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TITLE 5. LOCAL AGENCIES [50001 - 57607] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821] (Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 6. Revenue Bond Law of 1941 [54300 - 54700] (Heading of Chapter 6 amended by Stats. 1959, Ch. 597.)

ARTICLE 5. Additional Powers to Secure Bonds [54460 - 54478] (Article 5 added by Stats. 1949, Ch. 81.)

54460. In the resolution authorizing the bonds, the legislative body may insert any of the provisions authorized by this article, which shall become a part of the contract with the bond holders.

(Added by Stats. 1949, Ch. 81.)

54461. The legislative body may provide limitations on:

- (a) The purpose to which the proceeds of sale of any issue of bonds may be applied.
- (b) The issuance of additional bonds for the same purpose and on the lien of additional bonds.
- (c) The right of the local agency to restrict and regulate the use of the enterprise.

(Added by Stats. 1949, Ch. 81.)

54462. The legislative body may provide for the amount and kind of insurance on the enterprise including insurance against:

- (a) Accident to or destruction of any enterprise from any or all risks.
- (b) Loss of revenues from an enterprise.
- (c) Public liability or property damage and workmen's compensation.

(Added by Stats. 1949, Ch. 81.)

54463. It may provide for other insurance carried by private companies on property or risks on the same or similar enterprises.

(Added by Stats. 1949, Ch. 81.)

54464. The legislative body may provide for the use and disposition of insurance money.

(Added by Stats. 1949, Ch. 81.)

54465. Without limiting the authority granted, the legislative body may specifically provide that money collected from insurance against accident to or destruction of the physical enterprise shall be used for repairing or rebuilding the damaged or destroyed enterprise. The legislative body may provide that if the money is not so applied within a period specified by the local agency, it shall be applied to the retirement of any outstanding and unredeemed bonds issued for the enterprise.

(Added by Stats. 1949, Ch. 81.)

54466. The legislative body may also specifically provide that the proceeds of insurance against loss of revenue shall be used solely for the payment and retirement of the bonds issued for acquisition, construction, or improvement of the enterprise.

(Added by Stats. 1949, Ch. 81.)

54467. The legislative body may insert in the resolution covenants against the mortgaging or otherwise encumbering, selling, leasing, pledging, placing any charge upon, or disposing of the enterprise or any of its revenues or any other funds pledged or otherwise made available to secure payment of the principal of and interest on the bonds.

(Amended by Stats. 1953, Ch. 526.)

54468. It may insert covenants against the entering into any agreement which impairs the operation of the enterprise or any part of it necessary to secure adequate revenues to pay the principal and interest of the bonds or which otherwise would impair the rights of the bondholders with respect to the revenues or the operation of the enterprise.

(Added by Stats. 1949, Ch. 81.)

54469. The legislative body may provide for events of default and terms upon which the bonds may be declared due before maturity and the terms upon which the declaration and its consequences may be waived.

(Added by Stats. 1949, Ch. 81.)

54470. The legislative body may provide for the rights, liabilities, powers, and duties arising upon the local agency's breach of any covenants, conditions, or obligations.

(Added by Stats. 1949, Ch. 81.)

54471. The legislative body may provide for the vesting in a trustee of the right to enforce covenants to secure payment of or in relation to the bonds and the trustee's powers, duties, and the limitation of his liabilities.

(Added by Stats. 1949, Ch. 81.)

54472. The legislative body may provide for the terms upon which the bondholders or any percentage of them may enforce covenants or duties imposed by this chapter.

(Added by Stats. 1949, Ch. 81.)

54473. The legislative body may provide in the resolution for a procedure for amending or abrogating the terms of the resolution with the consent of the holders of a specified number of the bonds.

(Added by Stats. 1949, Ch. 81.)

54474. Any resolution containing such a procedure may also provide for meetings of bondholders or for their written assent without a meeting and the manner of consenting, with or without a meeting.

(Added by Stats. 1949, Ch. 81.)

54475. The resolution shall specifically state the effect of amendment upon the rights of the holders of all of the bonds and attached or detached interest coupons and shall be binding upon the holders of all of the bonds and coupons issued pursuant to the resolution.

(Added by Stats. 1949, Ch. 81.)

54476. The legislative body may provide for the purchase out of any available funds of any outstanding notes, bonds, or other obligations, and the price at which, and the manner in which, the purchases may be made.

(Added by Stats. 1949, Ch. 81.)

54477. The legislative body may provide for any other acts and things necessary, convenient, or desirable to secure the bonds or tending to make them more marketable.

(Added by Stats. 1949, Ch. 81.)

54478. Except as hereinafter provided in this section, this chapter does not authorize any local agency to make any covenants, to perform any act, or to do anything which requires expending any funds other than revenues received or receivable from the enterprise and such other funds from any source as are legally available for such purpose and may be used by the local agency for such purpose without incurring indebtedness. Notwithstanding any other provision of this chapter, (a) a local agency may pledge, place a charge upon, contribute, or otherwise make available, as additional security for the payment of any bonds issued pursuant to this chapter for the purpose of providing funds for the acquisition, construction, improving or financing of public parking lots, garages, or other automotive parking facilities, any or all revenues or funds derived from any or all street parking meters then owned or controlled or thereafter acquired or controlled by such local agency; and (b) a local agency may also pledge, place a charge upon, or

otherwise make available, as additional security for the payment of any bonds issued pursuant to this chapter any funds, including contributions, from any source which the local agency may legally apply to such purpose, excepting, however, any and all proceeds of taxation.

(Amended by Stats. 1953, Ch. 526.)