§ 1005-c. Additional powers of the authority to finance certain projects in connection with the New York state canal system. 1. (a) The authority is hereby authorized, as an additional corporate purpose thereof, to issue its bonds, notes and other evidences of indebtedness in conformity with applicable provisions of the uniform commercial code for purposes of financing the construction, reconstruction, development and improvement of the New York state canal system.

(b) The authority shall issue any such bonds, notes, or evidences of indebtedness pursuant to paragraph (a) of this subdivision on a basis subordinate in lien and priority of payment to the authority's senior lien indebtedness as the authority shall provide by resolution.

2. All of the provisions of this title relating to bonds, notes and other evidence of indebtedness, which are not inconsistent with this section, shall apply to obligations authorized by this section, including but not limited to the power to issue renewal notes or refunding bonds thereof.

3. Subject to agreements with noteholders or bondholders, the authority shall have the authority to fix and collect such fees, rentals and charges for the use of the canal system or any part thereof necessary or convenient, with an adequate margin of safety, to produce sufficient revenue to meet the expense of maintenance and operation and to fulfill the terms of any agreements made with the holders of its notes or bonds, and to establish the rights and privileges granted upon payment thereof; provided, however, that tolls may only be imposed for the passage through locks and lift bridges by vessels which are propelled in whole or in part by mechanical power.