

RCW 28B.20.398 University tract—Powers of regents—Bond issuance—Covenants—Redemption—Action for compliance. (1) Any resolution of the board of regents pursuant to the provisions of RCW 28B.20.395 shall provide for the creation of a special fund, in conformity with the provisions of RCW 28B.20.396(5)(b).

(2) Any resolution authorizing the issuance of bonds pursuant to the provisions of RCW 28B.20.395, 28B.20.396, and 28B.20.398 may contain covenants of the board of regents to protect and safeguard the security and rights of the owners of any such bonds such as are then customary in connection with similar bonds and considered advisable in order to assure the maximum marketability for said bonds. Without limiting the generality of the foregoing, any such resolution may contain covenants as to:

(a) The creation of a special fund into which the proceeds of all bonds issued pursuant to the provisions of such resolution shall be deposited, the terms and conditions upon which payments may be made from such special fund, and for the payment of interest on bonds issued pursuant to such resolution from the moneys in said fund;

(b) Maintaining rental and leasehold rates and other charges at a level sufficient at all times to provide revenue (i) to pay the interest on and principal of all bonds and other obligations payable from said revenue, (ii) to make all other payments from said revenues required under the provisions of any resolution adopted in connection with the issuance of warrants or bonds under RCW 28B.20.395, 28B.20.396, and 28B.20.398 and (iii) to pay the operating, management, maintenance, repair and upkeep costs of the university tract;

(c) Collection, deposit, custody and disbursement of the revenues from the university tract or any portions thereof including (i) a specification of the depositories to be designated, and (ii) authorization of such depositories, or other banks or trust companies, to act as fiscal agent of the board of regents for the custody of the proceeds of bonds and the moneys held in any funds created pursuant to RCW 28B.20.395, 28B.20.396, and 28B.20.398, or any resolution authorizing such bonds, and to represent bond owners in the event of a default on such bonds or in the event of a default in the performance of any duty or obligation of the board of regents in connection therewith, with such power and duty as such resolution may provide;

(d) Creation and administration of reserve and other funds for the payment, at or prior to maturity, of any indebtedness chargeable against the revenues from the university tract and for creation of working funds, depreciation funds, replacement funds, reserves for extraordinary repairs and any other fund deemed necessary or desirable to insure the continued profitable operation of the said university tract;

(e) Deposit of collateral security or indemnity bonds to secure the proceeds (i) of bonds issued pursuant to the provisions of such resolution and (ii) of all revenues which are pledged to secure the repayment of bonds issued pursuant to the provisions of such resolution and (iii) of all moneys deposited in any special fund created under the authority of RCW 28B.20.395, 28B.20.396, and 28B.20.398 or any covenant thereunder;

(f) The obligation of the board of regents to maintain the building or buildings in good condition and to operate and manage the same in an economical and efficient manner;

(g) The amount and kind of insurance to be carried by the board of regents in connection with the building or buildings, the companies

in which such insurance shall be carried, the term thereof, the application of the proceeds of any such insurance, and adjustments of losses under any such policy of insurance;

(h) Limitations upon the amount of additional bonds, warrants and other obligations payable out of the revenues from the building or buildings which may be thereafter issued and the terms and conditions upon which such additional bonds, warrants or other obligations may be issued;

(i) Limitations upon the creation of additional liens or encumbrances on the building or buildings or the personal property used in connection therewith;

(j) The terms and conditions upon which the building or buildings, or any part thereof, may be sold, mortgaged, leased or otherwise disposed of, and the use or other disposition of the proceeds of any such sale, mortgage or lease;

(k) The methods of operation, management and maintenance of the building or buildings;

(l) Accounting and auditing and the keeping of records, reports and audits with respect to the building or buildings;

(m) The amendment or modification of any resolution authorizing the issuance of bonds pursuant to the provisions of RCW 28B.20.395, 28B.20.396, and 28B.20.398, including the terms and conditions upon which such amendment or modification may be effected and the number, amount or percentage of assenting bonds necessary to effectuate the same;

(n) Limitations upon the use of space or facilities in the building or buildings without payment therefor; and

(o) Such other matters as may be necessary or desirable to insure a successful and profitable operation of the building or buildings.

(3) The term "building or buildings" as used in subsection (2) of this section means the building or buildings or improvements upon the university tract with respect to which the revenues are pledged, under the terms of the resolution, to secure the payment of bonds issued under such resolution.

(4) The provisions of RCW 28B.20.395, 28B.20.396, and 28B.20.398 and of any resolution adopted in conformity with the provisions of this section shall constitute a contract with the owners of warrants or bonds issued pursuant thereto, and the provisions thereof shall be enforceable in any court of competent jurisdiction by any owner of such warrants or bonds by mandamus or any other appropriate suit, action or proceeding at law or in equity.

(5) Bonds issued pursuant to the provisions of RCW 28B.20.395, 28B.20.396, and 28B.20.398 may be redeemed, at the option of the board of regents, at such time or times, upon such terms and conditions, and at such premiums as the board of regents specifies in the resolution.

(6) If the board of regents fails to pay the required amounts into the special fund, established in conformity with subsection (2) of this section, the owner of any bond or bonds affected thereby may maintain an action against the board of regents to compel compliance with the terms of the resolution in this respect.

(7) Pending the preparation and execution of any bonds the issuance of which is authorized under the provisions of subsection (2) of this section, temporary bonds may be issued in such form as the board of regents determines. [1999 c 346 § 7; 1983 c 167 § 34; 1969 ex.s. c 223 § 28B.20.398. Prior: 1947 c 284 § 4; Rem. Supp. 1947 § 4566-14. Formerly RCW 28.77.380.]

Purpose—Construction—Effective date—1999 c 346: See notes following RCW 28B.20.381.

Liberal construction—Severability—1983 c 167: See RCW 39.46.010 and note following.