§ 2856. Powers and limitations of a nursing home company. 1. Except as is inconsistent with the provisions of this article, a nursing home company shall have, in carrying out the purpose of this article, the powers conferred on corporations by the not-for-profit corporation law or the business corporation law, as the case may be, and shall be subject to the limitations contained therein.

2. Nursing home companies shall have the following additional powers:

(a) To make and execute contracts and other instruments necessary or convenient in the exercise of its powers.

(b) To acquire or contract to acquire from any persons, firm, corporation, public corporation, municipality, federal or state agency, by grant, purchase, or otherwise, leaseholds, real, personal or mixed property or any interest therein, and to sell, assign, exchange, transfer, mortgage or encumber the same.

(c) To own, hold, clear and improve, leasehold, real, personal or mixed property or any interest therein.

(d) In the case of a non-profit nursing home company, to issue non-interest bearing income debentures up to an amount representing the difference, if any, between the amount of the mortgage made by the company and the total estimated project cost, or the total actual cost, whichever is less; in the case of a limited-profit nursing home company, to issue shares and debentures only in such amounts and form and to such person, firm or corporation as may be approved by the commissioner.

(e) To construct, reconstruct, rehabilitate, improve, alter, repair, lease, manage or operate and otherwise provide nursing home projects.

(f) To insure or provide for the insurance of its property or operations as required by law and also against such other risks as it may deem advisable.

(g) To limit by contract the exercise of any of its powers.

(h) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control.

(i) To sue and be sued.

(j) To have a seal and alter the same at pleasure.

(k) To make and from time to time amend and repeal bylaws, rules and

regulations not inconsistent with the provisions of this article.

(l) To enter into contracts with the New York state housing finance agency or the New York state medical care facilities finance agency, as the case may be, for loans, and to pay all such fees and charges as may be imposed by such agency as a condition of any such loan.

(m) To receive assistance from the state, federal government, municipalities or any person, firm or corporation by contract or otherwise; and to comply, subject to the provisions of this article, with the terms and conditions of such assistance, and in connection with assistance grants which are made by the state, federal government or a municipality to reimburse the company for project costs which have been paid for by such company from the proceeds of a loan or such other funds which are legally made available to the company, to hold and apply such assistance grants in accordance with the requirements of the commissioner and the New York state housing finance agency or the New York state medical care facilities finance agency, as the case may be.

(n) To do all other things necessary or convenient to carry out its powers.

3. No nursing home company shall:

(a) Acquire any real property or interest therein unless such company shall first have obtained from the commissioner a certificate that such acquisition is consistent with the purposes of this article.

(b) Issue notes, bonds, debentures, or other obligations without the approval of the commissioner. In the case of a limited-profit nursing home company, pay dividends on its shares and interest on its debentures at a rate higher than six per centum per annum, issue shares and debentures other than for money actually received for the use and lawful purposes of the company, except that shares and debentures may be issued for property actually received for the use and lawful purposes of the company upon a valuation approved by the commissioner and such valuation shall be used in computing the estimated or actual project cost.

(c) Without first having obtained the written consent of the commissioner:

(i) Construct, reconstruct, rehabilitate, improve, alter or repair any project, or enter into any contract for such purposes.

(ii) Sell, transfer, lease or encumber any real property, except that

no such consent shall be necessary in any sale in foreclosure pursuant to section two thousand eight hundred sixty-four.

(iii) Enter into any contracts relating to the management or operation of nursing home projects.

(iv) Enter into any contracts for the payment of any salary, fee or emolument to officers or employees.

(v) Make a guaranty of payment, or pledge any or all of its assets, income or revenues to secure payment of its obligations.

(vi) Voluntarily dissolve after twenty years, or such earlier date as the bonds issued by the New York state housing finance agency or the New York state medical care facilities finance agency, as the case may be, with respect to the project are subject to redemption; provided, however, that in the event an unpaid balance remains due on a loan from the New York state housing finance agency or the New York state medical care facilities finance agency, as the case may be, the consent of the agency must also be obtained.