*** § 1020-k. Bonds of the authority.** 1. The authority shall have power and is hereby authorized from time to time to issue its negotiable bonds in conformity with applicable provisions of the uniform commercial code for any purpose authorized by this title, including without limitation (a) to acquire any real or personal property or facilities deemed necessary by the authority, (b) to pay interest on bonds or notes of the authority, (c) to establish reserves to secure such bonds and notes, (d) to establish or maintain such other funds or accounts for such purpose or purposes as the authority may deem necessary or desirable, and (e) to pay all other expenses of the authority incident to the issuance of such bonds or notes.

2. Except as may be otherwise expressly provided by the authority, the bonds and notes of every issue shall be general obligations of the authority payable out of any moneys or revenues of the authority, subject only to any agreements with the holders of particular bonds or notes, or any trustee therefor, pledging any particular moneys or revenues.

3. The authority shall have power from time to time, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose of the authority. Refunding bonds may be exchanged for the bonds to be refunded, with such cash adjustments as may be agreed, or may be sold with the proceeds applied to the purchase, payment or provision for payment of the bonds to be refunded.

4. Bonds may be issued, payable in annual installments or as term bonds or both. Bonds shall be authorized by resolution of the board of the authority and shall bear such date or dates, mature at such time or times, not exceeding fifty years from their respective dates, bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America or by check at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide.

In the event that term bonds are issued, the resolution authorizing the same may make such provisions for the establishment and maintenance of sinking funds for the payment thereof as the authority may deem necessary or appropriate. Bonds or notes may be sold at public or private sale at such price or prices as the authority shall determine but shall not be sold by the authority at private sale unless such sale and terms thereof have been approved in writing by the state comptroller. Pending preparation of definitive bonds or notes, the authority may issue bonds or notes in temporary form which shall be exchanged for bonds or notes in definitive form when available.

5. Any resolution or resolutions authorizing any bonds or any issue of bonds may (a) delegate to an officer or officers of the authority the power to approve the issuance of bonds from time to time and to fix the details of any such bonds or issues of bonds by an appropriate certificate of such authorized officer or officers and (b) contain provisions, which shall be a part of the contract with the holders of the bonds to be authorized as to: (i) pledging or creating a lien on all or any part of the moneys, revenues or properties of the authority to secure the payment of the bonds or of any particular issue of bonds or any portion of any issue of bonds, subject to such agreements with bondholders as may then exist;

(ii) the rates, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(iii) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(iv) limitations on the right of the authority to restrict and regulate the use of any of its property;

(v) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied;

(vi) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds;

(vii) the procedure, if any, by which the terms of any contract with bondholders may be amended, the amount or percentage of outstanding bonds the holders of which must consent thereto, and the manner in which

such consent may be given;

(viii) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders or of a trustee acting on their behalf in the event of a default; and

(ix) any other matters of like or different character, which in any way may affect the security and protection of the bonds and the rights of the holders thereof.

6. Notwithstanding any other provisions of this title, any such resolution or resolutions shall contain a covenant by the authority that it will at all times maintain rates, fees or charges sufficient to pay, and that any contracts entered into by the authority for the sale, transmission or distribution of electricity shall contain rates, fees or charges sufficient to pay, the costs of operation and maintenance of the facilities owned or operated by the authority, payments in lieu of taxes, renewals, replacements and capital additions, the principal of and interest on any obligations issued pursuant to such resolution as the same severally become due and payable, and to establish or maintain any reserves or other funds or accounts required or established by or pursuant to the terms of such resolution or resolutions.

7. It is the intention of the legislature that any pledge of moneys, revenues or property or of a revenue producing contract or contracts made by the authority shall be valid and binding from the time when the pledge is made; that the moneys, revenues or proceeds so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge or lien is created pursuant to this subdivision need be recorded in order to perfect such pledge or lien.

8. Neither the trustees of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be

subject to any personal liability or accountability by reason of the issuance thereof.

9. The authority shall have power out of any funds available therefor to purchase bonds or notes at such price or prices as it deems advisable. The authority may hold, pledge, cancel or resell such bonds, subject to agreements with bondholders.

10. All bonds, notes and other obligations issued by the authority under the provisions of this title are hereby declared to have all the qualities and incidents of negotiable instruments under the applicable laws of the state.

* NB There are 2 § 1020-k's