

ISSUED PURSUANT TO THE AUTHORITY OF THIS ACT, THEIR TRANSFER, THE INTEREST PAYABLE THEREON, AND ANY INCOME DERIVED THEREFROM IN THE HANDS OF THE HOLDERS THEREOF FROM TIME TO TIME (INCLUDING ANY PROFIT MADE IN THE SALE THEREOF) SHALL BE AND ARE HEREBY DECLARED TO BE AT ALL TIMES EXEMPT FROM STATE, COUNTY, MUNICIPAL OR OTHER TAXATION OF EVERY KIND AND NATURE WHATSOEVER WITHIN THE STATE OF MARYLAND. THE BONDS, AND THE ISSUANCE AND SALE THEREOF, SHALL BE EXEMPT FROM THE PROVISIONS OF SECTIONS 9, 10, AND 11 OF ARTICLE 31 OF THE ANNOTATED CODE OF MARYLAND (1971 REPLACEMENT VOLUME).

THE COUNTY IS HEREBY FURTHER AUTHORIZED AND EMPOWERED, AT ANY TIME AND FROM TIME TO TIME, TO ISSUE ITS BONDS IN THE MANNER HEREINABOVE DESCRIBED FOR THE PURPOSE OF REFUNDING, UPON PURCHASE OR REDEMPTION, ANY BONDS ISSUED HEREUNDER. THE VALIDITY OF ANY SUCH REFUNDING BONDS SHALL IN NO WAY BE DEPENDENT UPON OR RELATED TO THE VALIDITY OR INVALIDITY OF THE OBLIGATIONS SO REFUNDED. THE POWERS HEREIN GRANTED WITH RESPECT TO THE ISSUANCE OF BONDS SHALL BE APPLICABLE TO THE ISSUANCE OF REFUNDING BONDS. SUCH REFUNDING BONDS MAY BE ISSUED BY THE COUNTY FOR THE PURPOSE OF PROVIDING IT WITH FUNDS TO PURCHASE IN THE OPEN MARKET ANY OF ITS OUTSTANDING BONDS ISSUED HEREUNDER, PRIOR TO THE MATURITY THEREOF, OR FOR THE PURPOSE OF PROVIDING IT WITH FUNDS FOR THE REDEMPTION PRIOR TO MATURITY OF ANY OUTSTANDING BONDS ISSUED HEREUNDER WHICH ARE, BY THEIR TERMS, REDEEMABLE. THE PROCEEDS OF THE SALE OF ANY SUCH REFUNDING BONDS SHALL BE SEGREGATED AND SET APART BY THE COUNTY AS A SEPARATE TRUST FUND TO BE USED SOLELY FOR THE PURPOSE OF PAYING THE PURCHASE OR REDEMPTION PRICES OF THE BONDS TO BE REFUNDED.

2. The proceeds received from time to time from the sale of such [notes,] bonds [or other certificates of indebtedness] shall be placed in a special fund by the County Treasurer FOR THE ACCOUNT OF THE ALLEGANY COUNTY WATER COMMISSION and shall be paid out by him only on warrants authorized by the [county Commissioners of] Allegany County WATER COMMISSION for the purposes and projects authorized by this Act, provided, however, that if for any reason any such proceeds are not to be paid out, as aforesaid, within a reasonable period of time, the County Commissioners in their discretion are hereby authorized to direct the County Treasurer to invest such proceeds in accordance with the provisions of Section 22 of Article 95 of the Annotated Code of Maryland (1957 Edition), as amended from time to time.

3. For the purpose of paying the PRINCIPAL OF AND interest on said [notes,] bonds [or other certificates of indebtedness and for redeeming the same as they mature] WHEN DUE, the County Commissioners of Allegany County