

WILLIAM DONALD SCHAEFER, Governor

A NEGOTIATED BASIS WITHOUT SOLICITATION OF BIDS AT A PRICE AT, ABOVE OR BELOW PAR, (III) MAY BE ISSUED IN ONE OR MORE SERIES, EACH SERIES BEING IN THE PRINCIPAL AMOUNT THAT THE ISSUER DETERMINES TO BE REQUIRED TO ACHIEVE THE PURPOSE FOR THE ISSUANCE OF THE PENSION LIABILITY FUNDING BONDS, (IV) SHALL BEAR INTEREST AT FIXED RATES DETERMINED BY THE ISSUER OR AT FLOATING OR VARIABLE RATES ESTABLISHED FROM TIME TO TIME BY A METHOD OF DETERMINATION APPROVED BY THE ISSUER, (V) MAY BE ISSUED AS SERIAL BONDS OR AS TERM BONDS WITH PROVISIONS FOR MANDATORY SINKING FUND OR OTHER ANNUAL PRINCIPAL REDEMPTION, PROVIDED THAT THE PRINCIPAL AND INTEREST INSTALLMENTS ON THE BONDS NEED NOT BE EQUAL FROM YEAR TO YEAR AND MAY BE CONSISTENT WITH THE GENERAL FINANCIAL PLAN OF THE ISSUER, AND (VI) SHALL HAVE A FINAL MATURITY DATE NOT MORE THAN 30 YEARS FROM THE DATE OF ISSUE. THE FIRST PRINCIPAL INSTALLMENT OR MANDATORY REDEMPTION OF ANY PENSION LIABILITY FUNDING BONDS SHALL BE PAYABLE NOT MORE THAN 3 YEARS FROM THE DATE OF ISSUE.

(D) THE PROCEEDS OF PENSION LIABILITY FUNDING BONDS, IN AMOUNTS DETERMINED BY THE ISSUER, MAY BE DEPOSITED IN TRUST WITH A TRUST COMPANY OR OTHER BANKING INSTITUTION AS TRUSTEE, IN A TRUST FUND ESTABLISHED IN THE NAME OF THE ISSUER. MONEY IN THE TRUST FUND MAY BE INVESTED AND REINVESTED IN ANY TAXABLE OR TAX-EXEMPT SECURITIES, OBLIGATIONS, OR OTHER INVESTMENTS AND AT ANY YIELDS THAT ARE DETERMINED BY THE ISSUER TO BE CONSISTENT WITH THE PURPOSES FOR WHICH THE PENSION LIABILITY FUNDING BONDS WERE ISSUED AND WITH THE FINANCIAL PLAN OF THE ISSUER. THE INTEREST, INCOME, AND PROFITS, IF ANY, EARNED OR REALIZED ON ANY INVESTMENT MAY BE APPLIED TO THE PAYMENT OF A PORTION OF THE BENEFITS UNDER THE PENSION PLAN TO BE FUNDED, TO THE PAYMENT OF THE PENSION LIABILITY FUNDING BONDS OR OTHERWISE APPLIED IN ANY LAWFUL MANNER. MONEY IN THE TRUST FUND SHALL BE AVAILABLE FOR THE PAYMENT OF ALL OR ANY PART OF THE BENEFITS UNDER THE PENSION PLAN BEING FUNDED AND OF THE PENSION LIABILITY FUNDING BONDS, OR ANY OF THEM, AND OF ANY OTHER RELATED COSTS, AS THE ISSUER, IN ITS DISCRETION, MAY PRESCRIBE.

(E) IN ANY SUIT, ACTION, OR PROCEEDING INVOLVING THE VALIDITY OR ENFORCEABILITY OF ANY PENSION LIABILITY FUNDING BOND ISSUED UNDER THIS SECTION OR ANY SECURITY THEREFOR, ANY FINDING BY THE LEGISLATIVE OR OTHER GOVERNING BODY OF THE ISSUER AS TO THE PUBLIC PURPOSE OF ANY ACTIONS TAKEN UNDER THIS SECTION OR AS TO OTHER MATTERS RELATING TO THE ISSUANCE OF BONDS HEREUNDER SHALL BE CONCLUSIVE.

(F) PENSION LIABILITY FUNDING BONDS ISSUED PURSUANT TO THIS SECTION, THEIR TRANSFER, THE INTEREST PAYABLE ON THEM AND ANY INCOME DERIVED FROM THEM, INCLUDING ANY PROFIT REALIZED IN THEIR SALE AND EXCHANGE, SHALL BE EXEMPT AT ALL TIMES FROM EVERY KIND AND NATURE OF TAXATION BY THIS STATE OR BY ANY OF ITS POLITICAL SUBDIVISIONS, MUNICIPAL CORPORATIONS, OR PUBLIC AGENCIES OF ANY KIND. NOTHING IN THIS SECTION SHALL PREVENT ANY PUBLIC BODY DESCRIBED IN PARAGRAPH (B) ABOVE FROM AUTHORIZING THE ISSUANCE