§ 5706. Restrictions on alienation of property. That portion of said university grounds, which was the original gift of about two hundred acres of land made by Ezra Cornell and at that time located in the town of Ithaca in the county of Tompkins, shall not be encumbered, aliened or otherwise disposed of by the said trustees, or by any other person, except on terms such as the legislature of the state of New York shall have approved, and any act of the said trustees, or that of any other person which shall have that effect, shall be void; except, that Cornell University is hereby authorized to mortgage, or convey such part of the aforesaid lands of said university as it may deem necessary to enable it to obtain needed loans, advances, or financing for the construction of a housing unit including all necessary and usual attendant and related facilities and equipment erected for the use of students, an academic building, library, laboratory, classroom or other building or structure essential, necessary or useful for instruction in the academic program upon the following terms:

(1) Such loans, advances or financing shall be obtained from or through the dormitory authority of the state of New York, or from or through the housing and home finance agency or from such other New York state or federal agency or agencies as are now, or as may be, engaged in constructing or financing the construction, acquisition, alteration, or improvement of such educational or attendant facilities above described. Such construction may be conducted by the said university or by the governmental agency involved in such financing as may be agreed upon.

(2) Any conveyance of the title of any part of the aforesaid lands shall provide that the title to said lands shall revert to Cornell University upon payment of the principal and interest of such loan, advance, or financing secured by said conveyance and the satisfaction of all its obligations thereunder, and upon such payment and satisfaction the said lands, so conveyed shall revert to and again become the property of the university with such title as it had before such conveyance.