§ 1805. Issuance of bonds and notes by the authority. 1. Subject to the limitations of other provisions of this title, the authority shall have the power and is hereby authorized to borrow money and to issue its negotiable bonds and notes in conformity with applicable provisions of the uniform commercial code in such principal amounts as, in the opinion of the authority, shall be necessary to provide sufficient funds for achieving its corporate purposes, including the making of loans, the issuing of loan guarantees, the payment of interest on bonds and notes of the authority, the establishment of reserves to secure such bonds and notes, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

2. Bonds and notes shall be authorized by resolution of the authority, and shall be dated and shall mature as such resolution or resolutions may provide, except that no note or any renewal thereof shall mature more than seven years after the date of issue of the original note and no bond shall mature more than thirty years from the date of its issue. Bonds and notes shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide.

3. Special purpose bonds and notes may be sold by the authority at public or private sale in such manner and on such terms and at such price or prices as the authority, with the approval of the comptroller, shall determine. If special purpose bonds are sold by the authority at public sale, such sale shall take place not less than six nor more than forty days after a notice of such sale has been published at least once in a newspaper published in Albany and in a financial newspaper published and circulating in New York city, which shall state the terms of sale as determined by the authority. Pollution control bonds and notes of the authority may be sold by the authority, at public or private sale, in such manner and on such terms and at such price or prices as the authority shall determine but shall not be sold by the authority at private sale unless such sale and the terms thereof have been approved in writing by the comptroller where such sale is not to

the comptroller, or by the director of the budget where such sale is to the comptroller.

4. In the discretion of the authority any bonds or issue of bonds or notes or issue of notes may be secured under resolutions of the authority or by a trust indenture by and between the authority and a corporate trustee which may be any trust company or bank having the powers of a trust company in the state or by a secured loan agreement or other instrument. The authority, in connection with any bonds or issue of bonds or notes or issue of notes and for the security or protection thereof and as a part of the contract with the holders thereof, by means of any such resolution, trust indenture, loan agreement or other instrument may (a) make and enter into any and all such covenants and agreements with the holders of such bonds or notes as the authority may determine to be necessary or desirable, including without limitation of the foregoing, covenants, provisions, limitations and agreements as to the application, use and disposition of the proceeds of any bonds or notes or of sale or other disposition of any mortgage or other property or of any other receipts, moneys or assets of the authority, or in which it has an interest, the exercise by the authority of its powers under this title with respect to loans and the revenues and receipts to be derived by the authority from such loans, the assignment of any right, title and interest in any mortgage in which the authority has an interest, the terms and amount of other bonds or notes to be issued by the authority, and the vesting in a trustee or trustees of funds or other property, rights, powers and duties in trust which may include any and all of the rights, powers and duties of a trustee appointed pursuant to section eighteen hundred eighteen of this title and limiting or abrogating the right of the bondholders or noteholders to appoint a trustee under said section or limiting the rights, duties and powers of such trustee, (b) pledge or assign any moneys, mortgages, loan agreements, leases or agreements as to the use of projects or other assets of the authority either presently in hand or to be received in the future, or both, and any right, title and interest in any mortgage or evidence of indebtedness secured thereby or other assets or property, and (c) provide for any other matters of like or different character which in any way affect the security or protection of the bonds or

notes, provided, however, that the principal of bonds and notes shall not be declared due and payable prior to maturity under or pursuant to any such resolution, trust indenture, loan agreement or other instrument by any trustee or agent for the bondholders or noteholders, unless the trustee or agent shall first give notice in writing to the governor, to the authority, to the comptroller and to the attorney general of the state, and if when any such notice is given the legislature shall be in session, the trustee or agent shall not declare the principal of bonds or notes due and payable before the legislature adjourns sine die, or if the legislature be not then in session, the trustee or agent shall not declare the principal of such bonds and notes due and payable until the adjournment sine die of the next regular session of the legislature. If at such session the legislature shall take any action as a result of which the past due principal and interest on such bonds and notes, with interest, together with the fees, counsel fees and expenses of the trustee or agent, and all costs and disbursements allowed by a court of competent jurisdiction shall be paid within sixty days of adjournment sine die, default in the payment thereof shall thereby be cured.

5. It is the intention of the legislature that any pledge made in respect of such bonds or notes shall be valid and binding from the time when the pledge is made; that the money or property so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution, trust indenture nor any other instrument by which a pledge is created need be recorded.

6. Neither the members of the authority nor any person executing the bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

7. Subject to such agreements with bondholders or noteholders as may then exist, the authority shall have power to purchase special purpose

bonds or notes of the authority out of any special purpose funds available therefor and to purchase pollution control bonds or notes of the authority out of any pollution control funds available therefor, at a price not exceeding (a) if the bonds or notes are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment due thereon, or (b) if the bonds or notes are not then redeemable, the redemption price applicable on the first date after such purchase upon which the bonds or notes become subject to redemption plus accrued interest to said date. Bonds and notes so purchased shall thereupon be cancelled.

8. The state does hereby pledge to and agree with the holders of any bonds or notes issued under this title and with any federal agency which loans or contributes funds in respect of an assisted project, that the state will not limit or alter the rights and powers vested in the authority by this title to fulfill the terms of any contract made by the authority with such holders or federal agency, or in any way impair the rights and remedies of such holders until such bonds and notes, together with the 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 such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, insofar as it refers to holders of any bonds or notes of the authority, in any contract with such holders and insofar as it relates to a federal agency, in any contract with such agency.