

76-816. Trust agreement. In the discretion of the board, any bonds issued under the provisions of this act may be secured by a trust agreement by and between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. Such trust agreement or the resolution providing for the issuance of such bonds may pledge or assign all or any part of the gross or net revenues, proceeds and receipts derived from the ownership, operation or use of, or services rendered by, the medical center, together with the project, and including fees, tuition, rents, charges, other revenues, proceeds from the sale of any property, insurance proceeds, condemnation awards, appropriated funds and other moneys to be received and available therefor, but shall not convey or mortgage the medical center or the project. Any trust agreement or resolution providing for the issuance of bonds may contain such provisions for protecting and enforcing the rights and remedies of the holders of the bonds as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the board in relation to the acquisition of property and the construction, improvement, maintenance, repair, operation and insurance of the medical center together with the project, the fees, tuition, rents and other charges to be fixed and collected, the sale of any property, the terms and conditions for the issuance of additional bonds, the continued operation of the medical center together with the project, until payment of all the bonds, and the custody, safeguarding, investment and application of all moneys received from the sale of the bonds as well as all moneys pledged by the board to secure the payment of the bonds and the interest thereon. It shall be lawful for any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds, revenues or other money hereunder to furnish such indemnifying bonds or to pledge such securities as may be required by the board. Any such trust agreement or resolution may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the board may deem desirable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the project or as an expense of administration of the medical center together with the project, as the case may be.

History: L. 1973, ch. 380, § 7; April 25.