

PROJECTS FINANCED IN WHOLE OR IN PART BY OUTSTANDING BONDS, TO THE EXTENT THE COST IS NOT OTHERWISE PROVIDED, (2) TO PAY THE PRINCIPAL OF AND THE INTEREST ON THE BONDS AS THEY BECOME DUE AND PAYABLE, (3) TO CREATE RESERVES FOR THOSE PURPOSES, AND (4) TO PROVIDE FUNDS FOR PAYING THE COST OF RENEWALS OR REPLACEMENTS, THE COST OF ACQUIRING OR INSTALLING EQUIPMENT, AND THE COST OF ENLARGING, EXTENDING, RECONSTRUCTING, OR IMPROVING ANY PROJECT OR PROJECTS. THE RENTALS, RATES, FEES, AND CHARGES ARE NOT SUBJECT TO SUPERVISION OR REGULATION BY ANY UNIT OF THE STATE GOVERNMENT OR ANY POLITICAL SUBDIVISION, EXCEPT AS PROVIDED IN § 3-130 OF THIS SUBTITLE.

REVISOR'S NOTE: This subsection is new language derived from Article 33B, section 17 (a) of the Code.

(B) PLEDGED FUNDS; SINKING FUNDS.—THE RENTALS, RATES, FEES, AND OTHER CHARGES AND REVENUES, OR ANY PART THEREOF, WHETHER DERIVED FROM THE PROJECT OR PROJECTS IN CONNECTION WITH WHICH THE BONDS OF ANY ISSUE HAVE BEEN ISSUED OR FROM OTHER PROJECTS, DESIGNATED AS SECURITY FOR THE BONDS BY THE AUTHORIZING RESOLUTION OR IN THE TRUST AGREEMENT SECURING THE BONDS, SHALL BE SET ASIDE AT THE REGULAR INTERVALS PROVIDED IN THE RESOLUTION OR TRUST AGREEMENT IN A SINKING FUND PLEDGED TO, AND CHARGED WITH, THE PAYMENT OF (1) THE INTEREST ON THE BONDS AS IT FALLS DUE, (2) THE PRINCIPAL OF THE BONDS AS IT FALLS 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. ANY AMOUNTS SET ASIDE IN THE SINKING FUND WHICH ARE NOT NEEDED TO PROVIDE FOR THE PAYMENT OF ITEMS (1), (2), (3), AND (4) MAY BE USED FOR ANY OTHER LAWFUL PURPOSE TO THE EXTENT PROVIDED IN THE RESOLUTION OR TRUST AGREEMENT. THE PLEDGE IS VALID AND BINDING FROM THE TIME IT IS MADE. THE RENTALS, RATES, FEES, AND OTHER CHARGES, REVENUES OR OTHER MONEY PLEDGED AND THEREAFTER RECEIVED BY THE SERVICE IMMEDIATELY SHALL BE SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY PHYSICAL DELIVERY THEREOF OR FURTHER ACT, AND THE LIEN OF THE PLEDGE IS VALID AND BINDING AS AGAINST ALL PARTIES HAVING ANY CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE SERVICE, IRRESPECTIVE OF WHETHER THE 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 SERVICE, ANY