

103.251 Mortgage deed of trust by issuer of bonds.

Notwithstanding the provisions of KRS 103.250, it may be provided in the proceedings authorizing bonds issued under the terms of KRS 103.200 to 103.285, inclusive, that the issuer, in connection with the issuance of its bonds, execute a mortgage deed of trust in favor of the trustee on the project acquired or constructed through the application of the proceeds of the bonds, providing that in the event of default by the issuer in the payment of interest on or principal of its bonds, or in the event of default of any other covenant contained in such mortgage deed of trust, the trustee, upon behalf of the bondholders, may institute and carry through foreclosure proceedings in which the property secured by the mortgage deed of trust may be sold, the proceeds of such sale to be applied to the payment of the bonds and any interest or premium due thereon, and to the costs of the proceedings. In connection with such plan of financing, such provisions may be inserted in the bonds themselves and in the mortgage deed of trust as may be necessary to protect the bondholders and to make such bonds salable with the lowest net interest cost to the issuer. If the issuer declares its intent by ordinance or resolution to follow the provisions of this section the statutory mortgage lien provided in KRS 103.250 shall not attach and all other provisions of KRS 103.200 to 103.285, inclusive, which are necessarily inconsistent with the mortgage deed of trust shall be inapplicable to the extent of such necessary inconsistency.

History: Created 1976 Ky. Acts ch. 214, sec. 5.