

12-2809. Purchase of equipment; trust certificates; payment; leases. The authority shall have power to purchase equipment such as cars, trolley buses and motor buses, and may execute agreements, leases and equipment trust certificates in the form customarily used in such cases appropriate to effect such purchase and may dispose of such equipment trust certificates. All money required to be paid by the authority under the provisions of such agreements, leases and equipment trust certificates shall be payable solely from the revenue or income to be derived from the transportation system and from grants and loans as provided in K.S.A. 12-2811. Payment for such equipment, or rentals therefor, may be made in installments, and the deferred installments may be evidenced by equipment trust certificates payable solely from such revenue or income, and title to such equipment shall not vest in the authority until the equipment trust certificates are paid.

The agreement to purchase may direct the vendor to sell and assign the equipment to a bank or trust company, duly authorized to transact business in the state of Kansas, as trustee, for the benefit and security of the equipment trust certificates and may direct the trustee to deliver the equipment to one or more designated officers of the authority and may authorize the trustee simultaneously therewith to execute and deliver a lease of the equipment to the authority.

The agreements and leases shall be duly acknowledged before some person authorized by law to take acknowledgments of deeds and in the form required for acknowledgment of deeds and such agreements, leases and equipment trust certificates shall be authorized by vote of the board and shall contain such covenants, conditions and provisions as may be deemed necessary or appropriate to insure the payment of the equipment trust certificates from the revenue or income to be derived from the transportation system.

The covenants, conditions and provisions of the agreements, leases and equipment trust certificates shall not conflict with any of the provisions of any trust agreement securing the payment of bonds or certificates of the authority.

An executed copy of each such agreement and lease shall be filed in the office of the city clerk of the city in which said authority is operating a transportation system and such filing shall constitute notice to any subsequent judgment creditor or any subsequent purchaser.

History: L. 1955, ch. 118, § 9; April 13.