

224A.130 Trust indentures.

- (1) In the discretion of the authority, any revenue bonds or notes issued under the provisions of this chapter may be secured by a trust indenture by and between the authority and a corporate trustee which may be any trust company or bank having the powers of a trust company within or without the State of Kentucky. Such trust indenture, or the resolution of the authority providing for the issuance of such revenue bonds or notes, may pledge or assign for the security of such revenue bonds or notes, all or any part of the totality of authority revenues received and to be received. Such trust indenture or resolution of the authority may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, and not in violation of law, including, inter alia, covenants and provisions setting forth the duties of the authority in relation to the purposes to which revenue bond and note proceeds may be applied; the disposition or pledging of assets and authority revenues; and the custody, safeguarding, and application of all authority revenues. It shall be lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of revenue bonds, notes or of authority revenues, to furnish such indemnifying bonds, or to pledge such securities as may be required by such trust indenture or resolution of the authority. Any such trust indenture or authority resolution may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders, where a trust indenture has been entered into. In addition to the foregoing, any such trust indenture or authority resolution may contain such other provisions as the authority may determine to be reasonable and proper for the further security of the holders of any revenue bonds or notes. All expenses incurred in carrying out the provisions of such trust indenture or bond proceedings may be treated as a part of the cost of operating the authority, and may be paid from authority revenues pledged or assigned to the payment of the principal of and the interest on revenue bonds or notes, or from any other funds properly available to the authority.
- (2) Notwithstanding any other provision to the contrary, any such trust indenture or authority resolution shall provide that, except to the extent the rights afforded to bondholders by this section shall be enforceable and enforced by a trustee under a trust indenture rather than by the bondholders, any holder of revenue bonds or notes issued by the authority or any of the coupons appurtenant thereto, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights generally arising under the laws of the state, or granted under this chapter, or under such trust indenture, or by the resolution of the authority authorizing the issuance of such revenue bonds or notes, and may specifically enforce and compel by mandamus the performance of all duties required by this chapter, or by such trust indenture, or such authority resolution, to be performed by the authority or by any officer or employee thereof, including, inter alia, the prompt and full enforcement of the terms and conditions of all assistance agreements, to which the authority is a party.

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1972 Ky. Acts ch. 329, sec. 13.