

16A.10 Remedies of holders of obligations.

1. If the authority defaults in the payment of principal or interest on an issue of obligations after they become due, whether at maturity or upon call for redemption, and the default continues for a period of thirty days, or if the authority fails or refuses to comply with this chapter, or defaults in an agreement made with the holders of an issue of obligations, the holders of twenty-five percent in aggregate principal amount of obligations of the issue then outstanding may appoint a trustee to represent the holders of the obligations for the purposes provided in this section by filing an instrument in the office of the clerk of the county in which the principal office of the authority is located. The instrument shall be proved or acknowledged in the same manner as a deed to be recorded.

2. The authority or any trustee appointed under the indenture under which the obligations are issued may, and upon written request of the holders of twenty-five percent in aggregate principal amount of the issue of obligations then outstanding shall:

a. Enforce all rights of the holders of the obligations, including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter.

b. Bring suit upon the obligations.

c. By action require the authority to account as if it were the trustee of an express trust for the holders.

d. By action enjoin any acts or things which are unlawful or in violation of the rights of the holders.

e. Declare all the obligations due and payable and if all defaults are made good then with the consent of the holders of twenty-five percent of the aggregate principal amount of the issue of obligations then outstanding, annul the declaration and its consequences.

The holders of obligations, to the extent provided in the resolution by which the obligations were issued or in their agreement with the authority, may enforce any of the remedies in paragraphs "*a*" to "*e*" or the remedies provided in those agreements for and on their own behalf.

3. The trustee shall also have all powers necessary or appropriate for the exercise of functions specifically set forth or incident to the general representation of the holders of obligations in the enforcement and protection of their rights.

4. Before declaring the principal of obligations due and payable, the trustee shall first give thirty days' notice in writing to the governor, to the authority and to the attorney general of the state.

5. The district court has jurisdiction of any action by the trustee on behalf of the holders of obligations. The venue of the action shall be in the county in which the principal office of the authority is located.

85 Acts, ch 252, §11

CS85, § 175A.10

C93, § 16A.10