

**MASSACHUSETTS GENERAL LAWS ANNOTATED**  
**PART I. ADMINISTRATION OF THE GOVERNMENT**  
**TITLE XII. EDUCATION**  
**APPENDIX TO CHAPTER 75**  
**UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY**

*Current through Ch. 38 of the Acts of 2013*

**§ 1-1. Definitions**

*Definitions.*--As used in this act, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(a) The word "Authority" shall mean the University of Massachusetts Building Authority, created by section two of this act or, if said Authority shall be abolished, the board, body or commission succeeding to the principal functions thereof or to which the powers given by this act to the Authority shall be given by law.

(b) The term "cost of a project" shall embrace the cost, whenever incurred, of carrying out a project and placing it in operation, the cost of architectural and engineering services, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the project, administrative expense, legal expense and such other expenses as may be necessary or incident to the aforesaid, to the financing thereof and to the issuance therefor of notes or bonds or both under the provisions of this act and interest for such period as the Authority may deem advisable but ending not later than eighteen months after the trustees shall have accepted the project for occupancy on money borrowed to pay all or part of the cost of a project. The term shall also embrace the cost of preliminary architectural and engineering services, plans, specifications, surveys, estimates of cost and of revenues and other expenses necessary or incident to determine the feasibility or practicability of other projects for which written requests shall have been made by authority of the trustees.

(c) The term "federal government" shall mean the United States of America and any agency, board, bureau, commission, department or other instrumentality thereof.

(d) The word "project" shall mean the construction of new buildings or structures and the acquisition, addition to, alteration, enlargement, reconstruction, remodeling and other work in or upon or respecting existing buildings or structures, the provision and installation therein or in respect thereof of furnishings, furniture, machinery, equipment, facilities, approaches, driveways, walkways, parking areas, planting and landscaping, the acquisition of land, other property, rights, easements and interests acquired for or in respect to any thereof, the demolition or removal of any buildings or structures, including buildings or structures owned by the commonwealth, on land so acquired or interests in which are so acquired and site preparation, with respect to which the Authority shall provide by resolution for the issuance of a series of bonds or notes. Whenever appropriate the word shall also mean such land, buildings or structures and such appurtenances. [Section 10 of chapter 319 of the acts of 1998]

(e) The term "trust agreement" shall mean a trust agreement made and entered into by and between the Authority and a Trustee under the provisions of section eight.

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(f) The word "Trustee" shall mean the bank or trust company acting as trustee under a trust agreement.

(g) The word "trustees" shall mean the board of trustees established under section one A of chapter seventy-five of the General Laws for the university, or if such board of trustees shall hereafter be abolished, the board, body or commission succeeding to the principal functions thereof or to which the powers given by said chapter seventy-five with respect to the university shall be given by law. [Section 9 of chapter 267 of the acts of 2005]

(h) The word "university" shall mean the University of Massachusetts.

(i) The term "HEFA" shall mean the Health and Education Facilities Authority established by section four of chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight or, if said Health and Education Facilities Authority shall be abolished, the board, body or commission succeeding to the principal functions thereof or to which the powers given by said chapter six hundred and fourteen shall be given by law. [Section 10 of chapter 267 of the acts of 2005]

(j) The term "University affiliate" shall mean the Authority and any other organization affiliated with the university, or defined in paragraph (e) of section three of chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight. [Section 10 of chapter 267 of the acts of 2005]

**§ 1-2. University of Massachusetts Building Authority**

*University of Massachusetts Building Authority.*--There is hereby created and placed in the department of education a body politic and corporate to be known as the University of Massachusetts Building Authority, which shall not be subject to the supervision or regulation of the department of education or of any department, commission, board, bureau or agency of the commonwealth except to the extent and in the manner provided in this act. The Authority is hereby constituted a public instrumentality and the exercise by the Authority of the powers conferred by this act shall be deemed and held to be the performance of an essential governmental function.

The authority shall consist of eleven members to be appointed by the governor, of whom five members shall be appointive members of the trustees and may, but need not, be graduates of the University, and two other members shall be graduates of the University. The members appointed from the appointive members of the trustees shall continue in office so long as they continue in office as trustees, and such dual membership shall not invalidate any action heretofore or hereafter taken by the Authority or by the trustees in which any such member has participated or may participate. Each member appointed other than from the appointive members of the trustees shall continue in office for a term expiring on June thirtieth in the sixth

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calendar year next after the calendar year in which his term of office began, except that a person appointed to fill a vacancy in any such membership shall serve only for the unexpired term. Each member shall continue in office until his successor shall have been appointed and qualified, but the term of office of a member appointed other than from the appointive members of the trustees shall be deemed to have commenced in the calendar year in which the stated term of office of his predecessor shall have expired. Any member of the Authority may be removed by the governor for cause after notice and a public hearing unless such notice and hearing are expressly waived in writing. The Authority shall annually elect from its members a chairman and vice-chairman, and shall also elect a secretary-treasurer and may elect an assistant secretary-treasurer who need not be members of the Authority. [Section 11 of chapter 267 of the acts of 1995]

The secretary-treasurer shall keep a record of the proceedings of the Authority and shall be the custodian of all books, documents and papers filed with the Authority and of the minute book or journal of the Authority and of its official seal. He and the assistant secretary-treasurer shall each have authority to cause copies to be made of all minutes and other records and documents of the Authority and to give certificates under the official seal of the Authority to the effect that such copies are true copies, and all persons dealing with the Authority may rely upon such certificates.

Six members of the authority shall constitute a quorum and the affirmative vote of six members shall be necessary for any action taken by the authority. No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the Authority. [Section 11 of chapter 319 of the acts of 1998]

Before the issuance of any bonds under the provisions of this act the secretary-treasurer and the assistant secretary-treasurer, if any, of the Authority shall each execute a surety bond in the penal sum of fifty thousand dollars, such surety bond to be conditioned upon the faithful performance of the duties of his office, to be executed by a surety company authorized to transact business in the commonwealth as surety and to be approved by the attorney general and filed in the office of the secretary of the commonwealth.

The members of the Authority shall serve without compensation, but each member shall be reimbursed for all necessary travel and other expenses incurred by him in the discharge of his official duties.

No member, agent or employee of the Authority shall, directly or indirectly, have any financial interest in any property to be included in, or any contract for property or materials to be furnished or used in connection with, any project of the Authority. Whoever violates any provision of the preceding sentence shall be punished by a fine of not less than fifty nor more than one thousand dollars, or by imprisonment for not more than one month, or both.

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**§ 1-3.Purposes**

*Purposes.*--The Authority is created for the general purposes of aiding and contributing to the performance of the educational and other purposes of the university by providing dormitories, dining commons and other buildings and structures for the use of the university, its students, staff and their dependents and for lease to or use by an organization or association, in any form, of students or others the activities of which are a part of the activities at the university and subject to regulation by the trustees, a research foundation or other research organization the operation of which in conjunction with the university is approved by the trustees or any other entity the activities of which are approved by the trustees as furthering the purposes of the university. The Authority shall not initiate any project except upon request made by authority of the trustees and upon written approval from the commissioner of administration. [Section 13 of chapter 267 of the acts of 1995]

**§ 1-4. General Grant of Powers**

*General Grant of Powers.*--In furtherance of the purposes for which it is created, the Authority is hereby authorized and empowered:

(a) To adopt by-laws for the regulation of its affairs and the conduct of its business, and to fix penalties for the violation thereof;

(b) To adopt an official seal and alter the same at pleasure;

(c) To maintain offices in the town of Amherst and elsewhere within the commonwealth and to conduct meetings of the authority in accordance with the by-laws of said authority and the provisions of the second paragraph of section 59 of chapter 156B of the General Laws. [Section 12 of chapter 319 of the acts of 1998]

(d) To sue and be sued in its own name, plead and be impleaded;

(e) To construct buildings or structures and to acquire, add to, alter, enlarge, reconstruct, remodel and do other work in or upon or respecting any building or structure, in each case upon written request made by authority of the trustees; to provide and install furnishings, furniture, machinery, equipment, facilities, approaches, driveways, walkways, parking areas, planting and landscaping in or for or related to any such building or structure; provided, that such approaches, driveways, parking areas, planting and landscaping be approved by authority of the trustees; to repair, maintain and operate all property in which the Authority holds an interest;

(f) To rent or lease as landlord any building or structure or portion thereof or parking or other area held by it hereunder, to operate the same and to provide services therein, and to establish rules and regulations for the use thereof; provided, that no such rules or regulations shall conflict with any rules or regulations made by authority of the trustees for use of property

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of the university, except as provided in section nine;

(g) To borrow from time to time to achieve any one or more of its corporate purposes and to refund obligations earlier incurred for any such purpose and for refunding, and to sell its bonds and notes therefor, payable solely from its revenues, as provided in section seven.

(h) Subject to the provisions of section nine, to fix and revise from time to time, and to charge and collect rates, fees, rentals and other charges for the use of any building, structure, other property or portion thereof under its control;

(i) To acquire real and personal property by lease, purchase or otherwise, provided that the Authority shall have no power to acquire property by any eminent domain proceedings and to hold and dispose of real and personal property in the exercise of its powers and the performance of its duties under this act.

(j) To acquire from the commonwealth by purchase, lease or grant such property of the commonwealth, real or personal, or easements or rights therein, as may be necessary or desirable for carrying out the provisions of this act;

(k) To employ architects, consulting engineers, attorneys, construction, financial and other experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment, and to fix their compensation; provided, that all such expenses shall be payable solely from funds provided under the authority of this act;

(l) To make application for, receive and accept from the federal government or any agency thereof grants or loans for or in aid of the payment of all or any part of the cost of a project, and to receive and accept contributions from any source of money, property, labor or other things of value, to be held, used and applied only for the purposes for which such grants and contributions may be made;

(m) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this act;

(n) To invest funds held by it, pending disbursement, which may be made pursuant to an investment policy established annually by the board, consistent with best investment practices and their fiduciary obligation. [Section 140 of Chapter 38 of the Acts of 2013]

To invest any funds held by it pending disbursement, which investment may be made in any one or more of the following:

(i) direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America;

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(ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation, or by any other agency or corporation which has been or is hereafter created pursuant to an act of Congress of the United States as an agency or instrumentality thereof;

(iii) interest-bearing time deposits or certificates of deposit of banking institutions or trust companies organized under the laws of any state of the United States or any national banking association, provided that such deposits or certificates shall be continuously and fully secured by obligations described in subclauses (i) and (ii) having a market value, exclusive of accrued interest, at least equal to the aggregate amount of such deposits and certificates; or

(iv) any of the securities described in subclauses (i) and (ii) which are subject to repurchase agreements with any bank or trust company organized under the laws of any state of the United States or any national banking association.

(o) To do all acts and things necessary or convenient to carry out, or, in connection with any financing or refinancing provided by HEFA, to assist and cooperate with the university, other university affiliates, or HEFA in carrying out, the powers expressly granted in this act.

**§ 1-5. Agreements between the Commonwealth and the Authority**

*Agreements between the Commonwealth and the Authority.*--The trustees may, in the name and on behalf of the commonwealth, upon such terms and with or without consideration, do any or all of the following:

(a) Sell, convey or lease to the Authority real or personal property owned by the commonwealth or grant easements, licenses or any other rights or privileges therein to the Authority, and the provisions of section twenty-seven, but not the provisions of section twenty-eight, of chapter seventy-five of the General Laws shall apply to any such sale, conveyance, lease or grant;

(b) Cause private ways, sidewalks, footpaths, ways for vehicular travel, parking areas, water, sewage or drainage facilities and similar improvements and steam service and other utilities and connections for heating and other necessary purposes to be furnished to or in any project carried out by the Authority;

(c) Make available to the Authority the services of officers and employees of the university and office space and facilities in the university for, among other things, billing and collecting rents, fees, rates and other charges for the use and occupancy of property of the

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Authority by the university or any person, organization or association referred to in section three; renting and leasing rooms and other accommodations in the buildings and structures, of the Authority; cleaning, heating, daily operation of and repairs to and maintenance of such buildings and structures and other property of the Authority; and keeping all books of account for the Authority; and

(d) Do any and all things authorized by law and necessary or convenient to aid and cooperate with the Authority in carrying out the purposes of the Authority and exercising its powers hereunder and in complying with the provisions of any trust agreement into which the Authority may enter.

No lease or other agreement made under this act between the trustees, acting on behalf of the commonwealth, and the Authority shall be subject to any provision of law relating to publication or to advertising for bids, and any such lease or agreement may be entered into and shall become effective without any necessity for any order of court or other action or formality other than the regular and formal action of the authorities concerned and except as may be expressly provided elsewhere in this act.

In connection with any financing or refinancing provided by HEFA, the provisions of this paragraph shall apply. For the purpose of this section, section nineteen B, and section nineteen C, the term "Authority" shall also refer to HEFA and to any university affiliate. The word project, as used in this act, shall also have the meaning given in paragraph (b) of section three of chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight, as amended. No sale, conveyance, lease, or grant made by HEFA, or the commonwealth acting through the trustees, or any university affiliate to HEFA, the commonwealth acting through the trustees, or any university affiliate shall be subject to the provisions of section forty F, section forty F 1/2, section forty H, or section forty I of chapter seven of the General Laws; provided, that the trustees may elect for any such sale, conveyance, lease, or grant to be subject to the provisions of said sections; provided, further, that in connection with (i) any project upon any real property or right thereto obtained by HEFA or any university affiliate pursuant to a sale, conveyance, lease, or grant hereby exempted from said sections, or (ii) any disposition to a person or entity other than HEFA, or the commonwealth acting through the trustees, or a university affiliate of any property or right thereto obtained by HEFA or any university affiliate pursuant to a sale, conveyance, lease, or grant hereby exempted from said sections - HEFA or such university affiliate, as the case may be, shall be deemed to be a state agency for the purpose of paragraph (v) of section thirty-nine A of chapter seven of the General Laws and shall be deemed to be a public agency for the purpose of subsection (1) of section forty-four A of chapter one hundred and forty-nine of the General Laws. Notwithstanding any provision of paragraph (a) or section nineteen B to the contrary, any sale, conveyance, lease or grant made under this section or section nineteen B to HEFA, the commonwealth acting through the trustees or any university affiliate shall become effective without any necessity for any approval by the governor or the council.

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**§ 1-6. Accountability**

*Accountability.*--The Authority shall keep an accurate account of all of its activities and of all its receipts and expenditures and shall annually in the month of January make a report thereof to the trustees, the governor, the state auditor, the clerks of the senate and the house of representatives, the senate and house committees on ways and means, and to the joint committee on education for the senate and house of representatives, such reports to be in a form prescribed by the trustees, with the written approval of said auditor. The trustees or said auditor may investigate the affairs of the Authority, may severally examine the properties and records of the Authority, and may prescribe methods of accounting and the rendering of periodical reports in relation to projects undertaken by the Authority.

**§ 1-7. Authority Bonds and Notes**

*Authority Bonds and Notes.*--The authority is hereby authorized to provide by resolution at one time or from time to time for the issue of bonds of the authority for achieving any of its corporate purposes or for the purpose of refunding outstanding indebtedness of the authority, including indebtedness of the University of Lowell Building Authority and indebtedness of the Southeastern Massachusetts University Building Authority, incurred under this act or any other authority, including the payment of all or any part of the cost of projects, the payment of interest on notes and bonds of the authority, the establishment of reserves to secure such bonds and notes, including the reserve funds created pursuant to section ten, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers and any refunding; provided, that the authority shall not issue bonds guaranteed by the commonwealth under section ten the principal amount of which, when added to the principal amount of bonds and notes guaranteed by the commonwealth under section ten theretofore issued and then outstanding hereunder, excluding bonds and notes guaranteed by the commonwealth under section ten previously refunded or being or to be refunded thereby, shall exceed two hundred million dollars; and provided, further, that the authority shall not issue notes or bonds for the purpose of refunding except with prior written approval of such refunding issue given by authority of the trustees, which approval need not be of the interest rate, the maturity or any of the other terms thereof. [Section 14 of chapter 267 of the acts of 1995]

The Authority is further authorized to provide by resolution at one time or from time to time for the issue of interest-bearing or discounted notes for the purposes and in the amounts that bonds may be issued as provided above. Such notes shall be payable within five years from their respective dates, but the principal of and any interest on notes issued for such period or for a

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shorter period may be renewed or paid from time to time by the issue of other notes hereunder; provided, that the period from the date of an original note to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed ten years.

The principal and interest of any bonds or notes issued hereunder shall be payable solely from the funds herein provided for such payment. The bonds of each issue shall be dated, shall bear interest at such rates, shall mature at such time or times not exceeding fifty years from their date or dates as may be determined by the Authority, and may be made redeemable before maturity, at the option of the Authority, at such price or prices and under such terms and conditions as may be fixed by the Authority prior to the issuance of any such bonds. The bonds may be issued as serial bonds with maturities in such years as the Authority may determine or as term bonds or as a combination of both.

The Authority shall determine the form of bonds and notes issued by it hereunder, including any interest coupons to be attached thereto, and the manner of execution thereof, and shall fix the denomination or denominations thereof and the place or places of payment of principal and interest, which may be at any bank or trust company within or outside the commonwealth. In case any officer whose signature or a facsimile of whose signature shall appear on any notes, bonds or coupons shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until such delivery. The bonds may be issued in coupon or in registered form, or both, as the Authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone, and also as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest and for the interchange of registered and coupon bonds. The Authority may sell such bonds and notes in such manner, either at public or at private sale, and for such price, as it may determine to be for the best interests of the Authority; provided that no bonds or notes shall be sold by the Authority unless such sale and the terms thereof have been approved by the treasurer and receiver-general or his designee and the commissioner of administration or his designee. All bonds and notes issued under the provisions of this act shall have all the qualities and incidents of investment securities under the Uniform Commercial Code. [FNI]

The proceeds of such bonds and notes shall be used solely for the purposes for which they are issued and shall be disbursed in such manner and under such restrictions, if any, as the Authority may provide in the resolution authorizing the issuance thereof or in the trust agreement securing the same. If the proceeds of bonds or notes issued in whole or in part to pay the cost of a project, by error of estimates or otherwise, shall be less than such cost, additional bonds or notes may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the resolution authorizing the issuance thereof or in the trust agreement, shall be deemed to be of the same issue or series and shall be entitled to payment from the same fund without preference or priority of the bonds or notes of such issue or series first issued. If the proceeds of an issue or series of bonds or notes shall exceed the cost of the projects they were issued to finance the surplus shall be deposited for application to the retirement thereof.

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Prior to the preparation of definitive bonds, the Authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds have been executed and are available for delivery. The Authority may also provide for the replacement of any bonds or notes which shall become mutilated or shall be destroyed or lost. Bonds or notes may be issued under the provisions of this act without obtaining the consent of any department, division, commission, board, bureau or agency of the commonwealth, without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this act, and without compliance with the provisions of any other law applicable to the issue of bonds or notes.

While any bonds or notes issued by the Authority remain outstanding, the powers, duties or existence of the Authority shall not be diminished or impaired in any way that will affect adversely the interests and rights of the holders thereof.

[Section 13 of chapter 319 of the acts of 1998]

**§ 1-8. Trust Agreement**

*Trust Agreement.*--Bonds issued under the provisions of this act shall be secured by a trust agreement by and between the Authority and a trustee, which may be any trust company or bank having powers of a trust company within the commonwealth. Such trust agreement may pledge or assign the revenues to be received from the projects in respect of which the bonds secured by such trust agreement are issued and from any other property of the Authority, but shall not convey or mortgage any property of the Authority. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not involve any violation of law, including but not limited to definitions of revenues and expenses, covenants setting forth the duties of the Authority in relation to the carrying out of such projects and to the improvement, maintenance, operation, repair, insurance, disposition and replacement of such projects and of other property then or thereafter financed or refinanced thereunder or the revenues from which are then or thereafter pledged thereunder, covenants as to the fixing of the fees, rates, rents or other charges to be made by the Authority for use or occupancy of such projects or property or any portion thereof, covenants designed to assure sufficient occupancy of such projects and property to meet debt service and reserves, provisions for the establishment of reserves from bond proceeds and revenues, conditions and limitations with respect to the issuance of additional bonds under this act or any other authority, provisions with respect to the rights and remedies of the bondholders and of the trustee as to the amendment of such trust agreement and the custody, safeguarding and application of all moneys. Such trust agreement may restrict the individual right of action by bondholders. In the discretion of the Authority, bonds issued to finance a project may be

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secured by a trust agreement providing for the security only of bonds issued to finance or refinance such project, or providing for the security of bonds issued at one or more times to finance or refinance more than one project. It shall be lawful for any bank or trust company incorporated under the laws of the commonwealth to act as depository of the proceeds of bonds or of revenues and to furnish such indemnifying bonds or to pledge such security as may be required by the Authority. All expenses incurred in carrying out the provisions of such trust agreement may be treated as a part of the cost of the operation of the project or projects to which such trust agreement pertains.

**§ 1-9. Revenues**

*Revenues.*--The Authority is hereby authorized to establish and revise rules and regulations to insure the use and occupancy of, and to fix, revise and collect fees, rents, rates and other charges for the use of, a project financed or refinanced hereunder or of any property the revenues from which are pledged hereunder or of any portion thereof or room or accommodation therein. Such rules and regulations and fees, rents, rates and other charges, shall be fixed and adjusted, with respect to the aggregate of the revenues from the project, projects and property the revenues from which are pledged under any trust agreement (1) so as to provide revenues sufficient (a) to pay the cost of maintaining, repairing and operating such projects or property, (b) to pay the principal of and interest on bonds issued to finance or refinance such projects as the same shall become due and payable, (c) to pay such portion of the current operating and administrative expenses of the Authority as the Authority shall deem properly allocable to such projects and property, (d) to create reserves for the foregoing purposes, (e) to pay the amounts, if any, required by section nineteen C to be paid to the treasurer and receiver-general out of such revenues and (f)(i) if a contract is entered into with respect to the financing of any such projects under section ten, to create the reserves required by that section, or (ii) if no such contract is entered into under section ten, to provide for such additional coverage of expenses and debt service as the Authority, with the approval of the trustees, may agree to provide in the trust agreement securing the bonds, and (2) so as to maintain, so far as consistent with the foregoing requirements, a reasonable uniformity in charges for like rooms or other accommodations at the university whether or not contained in a project of the Authority.

Any establishment or revision of rules and regulations insuring use and occupancy and any fixing, revision or adjustment of fees, rents, rates or other charges by the Authority shall require the approval of the trustees. In the case of projects and property the revenues from which are pledged to the payment of bonds which are not guaranteed by the commonwealth under section ten, the trustees shall so exercise their powers hereunder as to permit the Authority at all times to establish and maintain rules and regulations requiring the use and occupancy of such projects and property and to fix and maintain fees, rents, rates and other charges for such use and occupancy which will produce aggregate revenues sufficient to meet the requirements of clauses

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(l)(a) through (f), above, applicable to such bonds. Upon any failure of the trustees so to exercise their powers, the Authority may proceed to establish or revise such rules and regulations and to fix or adjust such fees, rents, rates and other charges without the approval of the trustees; provided, that in such case the trustees may propose alternate rules and regulations or scale of fees, rents, rates and other charges which shall thereupon be adopted by the Authority if aggregate revenues sufficient to meet said requirements will be produced thereby. Such fees, rents, rates and other charges shall not, except as expressly provided herein with respect to the trustees, be subject to supervision or regulation of any department, division, commission, board, bureau or agency of the commonwealth or any political subdivision thereof.

All revenues derived from projects and property, the revenues from which are pledged under any resolution or trust agreement, except such part thereof as may be necessary to pay or provide for the costs of maintenance, repair and operation thereof, the allocable portion of current operating and administrative expenses of the Authority and such reserves therefor as may be provided for in the applicable trust agreement and to pay the amounts, if any, required by section nineteen C to be paid to the treasurer and receiver-general out of such revenues, shall be set aside at such regular intervals as may be provided in such trust agreement and shall be pledged to, and charged with, the payment of the principal of and the interest on the bonds issued under such trust agreement as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as provided therein. Such pledge shall be valid and binding from the time it is made, the revenues or other moneys pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice thereof. No resolution or trust agreement by which a pledge is created need be filed or recorded except in the records of the Authority. The use and disposition of moneys so pledged shall be subject to the provisions of the applicable trust agreement. Except as may otherwise be provided in such trust agreement, such moneys shall be a fund for all such bonds without distinction or priority of one over another.

Upon the payment in full of the principal amount, including any redemption premium, of all bonds, including refunding bonds, issued to finance or refinance the cost of a project or projects under a single trust agreement, with interest thereon to the stated or accelerated maturity, as the case may be, of such bonds, and of all other sums, if any, then payable to the trustee under the provisions of such trust agreement, or upon deposit by the Authority with the trustee of funds sufficient and in trust to pay such principal amount, interest and sums, then the pledge of revenues from such project or projects or property the revenues from which are pledged thereunder shall cease and terminate, and the revenues thereafter derived from such project and property, except such part thereof as may be necessary to pay the cost of maintenance, repair and operation thereof and such portion of current operating and administrative expenses of the Authority and to provide reserves therefor as may be provided for at the time by resolution of the Authority upon the written approval of the trustees and to pay the amounts, if any, required

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by section nineteen C to be paid to the treasurer and receiver-general out of such revenues, shall be set aside and pledged to and charged with (1) the reimbursement to the commonwealth of any amounts theretofore paid by the commonwealth to meet principal or interest on any bonds of the Authority guaranteed by the commonwealth under section ten, or, if and only if the commonwealth has made no such payments, or has been reimbursed therefor, (2) the payment of the principal, interest and premiums, if any, at maturity or upon redemption or purchase, of (a) all bonds previously or contemporaneously issued under any particular trust agreement, or (b) all bonds previously or contemporaneously issued under more than one trust agreement, or (c) all bonds then outstanding, as the Authority may determine at the time by resolution approved by the trustees with a view to achieving reasonable uniformity in charges for like rooms and accommodations at the university. Such subsequent pledge shall remain in effect until the applicable payment has been made, whereupon the pledged revenues shall again be pledged in accordance with the preceding sentence. The provisions of this section applicable to the initial pledge of such revenues shall apply to such subsequent pledges.

**§ 1-10. Guaranty by Commonwealth**

*Guaranty by Commonwealth.*--The commonwealth, acting by and through the trustees, may enter into a contract or contracts with the Authority for state financial assistance in the form of a guaranty by the commonwealth of bonds of the Authority issued to achieve any of its corporate purposes or to refund outstanding indebtedness of the Authority incurred under this act or any other authority for any such purpose. Such guaranty shall be executed on each bond by the signature or facsimile signature of an officer of the trustees. In case any officer of the trustees whose signature or facsimile signature shall appear on any bond shall cease to be such officer before the delivery thereof, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery. Each such contract shall contain such limitations as to the cost of any project or projects to be financed by the bonds to be guaranteed pursuant thereto and current operating and administrative expenses of the Authority to be allocated thereto, and such other provisions, as the trustees may require.

The Authority shall create a reserve for principal and interest on all bonds with respect to which such a contract or contracts shall have been executed and which are secured by a single trust agreement and shall make deposits in such reserve as hereinafter provided. For the purposes of this paragraph the term "annual series requirement" shall mean one-twelfth of the largest amount of principal and interest payments due in any year on any one issue or series of bonds secured by a single trust agreement and the term "year" shall mean a calendar year. Such annual series requirement shall be in effect as to any such issue or series of bonds for and only for the twelve years succeeding the next year in which the same was issued. At the time of initial issue of any issue or series of bonds the Authority may deposit in such reserve an amount, from the proceeds of such bonds or from other available funds of the Authority, not

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greater than the aggregate of the annual series requirements in respect of such issue. If the amount of such deposit is less than such aggregate, the Authority shall, at the time such deposit is made, designate to which of such annual series requirements such deposit shall apply. In each year commencing with the first year succeeding the year in which the initial such issue or series of bonds shall be issued the Authority shall deposit in such reserve an amount equal to the aggregate of the annual series requirements in effect for such year in respect of all such issues or series of bonds bonds of which are outstanding on the first day of such year plus or, at the option of the Authority, minus, as the case may be, the deficiency or excess of the amount on deposit in such reserve on such first day, including in such amount interest accrued but unpaid on obligations in which such amount may than be invested, under or over the aggregate of all annual series requirements in effect for prior years in respect of all such issues or series of bonds bonds of which are outstanding on such first day; provided, however, that if there shall be any application of such reserve or any portion thereof to the payment of principal or interest on bonds, the amount of any deficiency in the amount thereafter on deposit in such reserve resulting from such application shall be taken into account in computing the amount required to be deposited in such reserve in any year thereafter only to the extent that it is practicable to do so. The principal and interest payments due in any year on any issue or series of bonds shall be determined in accordance with the following when applicable: (1) the principal of bonds for the payment, prepayment, redemption or refunding of which funds are held in trust by the trustee appointed pursuant to the trust agreement under which such bonds were issued shall be treated as not outstanding, and after notice of any prepayment, redemption or refunding of bonds has been given in accordance with such trust agreement, all interest accruing on such bonds after the date with respect to which the requirements of such trust agreement for prepayment, redemption or refund thereof have been fulfilled shall be treated as not due, and (2) if the Authority shall establish a sinking fund for the payment of the principal of bonds at or prior to maturity, such principal amount of bonds as will be paid or prepaid from any deposit required to be made into such sinking fund shall be treated as if it matured on the date of such deposit and not on the maturity date of such bonds. Unless the trust agreement or a resolution of the Authority shall otherwise provide, all amounts required to be deposited into a reserve under any trust agreement shall be held for the equal benefit and security of all issues and series of bonds issued under such trust agreement. Any reserve may be used whenever necessary to pay principal or interest on bonds of any such issue or series of bonds, but such reserve shall be restored to the required level as soon as practicable. At any time when the amount on deposit in any reserve equals or exceeds (a) the aggregate of the twelve annual series requirements to be in effect with respect to any particular such issue or series of bonds bonds of which are then outstanding plus (b) all annual series requirements in effect for all prior years and for the then current year with respect to all other such issues or series of bonds bonds of which are then outstanding, and when such aggregate plus any other funds of the Authority available for the purpose shall equal or exceed the aggregate amount required to pay in full the principal and redemption price of and interest on all bonds of such particular issue or series then outstanding, the Authority may apply to such payment an amount from such reserve not exceeding such aggregate. If on the first day of any year the amount on deposit in any reserve equals or exceeds the sum of (i) the aggregate of all annual series requirements in

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effect for prior years plus (ii) the annual series requirements for such year, in each case in respect of all such issues or series of bonds bonds of which are outstanding on such first day, the Authority shall not be obliged to make a deposit in such reserve in respect of such year, and, if such amount on deposit exceeds such sum but the conditions for application of the preceding sentence are not then met, the Authority may apply such excess to the payment of interest coming due in such year on bonds of such issues or series.

Any such contract may provide for the guaranty by the commonwealth of notes of the Authority issued under section seven, the total amount of which shall not exceed the amount specified in the contract for state financial assistance. Such guaranty shall be executed on each note by the signature or facsimile signature of an officer of the trustees. In case any officer of the trustees whose signature or facsimile signature shall appear on any note shall cease to be such officer before the delivery thereof, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery.

The guaranty of the commonwealth provided pursuant to such contract shall be of the payment of the principal of, and interest on, all such notes and bonds as the same become due and payable, and the full faith and credit of the commonwealth is hereby pledged for any such guaranty; provided, that the total amount of notes and bonds so guaranteed and outstanding at any one time shall not exceed 200 million dollars in the aggregate, exclusive of bonds and notes refunded or being refunded thereby. [Section 11 of chapter 55 of the acts of 1999]

**§ 1-11. Credit of Commonwealth Not Otherwise Pledged**

*Credit of Commonwealth Not Otherwise Pledged.*--Notes and bonds issued by the Authority under the provisions of this act shall not constitute a debt of the commonwealth or of any political subdivision thereof or a pledge of the faith and credit of the commonwealth or of any political subdivision, unless and except any such notes and bonds bear the guaranty of the commonwealth pursuant to section ten, and shall be payable solely from the funds herein provided therefor from revenues. All such notes and bonds, except those bearing such guaranty, shall contain on the face thereof a statement to the effect that neither the commonwealth nor the Authority shall pay the same or the interest thereon except from revenues of the Authority and that neither the faith and credit nor the taxing power of the commonwealth or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds.

All expenses incurred in carrying out the provisions of this act shall be payable solely from funds provided under the authority of this act and no liability or obligation shall be incurred by the Authority hereunder beyond the extent to which moneys shall have been provided under the provisions of this act.

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**§ 1-12. Trust Funds**

*Trust Funds.*--All moneys received pursuant to the authority of this act, whether as proceeds from the sale of notes or bonds or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this act. The resolution authorizing the notes or bonds or the trust agreement securing such bonds shall provide that any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this act and such resolution or trust agreement may provide.

**§ 1-13. Repealed, 1963, 684, Sec. 13**

**§ 1-14. Remedies**

*Remedies.*--Any holder of notes or bonds issued under the provisions of this act or any of the coupons appertaining thereto, and the Trustee under any trust agreement, except to the extent the rights herein given may be restricted by such trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the commonwealth or granted hereunder or under such trust agreement or resolution authorizing the issuance of such bonds, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the Authority or by any officer thereof, including the fixing, charging and collecting of fees, rents, rates and charges.

**§ 1-15. Exemption from Taxation**

*Exemption from Taxation.*--The exercise of the powers granted by this act will be in all respects for the benefit of the people of the commonwealth, and for the promotion and improvement of public education in the commonwealth, and as the carrying out, operation and maintenance of projects by the Authority will constitute the performance of essential governmental functions, the Authority shall not be required to pay any taxes or assessments upon any property acquired or used by the Authority under the provisions of this act or upon the income therefrom, and the notes and bonds issued under the provisions of this act, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the commonwealth.

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**§ 1-16. Notes and Bonds Eligible for Investment**

*Notes and Bonds Eligible for Investment.*-- Notes and bonds issued by the Authority under the provisions of this act are hereby made securities in which all public officers and public bodies of the commonwealth and its political subdivisions, all savings banks, insurance companies, trust companies in their commercial departments and, within the limits set by section forty of chapter one hundred and seventy-two of the General Laws, banking associations, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the commonwealth for any purpose for which the deposit of bonds or other obligations of the commonwealth is now or may hereafter be authorized by law.

**§ 1-17. Liability in Contract or Tort; Enforcement of Claims**

*Liability in Contract or Tort; Enforcement of Claims.*--The Authority shall be liable in contract or in tort in the same manner as a private corporation. The members of the Authority shall not be personally liable as such on its contracts, or for torts not committed or directly authorized by them. The property or funds of the Authority shall not be subject to attachment, or to levy and sale on execution, but if the Authority refuses to pay a judgment entered against it in any court of competent jurisdiction, the supreme judicial court, sitting within and for the county in which the Authority is situated may, by writ of mandamus, direct the treasurer of the Authority to pay such judgment. The real estate of the Authority shall not be subject to liens under chapter two hundred and fifty-four of the General Laws.

**§ 1-17A. Indemnification and defense against claims; Procurement of Insurance**

The Authority may indemnify and defend present and past members, officers and employees of the Authority against liabilities, claims, actions, suits, demands, judgments, reasonable costs and

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expenses, including reasonable legal expenses, in connection with an actual or threatened suit or proceeding, including any compromise or settlement thereof approved by the Authority, arising by reason of any act or omission of such person within the scope of such person's employment, official duties or responsibilities for the Authority; provided, however, that no indemnification shall be provided concerning a matter as to which such person acted with: (1) malice; (2) without a reasonable good faith belief that such person's conduct was in the best interest of the Authority; or (3) with the knowledge that such person's conduct was unlawful. The Authority may procure insurance for itself and for its members, officers and employees against liabilities, losses and expenses which may be incurred by virtue of this section or otherwise. [Section 105 of chapter 131 of the acts of 2010]

**§ 1-18. Miscellaneous**

*Miscellaneous.*--The Authority may take such action as it deems appropriate to enable its employees to come within the provisions and obtain the benefits of the federal social security act. [FNI] If the employees of the Authority shall come within the provisions of said social security act, their employment shall be included in the term "employment" as used in sections one to seven, inclusive, of chapter one hundred and fifty-one A of the General Laws.

The provisions of sections 26 to 29, inclusive, and of sections 44A to 44H, inclusive, of chapter 149 of the General Laws, and sections 39F to 39P, inclusive, and section 39R of chapter 30 of the General Laws are hereby made applicable to the authority. Notwithstanding the foregoing, for certain projects at the Amherst campus designated by the president of the university and the chancellor of the Amherst campus pursuant to a two year pilot program for projects initiated in the 2004 and 2005 calendar years, and projects for which not less than one-half of the funds are from nongovernmental sources, with the approval of the governor, said authority may use an alternative mode of procurement of design and construction including, but not limited to, sequential, construction management, turnkey, design/build procurement and the phasing of such procurement including, but not limited to, approval of design and construction stages as separate or combined phases, which shall most efficiently, economically and best serve the interests of said authority. In all cases, said authority shall use procedures which shall be compatible with the policies and procedures for the selection of designers in sections 38A 1/2 to 38 O, inclusive, of chapter 7 of the General Laws and with the policies and procedures for the selection of contractors in sections 44A to 44H, inclusive, of chapter 149 of the General Laws to the extent feasible in light of the mode selected. As used in this section, the term "nongovernmental sources" shall be limited to private donations, gifts, contracts, or grants, including commercial ventures and intellectual property contracts, or grants or contracts from the federal government or the administrative overhead associated with such grants and contracts; but the term shall not mean revenue derived from fees, tuition or charges of any kind paid by students, faculty, or staff. [Section 52 of chapter 140 of the acts of 2003] [Section 29 of chapter 193 of the acts of 2004]

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**§ 1-19. Transfer to Commonwealth**

*Transfer to Commonwealth.*--When all bonds and notes issued under the provisions of this act and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and notes and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the holders thereof, all projects then owned by the Authority shall become the property of the commonwealth, and thereupon the Authority shall be dissolved and all funds of the Authority not required for the payment of the bonds and notes and of the interest thereon or for the satisfaction of any other obligations of the Authority or for expenses incident to its dissolution shall be paid into the treasury of the commonwealth and all other property belonging to the Authority shall be vested in the commonwealth and delivered to the trustees.

**§ 1-19A. Transfer of Trust Funds to Authority**

*Transfer of Trust Funds to Authority.*--To provide for the expenses of the authority and for the payment of indebtedness incurred by it in carrying out the provisions of this act, the trustees may, in the name and on behalf of the commonwealth, in connection with any financing, including any refunding, provided by the authority, or in connection with any transfer to the authority of buildings or other property under the provisions of section five, (i) transfer or pledge that they will periodically transfer to the authority, or any university affiliate under terms permitting further transfer or pledge to the authority, any part or all of any funds held by the trustees as trust funds under the provisions of section eleven of chapter seventy-five of the General Laws, administered by the trustees as gifts, grants, or trusts under the provisions of clause (e) of the fifth paragraph of section one A of chapter seventy-five of the General Laws, made available for expenditure by the trustees pursuant to an appropriation or other spending authorization in the commonwealth's annual operating budget, including supplementary and deficiency budgets, or otherwise available for expenditure by the trustees, and (ii) may contract with the authority or any university affiliate with respect thereto under terms permitting further transfer or pledge by the authority to a trustee under any trust agreement entered into by the authority; provided, that in the case of any funds expected to be available for expenditure by the trustees pursuant to subsequent appropriation or other spending authorization by the legislature, the trustees may only pledge that they will so transfer such funds subject to such subsequent appropriation or other spending authorization. The trustees may impose such terms and conditions as to the application of the funds so transferred as the trustees deem appropriate for the carrying out of the provisions of this act. Any such pledge shall be valid and binding from the time when the pledge is made; the funds so pledged shall immediately be subject to the lien

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of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university or any university affiliate, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which such a pledge is created need be filed or recorded except in the records of the authority. [Section 16 of chapter 267 of the acts of 1995]

To provide for the expenses of HEFA and for the payment of indebtedness incurred by it in connection with any project financed by HEFA on behalf of the university or any university affiliate, or in connection with any transfer for such purpose by HEFA, or the commonwealth acting through the trustees under the provisions of section five, or any university affiliate to HEFA, or the commonwealth acting through the trustees, or any university affiliate of buildings or other property, the trustees may, in the name and on behalf of the commonwealth, (i) transfer or pledge that they will periodically transfer to HEFA, or any university affiliate under terms permitting further transfer or pledge to HEFA, any part or all of any funds held by the trustees as trust funds under the provisions of section eleven of chapter seventy-five of the General Laws, administered by the trustees as gifts, grants, or trusts under the provisions of clause (e) of the fifth paragraph of section one A of chapter seventy-five of the General Laws, made available for expenditure by the trustees pursuant to an appropriation or other spending authorization in the commonwealth's annual operating budget, including supplementary and deficiency budgets, or otherwise available for expenditure by the trustees, and (ii) may contract with HEFA or any university affiliate with respect thereto under terms permitting further transfer or pledge by HEFA to a trustee under any trust agreement related to such project and entered into by HEFA pursuant to chapter six hundred and fourteen of the acts of nineteen hundred and sixty-eight, as amended; provided, that in the case of any funds expected to be available for expenditure by the trustees pursuant to subsequent appropriation or other spending authorization by the legislature, the trustees may only pledge that they will so transfer such funds subject to such subsequent appropriation or other spending authorization. The trustees may impose such terms and conditions as to the application of the funds so transferred as the trustees deem appropriate for the carrying out of the provisions of said chapter six hundred and fourteen and of chapter seventy-five of the General Laws. Any such pledge shall be valid and binding from the time when the pledge is made; the funds so pledged shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the university or any university affiliate, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which such a pledge is created need be filed or recorded except in the records of HEFA. [Section 17 of chapter 267 of the acts of 1995]

**§ 1-19B. Use and Disposition of Property and Proceeds Thereof**

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*Use and Disposition of Property and Proceeds Thereof.*--The Authority may sell the buildings or other structures upon any land acquired by it and which are not included in a project, or may remove the same, and may sell or lease any lands or rights or interest in lands or other property acquired for the purposes of this act whenever the same shall, in the opinion of the Authority, cease to be needed for such purposes. The proceeds of any such sale or lease shall be held and disposed of as revenues from the project for or with respect to which the property sold or leased shall have been acquired; provided, however, that no property acquired from the commonwealth under the provisions of this act shall be sold or leased without the prior approval of the governor and council; and provided, further, that the proceeds of any sale or lease of any such property shall be paid to the treasurer and receiver-general of the commonwealth and shall be credited on the books of the commonwealth to the General Fund.

**§ 1-19C. Commonwealth Properties**

*Commonwealth Properties.*--In the event that the trustees shall sell, convey or lease to the Authority any dormitory, dining commons or boarding hall, faculty or student apartment building, garage building or student union building at the university and owned by the commonwealth or any interest of the commonwealth in or to such a building so located but owned by another, and in the further event that funds for the rental or maintenance of such building or buildings have been provided by appropriation from general funds of the commonwealth for any fiscal year ending after the effective date of such sale, conveyance or lease, such sale, conveyance or lease shall provide that the rentals, fees or other charges levied for the use of such building or rooms or accommodations therein or services provided therein in such fiscal year shall be retained by or paid to the treasurer and receiver-general of the commonwealth, as the case may be.

If one or more of the dormitories at the university with respect to which special maintenance appropriations shall have been made by the general court under item 8363-09 of chapter six hundred and forty-nine of the acts of nineteen hundred and sixty-two, under item 8364-27 of chapter five hundred and twenty-two of the acts of nineteen hundred and sixty-three or under any item of any subsequent act and expended, or any interest in any such dormitory, shall be sold, conveyed or leased to the Authority, the Authority shall pay to the treasurer and receiver-general of the commonwealth within each twelve-month period following the effective date of such sale, conveyance or lease, an amount out of the revenues received by the Authority from such dormitory or dormitories during such twelve-month period equal to the lesser of (a) one tenth of the total amount so appropriated and expended with respect to such dormitory or dormitories as certified by the treasurer of the university or (b) one tenth of such net revenues. Such payments shall continue until they shall aggregate the total amount so appropriated and

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expended as so certified and shall be in addition to any other amount which the Authority may be obliged to pay pursuant to any agreement entered into under section five.

If the dining commons or boarding hall at the university on July first, nineteen hundred and sixty-three, shall be so sold, conveyed or leased to the Authority, the Authority shall pay to the treasurer and receiver-general of the commonwealth the sum of sixty-one thousand five hundred dollars out of the revenues received by the Authority from such dining commons or boarding hall in respect of each twelve-month period thereafter until June thirtieth, nineteen hundred and eighty-five. Each such payment shall be made in or within ninety days after the end of the twelve-month period with respect to which it is payable and shall be in addition to any other amount which the Authority may be obliged to pay pursuant to any agreement entered into under section five.

All payments made to the treasurer and receiver-general of the commonwealth under this section shall be credited on the books of the commonwealth to the General Fund.

**§ 1-20. Act Liberally Construed**

*Act Liberally Construed.*--This act, being necessary for the welfare of the commonwealth and its inhabitants, shall be liberally construed to effect the purposes thereof.

**§ 1-21. Constitutional Construction**

*Constitutional Construction.*--The provisions of this act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions

**§ 1-22. Inconsistent Laws Inapplicable**

*Inconsistent Laws Inapplicable.*--All other general or special laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable to the provisions of this act.