

the resolution authorizing the issuance of the bonds or in the trust agreement securing them, shall be set aside at regular intervals in a sinking fund which is hereby pledged to, and charged with, the payment of: (1) the interest upon the bonds when due, (2) the principal of the bonds when due, (3) the necessary charges of paying agents for paying principal and interest, and (4) the redemption price or purchase price of bonds retired by call or purchase as provided in the resolution or trust agreement. The pledge is valid and binding from the time when made. Auxiliary facilities fees and other revenues or other moneys so pledged and thereafter received by the University are immediately subject to the lien of the pledge without any physical delivery or further act, and the lien of any pledge of auxiliary facilities fees and other revenues or other moneys and the rights to receive the same is valid and binding against all parties having any claims of any kind in tort, contract, or otherwise against the University, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the University. The use and disposition of moneys to the credit of the sinking fund or other funds or accounts established under the resolution or trust agreement are subject to the provisions of the resolution authorizing the issuance of the bonds or of the trust agreement.

Notwithstanding any provision of this section, the University may, by resolution passed prior to the issuance of bonds under the provisions of this Act or in the trust agreement securing the bonds, covenant to pay all or any part of the cost of maintaining, equipping, repairing, and operating any auxiliary facilities. Each covenant has the force of contract between the University and the holders of the bonds issued on account of the project or projects.

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All moneys received by the University as proceeds from the sale of bonds authorized by this Act, and all moneys received by the University by way of auxiliary facilities fees which are assigned or pledged as security for the bonds shall be deemed to be trust funds to be held and applied as provided by the provisions of this Act.

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The exercise of the powers granted by the provisions of this Act shall be for the benefit of the people of the State, for the increase of their education and prosperity, and for the improvement of their health, living conditions, and general welfare. The operation and maintenance of auxiliary facilities and accommodations by the University constitutes the performance of essential governmental functions. The University may not be required to pay any taxes or assessments upon any building or