

**17D-2-503 Proceedings for the issuance of local building authority bonds.**

The proceeding under which a local building authority is authorized to issue bonds under this part may:

- (1) contain any agreement or provision customarily contained in an instrument securing bonds, including a provision regarding:
  - (a) the fixing and collection of lease payments for a project covered by the bond proceeding;
  - (b) the terms to be incorporated in the lease agreement with respect to the project;
  - (c) the operation, maintenance, and insurance of the project;
  - (d) the creation and maintenance of a reserve fund from the proceeds of the sale of bonds or from lease payment revenue; and
  - (e) any rights and remedies available to the holders of the bonds or to the trustee, in the event of a default, that the authority board of the local building authority determines in accordance with this part;
- (2) provide for the appointment of a trust company or bank, located inside or outside the state, as trustee; and
- (3) provide that upon default in the payment of the principal of or interest on the bonds or in the performance of any covenant or agreement contained in the proceedings, the payment or performance may be enforced by the appointment of a receiver for the project, with power:
  - (a) to rent or lease some or all of the property;
  - (b) to charge and collect rent; and
  - (c) to apply revenue from the project in accordance with the bond proceeding.

Enacted by Chapter 360, 2008 General Session