

REVISOR'S NOTE: This section is new language derived without substantive change from former HE § 9-917(a) and (b).

In item (2)(ii) of this section, "retired" is substituted for the former reference to "acquired for retirement", for clarity.

9-938. SECURING BONDS BY RESOLUTION OR TRUST AGREEMENT.

(A) ENTERING INTO A TRUST AGREEMENT.

TO SECURE ANY BOND ISSUED UNDER THIS SUBTITLE, AN AUTHORITY MAY ENTER INTO A TRUST AGREEMENT WITH A CORPORATE TRUSTEE, WHICH MAY BE:

- (1) A TRUST COMPANY; OR
- (2) A BANK THAT HAS THE POWERS OF A TRUST COMPANY.

(B) PROVISIONS OF RESOLUTION OR TRUST AGREEMENT.

IN THE RESOLUTION OR TRUST AGREEMENT THAT AUTHORIZES THE AUTHORITY TO ISSUE BONDS, THE AUTHORITY:

(1) MAY PLEDGE OR ASSIGN THE REVENUES TO BE RECEIVED FROM THE OPERATION OF ANY PROJECT FOR WHICH THE BONDS ARE ISSUED;

(2) IN THE CASE OF BONDS THAT FINANCE A SEWERAGE SYSTEM, AND TO THE EXTENT ALLOWED UNDER § 9-946 OF THIS SUBTITLE, MAY PLEDGE OR ASSIGN AS SECURITY FOR THE BONDS THE REVENUES TO BE RECEIVED FROM THE WATER SYSTEM OF THE AUTHORITY;

(3) MAY NOT CONVEY OR MORTGAGE ANY PART OF A PROJECT;

(4) MAY INCLUDE REASONABLE, PROPER, AND LAWFUL PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF BONDHOLDERS, INCLUDING:

(I) COVENANTS STATING THE DUTIES OF THE AUTHORITY TO ACQUIRE, CONSTRUCT, IMPROVE, MAINTAIN, OPERATE, REPAIR, AND INSURE ANY PROJECT FOR WHICH THE BONDS ARE ISSUED;

(II) PROVISIONS FOR THE CUSTODY, PROTECTION, AND USE OF THE FUNDS OF THE AUTHORITY; AND

(III) PROVISIONS FOR THE EMPLOYMENT OF CONSULTING ENGINEERS IN CONNECTION WITH THE CONSTRUCTION OR MAINTENANCE OF ANY PROJECT FOR WHICH THE BONDS ARE ISSUED;

(5) MAY STATE THE RIGHTS AND REMEDIES OF BONDHOLDERS AND, IN THE CASE OF A TRUST AGREEMENT, OF TRUSTEES;