



Ohio Revised Code

Section 3377.08 Bonds may be secured by pledge, trust agreement or indenture of mortgage.

Effective: July 1, 1985

Legislation: House Bill 238 - 116th General Assembly

In the discretion of the Ohio higher educational facility commission, the bonds may be secured by a trust agreement or indenture of mortgage between the commission and a corporate trustee which may be any trust company or bank having the powers of a trust company within or without this state but authorized to exercise trust powers within this state. Any such indenture shall be filed and recorded in accordance with, and shall be governed by, section 1701.66 of the Revised Code.

Any such agreement or indenture may contain the resolution authorizing the issuance of the bonds and other provisions which are customary or appropriate in an agreement or indenture of such type, including but not limited to:

(A) A pledge of the rentals, revenues, and other income, charges, and moneys out of which the principal of and interest on the bonds are payable and a mortgage of all or any part of the pledged facilities, including any enlargements of and additions to such pledged facilities thereafter made. Such pledge shall be valid and binding from the time when the pledge is made. The rents charged and other revenues or other moneys so pledged and thereafter received by the commission are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding against all parties having claims of any kind against the commission, irrespective of whether such parties have notice thereof and create a perfected security interest for all purposes of Chapter 1309. of the Revised Code without the necessity for separation or delivery of funds or for the filing or recording of the bond proceedings by which such pledge is created or any certificate, statement, or other document with respect thereto.

(B) Maintenance of each pledge, trust agreement, and indenture of mortgage made for the security of any of the bonds until the commission has fully paid the principal of and interest on the bonds, or provision therefor has been made, for the security of which the pledge has been made and the trust agreement or indenture of mortgage has been given;



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(C) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the commission made as a part of the contract under which the bonds were issued, enforcement of such payments or agreement by mandamus, the appointment of a receiver in equity, or if a mortgage has been given, the foreclosure of such mortgage, or any combination of the foregoing;

(D) The rights and remedies of the bondholders and of the trustee, and provisions for protecting and enforcing them, including limitations on rights of individual bondholders;

(E) Such other provisions as the trustee, the original purchaser of the bonds, and the commission agree upon.