§ 1860. Bonds and notes. 1. The authority shall have the power and is hereby authorized to issue at one time or in series from time to time 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 moneys for achieving the authority's corporate purposes, including the establishment of reserves to secure the bonds and notes and the payment of interest on bonds and notes.

2. The authority shall have power from time to time to renew bonds or notes or to issue renewal bonds or notes for such purpose, to issue bonds or notes to pay bonds or notes, and, whenever it deems refunding expedient, to refund any bond or note by the issuance of new bonds or notes, whether the bonds or notes to be refunded have or have not matured, and may issue bonds or notes partly to refund bonds or notes then outstanding and partly for any other corporate purpose of the authority. Bonds or notes issued for refunding purposes shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds or notes to be refunded.

3. Except as may otherwise be expressly provided by the authority, every issue of bonds or notes shall be general obligations payable out of any moneys or revenues of the authority, subject only to any agreements with the holders of bonds or notes pledging any receipts or revenues.

4. The bonds and notes shall be authorized by resolution of the authority, shall bear such date or dates and mature at such time or times as such resolution shall provide, except that notes and any renewals thereof shall mature within five years from their respective dates of issuance or renewal, as the case may be, and bonds shall mature within forty years from their respective dates of issuance or renewal, as the case may be. The bonds and notes shall bear interest at such rate or rates, be in such denomination, 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.

5. Bonds and notes shall be sold by the authority, at public or private sale, at such price or prices as the authority may determine. Bonds and notes of the authority 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.

6. In the discretion of the authority any bonds or issue of bonds or notes or issue of notes may be secured by such resolution 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. Such resolution, trust indenture, loan agreement or other instrument may contain any usual or customary provisions, covenants or limitations for bonds or notes of similar nature which shall be a part of the contract with the holders thereof, including such provisions for protecting and enforcing the rights and remedies of bondholders and noteholders as may be reasonable and proper and not in violation of law.

7. Any resolution or resolutions authorizing any notes or bonds or any issue thereof may contain provisions, which shall be a part of the contract with the holders thereof, as to:

(a) pledging all or part of the fees, charges, gifts, grants, rents, revenues or other moneys received or to be received and leases or agreements to secure the payment of the notes or bonds or of any issue thereof subject to such agreements with bondholders as may then exist;

(b) the rates of the fees or charges to be established, and the amounts to be raised in each year thereby and the use and disposition of the fees, charges, gifts, grants, rents, revenues or other moneys received or to be received;

(c) the setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(d) limitations on the purpose to which the proceeds of sale of any issue of notes or bonds then or thereafter to be issued may be applied

and pledging such proceeds to secure the payment of the notes or bonds or of any issue thereof;

(e) limitations on the issuance of additional notes or bonds; the terms upon which additional notes or bonds may be issued and secured; the refunding of outstanding or other notes or bonds;

(f) the procedure, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated, the amount of notes or bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(g) any other matters, of like or different character, which in any way affect the security or protection of the notes or bonds.

8. It is the intention hereof that any pledge made by the authority shall be valid and binding from the time when the pledge is made, that the moneys 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 nor any other instrument by which a pledge is created need be recorded.

9. 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.

10. Subject to such agreements with bondholders or noteholders as may then exist, the authority shall have power out of any funds available therefor to purchase bonds or notes at a price not exceeding (a) if the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to said date. Bonds and notes so purchased shall thereupon be cancelled.

11. The state does hereby pledge to and agree with the holders of any bonds or notes 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 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, in any contract with such holders.