

58.060 Receiver -- Provision for foreclosure through trustee authorized.

- (1) If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the public project on behalf of the governmental agency, with power to charge and collect rents, royalties, fees, rates and charges and to receive any other available revenue sufficient to provide for the payment of any bonds or obligations outstanding against the public project, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 58.010 to 58.140 and the order, resolution or ordinance referred to in KRS 58.020.
- (2) Notwithstanding any of the other provisions of KRS 58.010 to 58.140, inclusive, it may be provided in the proceedings authorizing bonds issued for the purpose of financing a project under KRS 58.010(1)(b), as amended, that the governmental agency, in connection with the issuance of its bonds, execute a mortgage deed of trust in favor of a 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 agency in the payment of interest or principal of its bonds or in the event of default of any other covenant contained in such mortgage deed of trust the trustee, on behalf of the bondholders, may institute and carry through foreclosure proceedings, with the property secured by the mortgage deed of trust put up for sale on foreclosure proceedings, the proceeds of such sale to be used for the benefit of the bondholders. 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 in order to make such bonds salable with the lowest net interest cost to the agency. If the agency declares its intent by ordinance or resolution to follow the provisions of this section, and in doing so determines it cannot comply with any provision of KRS 58.010 to 58.140, as such provision is inconsistent with the provisions of this section, the agency is not required to comply with the inconsistent provision of KRS 58.010 to 58.140.

History: Amended 1968 Ky. Acts ch. 153, sec. 1. -- Created 1946 Ky. Acts ch. 126, sec. 6.