

**12-8,103. Revenue bonds and notes; authorized terms of security agreement.** The resolution, trust indenture or other security agreement under which any bonds or notes are issued shall constitute a contract with the holders of the bonds or notes, and may contain provisions, among other, prescribing:

- (a) The terms and provisions of the bonds or notes;
- (b) the mortgage or pledge of and the grant of a security interest in any real or personal property and all or any part of the revenue from any project or any revenue producing contract made by the municipal energy agency with any person to secure the payment of bonds or notes, subject to any agreements with the holders of bonds or notes which might then exist;
- (c) the custody, collection, securing, investment and payment of any revenues, assets, money, funds or property with respect to which the municipal energy agency may have any rights or interest;
- (d) the creation of reserves or sinking funds and the regulation and disposition thereof;
- (e) the purposes to which the proceeds from the sale of any bonds or notes then or thereafter to be issued may be applied, and the pledge of the proceeds to secure the payment of the bonds or notes;
- (f) limitations on the issuance of any additional bonds or notes, the terms upon which additional bonds or notes may be issued and secured, and the refunding of outstanding bonds or notes;
- (g) the rank or priority of any bonds or notes with respect to any lien or security;
- (h) the creation of special funds or moneys to be held in trust or otherwise for payment or redemption of bonds or notes, reserves or other purposes, and the use and disposition of moneys held in these funds;
- (i) the procedure by which the terms of any contract with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which consent may be given;
- (j) the definition of the acts or omissions to act which shall constitute a default in the duties of the municipal energy agency to holders of its bonds or notes, and the rights and remedies of the holders in the event of default including, if the municipal energy agency so determines, the right to accelerate the due date of the bonds or notes or the right to appoint a receiver or receivers of the property or revenues subject to the lien of the resolution, trust indenture or other security agreement;
- (k) any other or additional agreements with or for the benefit of the holders of bonds or notes or any covenants or restrictions necessary or desirable to safeguard the interests of the holders;
- (l) the custody of any of its properties or investments, the safekeeping thereof, the insurance to be carried thereon and the use and disposition of insurance proceeds;
- (m) the vesting in a trustee or trustees, within or outside the state, of such properties, rights, powers and duties in trust as the municipal energy agency may determine; or the limiting or abrogating of the rights of the holders of any bonds or notes to appoint a trustee, or the limiting of the rights, powers and duties of such trustee; or
- (n) the appointment of and the establishment of the duties and obligations of any paying agent or other fiduciary within or outside the state.

**History:** L. 1977, ch. 48, § 19; July 1.