§ 1622-k. Agreements of the village and the state. 1. The village is authorized to, and the state of New York does hereby pledge to and agree with the holders of the bonds or notes that neither the village nor the state, respectively, will limit or alter the rights hereby vested in the authority to acquire, construct, reconstruct, improve, equip, furnish, maintain or operate any 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 notes, or in any way impair the rights and remedies of the bondholders or noteholders, until the bonds or notes, 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 or noteholders, are fully met and discharged.

2. The authority is hereby authorized, in its discretion, for and on behalf of itself and, subject to approval by the village board of trustees and mayor, the village of Nyack, to covenant and agree with the holders of the bonds or notes, with such exceptions and limitations as it may deem in the public interest and in the interests of the authority's bondholders and noteholders, that no public parking areas or spaces, including the installation and operation of parking meters on the public streets of the village, except those acquired and operated by the authority will be constructed or operated in the village by the village (except as hereinafter provided), or by any public benefit or other corporation, the members of which are elected or appointed by the village officials, until either (a) the bonds or notes, 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 or noteholders are fully met and discharged; or (b) principal or interest of any of the bonds or notes shall be overdue and unpaid for a period of three years or more; provided, however, nothing herein contained shall be deemed to impair the right of the village to continue to operate the presently existing municipal parking facilities and any replacements thereof.