§ 2536. Notes and bonds of the corporation. 1. (a) The corporation shall have power and is hereby authorized from time to time to issue its negotiable notes and bonds in conformity with applicable provisions of the uniform commercial code in such principal amount, as the corporation shall determine to be necessary, to provide sufficient funds for achieving its corporate purposes, including the making of payments to the city, the payment of interest on notes and bonds of the corporation, the establishment of reserves to secure such notes and bonds, and the payment of all operating expenses of the corporation and all other expenditures of the corporation incidental to or necessary or convenient to carry out its corporate purposes and powers.

(b) The corporation shall have the power, from time to time, to issue (i) notes to renew notes and (ii) bonds to pay notes, including the interest thereon and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any of its other corporate purposes. The refunding bonds may be exchanged for the bonds to be refunded or sold and the proceeds applied to the purchase, redemption or payment of such bonds.

(c) Except as may otherwise be expressly provided by the corporation, every issue of its notes and bonds shall be general obligations of the corporation payable out of any revenues of the corporation, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues.

(d) The notes and bonds shall be authorized by resolution of the corporation, shall bear such date and shall mature at such time as such resolution may provide, except that no note or bond or the renewal or refunding thereof shall mature more than ten years from the date of the original issue of such note or bond. The bonds may be issued as serial bonds or as term bonds or as a combination thereof. Provision for the payment of principal of and interest on bonds shall be made in not more than ten approximately equal annual installments or in not more than twenty approximately equal semi-annual installments. The notes and bonds shall bear interest at such rate and shall 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 and be subject to such terms of redemption as such resolution may provide. The notes and bonds may be sold by the corporation at public or private sale, at such price as the corporation shall determine.

2. Any resolution 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 any part of the revenues to secure the payment of the notes or bonds or of any issue thereof, subject to such agreements with noteholders or bondholders as may then exist;

(b) pledging all or any part of the assets of the corporation to secure the payment of the notes or bonds or of any issue of notes or bonds, subject to such agreements with noteholders or bondholders as may then exist;

(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 notes or bonds 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; and the refunding of outstanding or other notes or bonds;

(f) the procedure, if any, by which the terms of any contract with noteholders or bondholders 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) limitations on the amount of moneys to be expended by the corporation for operating expenses of the corporation;

(h) vesting in a trustee such property, rights, powers and duties in trust as the corporation may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to this title, and limiting or abrogating the right of the bondholders to appoint a trustee under this title or limiting the rights, powers and duties of such trustee;

(i) the acts or omissions to act which shall constitute a default in the obligations and duties of the corporation to the holders of the

notes or bonds and providing for the rights and remedies of the holders of the notes or bonds in event of such default, including the right to appointment of a receiver; providing, however, that such rights and remedies shall not be inconsistent with the general laws of the state and the other provisions of this title;

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

3. Any pledge made by the corporation shall be valid and binding from the time when the pledge is made. The revenues or property so pledged and thereafter received by the corporation shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and 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 corporation, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded or filed to protect such pledge except in the office of the corporation.

4. Neither the directors of the corporation nor any other person executing the notes or bonds of the corporation shall be subject to any personal liability or accountability by reason of the issuance thereof.

5. The corporation, subject to such agreements with noteholders or bondholders as may then exist, shall have power out of any funds available therefor, to purchase notes or bonds of the corporation, which shall thereupon be cancelled, at a price not exceeding:

(a) if the notes or bonds are then redeemable, the redemption price then applicable.

(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 becme subject to redemption.

6. In the discretion of the directors of the corporation, the bonds may be secured by a trust indenture by and between the corporation and a corporate trustee, which may be any trust company or bank having the

powers of a trust company in the state. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the corporation in relation to the exercise of its corporate powers and the custody, safeguarding and application of all moneys. The Corporation may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as a part of the operating expenses of the corporation. If the bonds shall be secured by a trust indenture, the bondholders shall have no authority to appoint a separate trustee to represent them.

7. Whether or not the notes and bonds are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the notes and bonds are hereby made negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the notes and bonds for registration.

8. The corporation shall not issue any bonds or notes if such issue would bring the aggregate amount of indebtedness evidenced by bonds or notes of the corporation issued pursuant to this title to an amount exceeding five hundred twenty million dollars. In calculating the amount of indebtedness issued by the corporation pursuant to this title, there shall be excluded the amount of indebtedness to be refunded or renewed from the proceeds from the sale of, or to be exchanged for, new obligations.