

12A.8 Obligations secured by trust agreement.

Obligations issued under this chapter may be secured by a trust agreement by and between the issuer and an incorporated trustee, which may be a trust company or bank having the powers of a trust company in this state or another state. The trust agreement or the resolution providing for the issuance of the obligations may pledge or assign the revenue to be received for payment of the obligations or the proceeds of any contract pledged. A pledge or assignment made by the issuer pursuant to this chapter is valid and binding from the time that the pledge or assignment is made, and the revenue pledged and thereafter received by the issuer is immediately subject to the lien of the pledge or assignment without physical delivery or any further act. The lien of the pledge or assignment is valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the issuer irrespective of whether the parties have notice of the lien. The trust agreement or resolution by which a pledge is created or an assignment made shall be filed in the records of the issuer. The trust agreement or resolution providing for the issuance of the obligations may contain provisions for protecting and enforcing the rights and remedies of the holders of an obligation as are reasonable and proper, not in violation of law, or provided for in this chapter. A bank or trust company incorporated under the laws of this state or another state which acts as depository of proceeds of the obligations, revenue, or other moneys shall furnish the indemnifying obligations or pledge securities as and to the extent required by the issuer. The trust agreement or resolution may set forth the rights and remedies of the holders of an obligation and of the trustee, and may restrict the individual right of action by holders of an obligation. The trust agreement or resolution may contain other provisions the issuer deems reasonable and proper for the security of the obligation holders.

2007 Acts, ch 133, §8