure the necessary money by loan, from any person or persons whether members of the association or otherwise, and secure the same by mortgage or mortgages upon any of its real estate; which mortgage or mortgages shall first be authorized by a resolution of the association, duly entered in its proceedings, and shall be executed in the name of the association, and officially signed by at least a majority of its trustees.) Any association organized under this act may take by gift, subscription, or devise, money to an amount not exceeding 50,000 dollars at any 1 time; and it shall be lawful to use said money for the purposes aforesaid, or to invest the same upon mortgage, or by loan in railroad stocks or bonds, or any city, county, state, or government securities; but no loan shall be made to any trustee or officer of such association: Provided, That any such association may, in its articles of agreement, designate the kinds of securities in which its funds may be invested, in which case no part of its funds shall be invested in any securities other than named in its articles.

History: 1857, Act 188, Imd. Eff. Feb. 17, 1857;—CL 1857, 1794;—CL 1871, 2801;—Am. 1873, Act 70, Imd. Eff. Apr. 3, 1873;—How. 3930;—CL 1897, 7429;—CL 1915, 9801;—CL 1929, 10268;—CL 1948, 454.7.