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GOVERNMENT CODE - GOV

TITLE 4. GOVERNMENT OF CITIES [34000 - 45345] (Title 4 added by Stats. 1949, Ch. 79.)

DIVISION 4. FINANCIAL PROVISIONS [43000 - 43904] (Division 4 added by Stats. 1949, Ch. 79.)

CHAPTER 4. Bonds [43600 - 43904] (Chapter 4 added by Stats. 1949, Ch. 79.)

ARTICLE 6. Compromise [43850 - 43860] (Article 6 added by Stats. 1949, Ch. 79.)

43850. Whenever a city has an outstanding indebtedness evidenced by bonds the legislative body may submit to the electors of the city, at any election held for that purpose, a proposition:

- (a) Declaring all or any of the bonds to be at once due and payable.
- (b) Compromising the bonded indebtedness.
- (c) Consenting to a judgment in favor of the bondholders.
- (d) Providing for the payment of such judgment in installments.

(Added by Stats. 1949, Ch. 79.)

43851. The election shall be called and held in the same manner as other elections in the city.

(Added by Stats. 1949, Ch. 79.)

43852. The notice of election shall state:

- (a) The bonded indebtedness which it is proposed to declare at once due and payable.
- (b) The terms of the proposed compromise.
- (c) The terms of the proposed judgment by consent in favor of the bondholders.
- (d) The proposed method of paying the judgment in installments.

(Added by Stats. 1949, Ch. 79.)

43853. The question shall be voted upon as an entirety. If two-thirds of the electors vote in favor of it, by ordinance the legislative body shall declare the bonds described in the notice due and payable.

(Added by Stats. 1949, Ch. 79.)

43854. The legislative body shall carry the compromise into effect and consent to the judgment specified in the notice of election and the proposed method of paying the judgment in installments. By resolution, it shall designate the officers and attorneys to sign the necessary documents.

(Added by Stats. 1949, Ch. 79.)

43855. It shall provide for the collection of an annual tax sufficient to pay the interest on the judgment as it falls due and such portion of the principal as is designated in the notice of election.

(Added by Stats. 1949, Ch. 79.)

43856. The rights of any nonconsenting holder of bonds specified in the notice are not affected by the proceedings.

(Added by Stats. 1949, Ch. 79.)

43857. In any action brought upon any of the bonds described in the notice, the judgment of a court of competent jurisdiction is conclusive as to the regularity of all proceedings taken.

(Added by Stats. 1949, Ch. 79.)

43858. In any action brought upon any of the bonds described in the notice of election, the plaintiff shall deposit in court the bonds upon which he sues.

(Added by Stats. 1949, Ch. 79.)

43859. When the judgment, rendered in accordance with the terms of the proposed compromise described in the notice, becomes final, the bonds sued upon shall be delivered to the treasurer of the city against which the judgment is rendered, to be held by him and his successors until the judgment has been fully satisfied.

(Added by Stats. 1949, Ch. 79.)

43860. If for any reason the judgment is reversed or set aside, or if any orders or writs under it are disobeyed by the defendant or its officers, the treasurer shall return the bonds to the plaintiff. At his option, the plaintiff may be relegated to all rights which he held and enjoyed under the bonds, crediting on such rights all amounts received on the judgment. The court in which the judgment is rendered shall enforce the duty imposed upon the treasurer.

(Added by Stats. 1949, Ch. 79.)