

82.160 Security for revenue bonds through trust indenture.

In the discretion of the city any bonds issued under the provisions of KRS 82.140 to 82.165 may be secured by a trust indenture by and between the city and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the Commonwealth. Such trust indenture or the proceedings providing for the issuance of such bonds may pledge or assign the revenues to be received; but shall not convey or mortgage any project or any part thereof, except in the case of bonds issued through the agency and instrumentality of a nonprofit corporation organized under the general corporation laws of the Commonwealth, in which case there may be a conveyance or mortgage if such corporation be thereunto authorized by the governing body of the city. Such trust indenture or proceedings 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 covenants setting forth the duties of the city in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the project or projects in connection with which such bonds shall have been authorized, the rates of the rentals to be charged, and the custody, safeguarding and application of all moneys, if such covenants shall be appropriate to the issue. It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth which may act as depository of the proceeds of bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the city. Any such trust indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust indenture or proceedings may contain such other provisions as the city may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust indenture or proceedings may be treated as a part of the cost of the project or projects.

History: Created 1962 Ky. Acts ch. 178, sec. 5(6).