

## Article - Transportation

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§3-510.

(a) Bonds under this subtitle may be authorized by trust agreement between the Department and a corporate trustee, which may be any trust company, or bank having trust powers, within or without the State. Any such trust agreement shall describe the source or sources of revenue to be pledged to pay debt service on the bonds and may contain:

(1) Subject to then existing agreements with bondholders or noteholders, provisions pledging or assigning all or any part of the revenues of the participating counties, mortgages or loans made by the participating counties or the security therefor, the proceeds of any bonds issued under this subtitle, or any combination of these and any other assets of the participating counties to secure payment of bonds;

(2) Provisions protecting and enforcing rights and remedies of bondholders, including restrictions on the rights of holders, and covenants setting forth duties of or restrictions on the Department and the participating counties;

(3) Provisions appointing one or more trust companies or banks with trust powers to act as depositaries of the proceeds of any bonds or notes. Any depositary bank or trust company incorporated in the State may furnish indemnifying bonds or pledge securities, as required by the Department;

(4) Provisions as to custody, safeguarding, application, and investment of funds credited pursuant to this subtitle;

(5) Provisions establishing and controlling all aspects of reserve funds, including debt service reserve funds;

(6) Provisions for the payment of debt service on bonds and refunding bonds, including redemption premiums and interest; or

(7) Any other provisions deemed reasonable and proper for the security of bondholders.

(b) A trust agreement may provide that the bonds may be sold either at public or private sale and that the maturity of the bonds may not exceed 30 years after their date of issue.

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