

**17D-2-405 Default under a lease agreement.**

If a local entity fails to pay a lease payment due to a local building authority under a lease agreement:

- (1) the local entity shall immediately quit and vacate the project;
- (2) the local entity's lease payment obligation under the lease agreement terminates; and
- (3) the local building authority may immediately lease the project according to the provisions of:
  - (a) the proceeding under which bonds to fund the project were authorized; and
  - (b) any mortgage given to secure the bonds.

Enacted by Chapter 360, 2008 General Session