§ 1267-b. Transit facilities for transit construction fund. 1. As used in this section, unless a different meaning clearly appears from the context:

a. "City" shall mean the city of New York.

b. "Transit construction fund act" shall mean title nine-a of article five of this chapter.

c. "Transit construction fund" shall mean the corporation created by section one thousand two hundred twenty-five-c of this chapter.

d. "Transit facility" shall mean such term as defined from time to time in section one thousand two hundred twenty-five-b of this chapter.

2. In addition to the powers provided elsewhere in this title, and to effectuate the purposes of the transit construction fund act, the authority may:

a. Plan, design, construct, acquire, extend, reconstruct, rehabilitate, modernize and otherwise improve transit facilities in accordance with the terms and conditions of any lease or other agreement with the transit construction fund;

b. Occupy the streets of the city of New York, without further consent or payment, in the course of constructing and thereafter owning a transit facility which consists of a rapid transit railroad or portion thereof, provided such construction is carried out in accordance with the terms of a lease or other agreement with the transit construction fund entered into pursuant to the provisions of the transit construction fund act;

c. Make and execute contracts, leases, subleases, and all other instruments or agreements deemed necessary or convenient;

d. Authorize the use by the transit construction fund, either with or without compensation to the authority or any subsidiary of the agents,

employees and facilities of the authority or any subsidiary;

e. Undertake planning, design and feasibility studies in accordance with the terms and conditions of any agreement with the transit construction fund or the city; and

f. Do any and all other things deemed necessary or convenient.

3. All of the provisions of this title not inconsistent with the provisions of this section shall be applicable with respect to any bonds or notes of the authority issued to finance any purpose authorized under this section or the transit construction fund act, subject to the following conditions and exceptions:

a. Payment of the principal, redemption premium, if any, and interest on such bonds and notes shall be made only from monies payable to the authority from the transit construction fund under a lease or other agreement entered into pursuant to the provisions of the transit construction fund act, and any security given by the authority for the payment of such principal, redemption premium or interest on such bonds and notes shall be limited to the monies so payable from the transit construction fund. The authority shall not grant any security interest in or otherwise encumber any transit facility leased to the transit construction fund.

b. The provisions of section one thousand two hundred seventy of this chapter, relating to the creation and establishment of and appropriations and payments to certain debt service reserve funds shall be inapplicable; provided that nothing herein contained shall be deemed to prohibit the creation and establishment of one or more reserve funds for debt service as authorized by section one thousand two hundred sixty-nine of this chapter;

c. In addition to the statement required by subdivision eight of section one thousand two hundred sixty-nine of this chapter, such bonds and notes shall contain on the face thereof a statement to the effect that the city shall not be liable thereon and that the same shall not be

a debt of the city.

4. Nowithstanding the provisions of any general or special law to the contrary, or of any agreement entered into in pursuance thereof relating to the repayment of any loan or advance made by the state to the authority, the authority shall not be required to repay any such loan or advance from or by reason of the issuance of (i) bonds or notes of the authority issued to finance any purpose authorized under this section or the transit construction fund act, or the proceeds realized upon such issuance, or from (ii) any other funds of the authority derived from the transit construction fund or from any other source whatever to effectuate the purposes of the transit construction fund act.