§ 1596-k. Agreements of the state. 1. The state of New York does pledge to and agree with the holders of the bonds that the state will not limit or alter the rights hereby vested in the authority to acquire, construct, maintain, reconstruct and operate the project or projects, to establish and collect rentals, fees and other charges and to fulfill the terms of any agreements made with the holders of the bonds, or in any way impair the rights and remedies of the bondholders, until the bonds, together with interest thereon, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged.

2. The authority is hereby authorized, in its discretion, for and on behalf of itself and the city of Yonkers, to covenant and agree with the holders of the bonds, with such exceptions and limitations as it may deem in the public interest, that no public parking areas or spaces except those acquired and operated by the authority will be constructed or operated in the city by the city, or by any public benefit or other corporation the members of which are elected or are appointed by city officials, until either (a) the bonds, together with interest thereon, interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders are fully met and discharged or (b) principal or interest of any of the bonds shall be overdue and unpaid for a period of three years or more.