§ 3012. Issuance of notes and bonds of a municipal assistance corporation. 1. (a) A municipal assistance corporation shall have the power and is hereby authorized from time to time to issue its notes and bonds in conformity with applicable provisions of the uniform commercial code, in such principal amounts as such corporation shall determine to be necessary within the limits of authorized indebtedness prescribed in the special law creating such corporation, to provide sufficient funds for achieving its corporate purposes, including the making of payments to or purchase of obligations of, the municipality for which the corporation was created, to make payments of interest on its notes and bonds, to establish reserves to secure such notes and bonds and to make deposits into a fund or funds established pursuant to any agreement entered into by such corporation with the federal government or an agency or instumentality thereof in accordance with subparagraph eighteen of section three thousand ten of this article.

(b) A municipal assistance 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 a municipal assistance corporation, every issue of its notes and bonds shall be general obligations of the municipal assistance corporation payable out of any revenues of such corporation, subject only to any agreements with the holders of particular notes or bonds pledging any particular revenues.

(d) Such notes and bonds shall be authorized by resolution of a municipal assistance corporation, shall bear such date and shall mature at such time or times as such resolution may provide. The bonds may be issued as serial bonds or as term bonds or as a combination thereof. The notes and bonds shall bear interest at such rate or rates, be in such denominations and 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 may provide.

(e) The notes or bonds of the municipal assistance corporation may be exchanged for obligations of the municipality being assisted or may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by such corporation, and the corporation may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof. Subsequent to July first, nineteen hundred seventy-five, no notes or bonds of a municipal assistance corporation may be sold at private sale unless such sale and the terms thereof have been approved in writing by (a) the comptroller where such sale is not to the comptroller, or (b) the director of the budget, where such sale is to the comptroller.

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 purposes 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 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) vesting in a trustee or trustees 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;

(h) 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 laws of the state and the other provisions of this article; and

(i) 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 a municipal assistance 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 municipal assistance 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 municipal assistance 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 principal office of the municipal assistance corporation.

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

5. A municipal assistance 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 such corporation, which shall thereupon be cancelled.

6. Anything in this article ten to the contrary notwithstanding, any agreement or agreements with the holders of notes or bonds issued by any municipal assistance corporation created by or pursuant to any title of this article shall contain a clause stating in substance that any provision in this article or in any such agreement or agreements which relate to taxes imposed under article twelve or sections eleven hundred seven or eleven hundred eight of the tax law of the state or to the funds created by sections ninety-two-b, ninety-two-d or ninety-two-e of the state finance law shall be deemed executory only to the extent of the moneys available to the state in such funds from time to time and no liability on account thereof shall be incurred by the state beyond the moneys available in such funds.

7. In the discretion of the directors of a corporation the notes or bonds may be secured by a trust indenture by and between such corporation and a 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 noteholders or 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, may provide by such trust indenture for the payment of the proceeds of the notes or 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 notes or bonds shall be secured by a trust indenture, the noteholders or bondholders shall have no authority to appoint a separate trustee to represent them.

8. 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.