

reasonable and proper, not in violation of law, including covenants setting forth the duties of the Board in relation to the construction, acquisition, improvement, installation, maintenance, operation, repairs, and insurance of the Project and the custody, safeguarding, and application of all moneys; and may provide that the Project be constructed and paid for under the supervision and approval of consulting engineers employed or designated by the Board and satisfactory to the original purchasers of the bonds issued hereunder; and may further provide that the security given by contractors and by any depository of the proceeds of the bonds or revenues of the Project or other moneys pertaining thereto be satisfactory to the purchasers. It shall be lawful for any bank or trust company incorporated under the laws of this State to act as depository of the proceeds of bonds or revenue and to furnish such indemnity bonds or to pledge such securities as may be required by the Board.

The resolution or trust indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as otherwise provided in this subtitle, the Board may provide by resolution or by the trust indenture for the payment of the proceeds of the sale of the bonds and the revenue of a project to such officer, board, or depository as it determines for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it determines. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation, and repair of the Project.

(P) Bonds issued under the provisions of this subtitle are securities in which all public officers and public agencies of the State and its political subdivisions and all banks, trust companies, savings and loan associations, investment companies, and others carrying on a banking business, all insurance companies and insurance associations and others carrying on an insurance business, and personal representatives, administrators, executors, guardians, trustees, and other fiduciaries, and all other persons may legally and properly invest funds, including capital in their control or belonging to them. The bonds are securities which properly and legally may be deposited with and received by any State or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or other obligations of the State is authorized by law.

(Q) Bonds issued under the provisions of this title, their transfer, and income, including any profit made on their sale, are free from taxation by the State or by any of its political subdivisions, or by any town or incorporated municipality or any other public agency within the State.

(R) Except to the extent restricted by an applicable resolution or trust agreement, any holder of bonds issued under this section or a trustee acting under a trust agreement entered into under this section, may, by any suitable form of legal proceedings, protect and enforce any rights granted under the Laws of Maryland or by any application resolution or trust agreement.

(S) The Fund is hereby pledged to and charged with the payment of (1) the interest upon the revenue bonds provided for in this section as the interest falls due, (2) the principal of the revenue bonds as it falls due, (3) the necessary fiscal agency charges for paying principal and interest, and (4) any premium upon the revenue bonds retired by call or purchase as herein provided. The sinking fund shall be a fund for the benefit of all revenue bonds without distinction or priority of one over another.