



CHAPTER 159C

N.C.G.S. § 159C-11.

Financing agreements.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT S.L. 2000-179, s. 8 — fourth act in the lineage	RETRIEVED 21 September 2026, 03:35 UTC	SOURCE FINGERPRINT 8e838b8b00146001f2fea3cd - 4fe6f4014765b350846e7f9b - ded27804cce1b315
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§ 159C-11(a)

Every financing agreement shall provide that:

- (1) The amounts payable under the financing agreement shall be sufficient to pay all of the principal of and redemption premium, if any, and interest on the bonds issued by the authority to pay the cost of the project as they respectively become due.
- (2) The obligor shall pay all costs incurred by the authority in connection with the financing and administration of the project, except as may be paid out of the proceeds of bonds or otherwise, including insurance costs, the cost of administering the financing agreement and the security document and the fees and expenses of the fiscal agent or trustee, paying agents, attorneys, consultants and others.
- (3) The obligor shall pay all the costs and expenses of operation, maintenance and upkeep of the project.
- (4) The obligor's obligation to provide for the payment of the bonds in full is not subject to cancellation, termination or abatement until payment of the bonds or provision for their payment has been made.

- (5) If the proposed initial operator of the project is not expected to be the operator for the term of the bonds proposed to be issued, the financing agreement shall require that the obligor attempt to arrange for a new operator when the current operator discontinues serving as operator. The new operator is subject to the approval of the Secretary under subdivisions (b)(1)a. and (3)b. of G.S. 159C-7 if the project is an industrial project or a pollution control project, and is subject in any event to the approval of the Local Government Commission under G.S. 159C-8.

§ 159C-11(b)

The financing agreement, if in the nature of a lease agreement, shall either provide that the obligor has an option to purchase, or require that the obligor purchase, the project upon the expiration or termination of the financing agreement subject to the condition that payment in full of the principal of, and the interest and any redemption premium on, the bonds, or provision for payment, has been made.

The financing agreement may provide the authority with rights and remedies in the event of a default by the obligor under the agreement, including any one or more of the following:

- (1) Acceleration of all amounts payable under the financing agreement;
- (2) Reentry and repossession of the project;
- (3) Termination of the financing agreement;
- (4) Leasing or sale or foreclosure of the project to others; and
- (5) Taking whatever actions at law or in equity may appear necessary or desirable to collect the amounts payable under, and to enforce covenants made in, the financing agreement.

§ 159C-11(c)

The authority's interest in a project under a financing agreement may be that of owner, lessor, lessee, conditional or installment vendor, mortgagor, mortgagee, secured party or otherwise, but the authority need not have any ownership or possessory interest in the project.

The authority may assign all or any of its rights and remedies under the financing agreement to the trustee or the bondholders under a security document.

The financing agreement may contain any additional provisions the authority considers necessary or convenient to effectuate the purposes of this Chapter.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
4 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

1975		1988		2000
TICK HEIGHT = ACTS IN THAT YEAR		DASHED = RECODIFICATION, NOT AMENDMENT		
Nº	YEAR	ACT	CHARACTER	
01	1975	c. 800, s. 1	ENACTED	
02	1979	c. 109, s. 1	AMENDED	
03	1979	1995 (Reg. Sess., 1996), c. 575, s. 8	AMENDED	
04	2000	S.L. 2000-179, s. 8	AMENDED	

APPARATUS II
2 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 159C-7	(a)(5)	"under subdivisions (b)(1)a. and (3)b. of"
G.S. 159C-8	(a)(5)	"of the Local Government Commission under"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 159C-11 (2000).

PINPOINT

N.C. Gen. Stat. § 159C-11(a) (2000).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1975, c. 800, s. 1; 1979, c. 109, s. 1; 1995 (Reg. Sess., 1996), c. 575, s. 8; 2000-179, s. 8.)

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