

Article - Natural Resources

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§3-911.

(a) Bonds may be secured by a trust agreement by and between the Authority and a corporate trustee, which may be any trust company or bank having trust powers, within or without the State. Such trust agreement may pledge or assign all or any part of the revenues of the Authority or of any project, and may mortgage or grant a lien on or security interest in any project or any part thereof. Any such trust agreement or resolution authorizing the issuance of bonds may contain such provisions for the protection and enforcement of the rights and remedies of the bondholders as may be deemed reasonable and proper, including covenants setting forth the duties of the Authority in relation to the acquisition or construction of any project, the extension, enlargement, improvement, maintenance, operation, repair and insurance of any project and the custody, safeguarding and application of moneys and may contain provisions for the employment of consulting engineers and other experts in connection with the construction or operation of any project. It shall be lawful for any bank or trust company incorporated under the laws of this State which may act as depository of the proceeds of the bonds or of revenues to furnish such indemnifying bonds or to pledge such securities as may be required by the Authority. Such trust agreement may set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual right of action by bondholders. In addition to the foregoing, such trust agreement may contain such other provisions as the Authority may deem reasonable and proper for the security of the bondholders, including (without limitation) covenants to abandon, restrict, or prohibit the construction or operation of competing facilities and covenants pertaining to the issuance of additional parity bonds upon conditions stated therein consistent with the requirements of this subtitle. All expenses incurred in carrying out the provisions of any such trust agreement may be treated as a part of the cost of any project or projects in connection with which such bonds shall have been issued.

(b) The proceeds of the sale of bonds shall be paid to the trustee under any trust agreement securing such bonds and shall be disbursed in such manner and under such restrictions, if any, as may be provided in such trust agreement.

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