

53B-13-110 Default by board -- Appointment of a trustee -- Powers of the trustee and bondholders.

- (1) If the board defaults in the payment of principal of or interest on an issue of bonds after the issue becomes due, whether at maturity or upon call for redemption, and the default continues for 30 days, or if the board fails or refuses to comply with this chapter, or defaults in an agreement made with the holders of an issue of bonds, the holders of 25% of the aggregate principal amount of the bonds of the issue then outstanding, may appoint a trustee to represent all holders of that issue of bonds for the purposes provided in this section.
- (2) The trustee may, and upon written request of the holders of 25% of the aggregate principal amount of the bonds of the issue then outstanding shall, in his own name by action or proceeding enforce all rights of the bondholders including the following:
 - (a) bringing an action to require the board to collect fees, charges, interest, and amortization payments of loans made by it adequate to carry out the agreement as to, or pledge of, the fees, charges, interest, and amortization payment on the loans and other properties;
 - (b) bringing an action to require the board to carry out other agreements with the holders of the bonds and to perform its duties under this chapter;
 - (c) bringing an action upon the bonds; or
 - (d) bringing an action to require the board to account as if it were the trustee of an express trust for the holders of the bonds due and payable, and if all defaults are made good, then, with the consent of the holders of 25% of the principal amount of the issue of bonds then outstanding, to annul the declaration and its consequences.
- (3) The holders of bonds and the trustee authorized by this section shall have all of the rights to which they are entitled by virtue of provisions included in the bonds or otherwise available to them under law.

Enacted by Chapter 167, 1987 General Session