§ 561. Bonds of the authority. 1. The authority shall have the power and is hereby authorized from time to time to issue its negotiable bonds in conformity with applicable provisions of the uniform commercial code for any corporate purpose or power. The authority shall have power from time to time and whenever it deems refunding advantageous or desirable, to refund, redeem or otherwise pay, including by purchase or tender any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose or power. The refunding bonds may be exchanged for the bonds to be refunded, with such cash adjustments as may be agreed, or may be sold and the proceeds applied to the purchase or payment of the bonds to be refunded. The authority may issue general or special obligation bonds. Every issue of general obligation bonds shall be payable out of any moneys or revenues of the authority, subject only to any agreements with the holders of particular bonds pledging any particular tolls or revenues. Every issue of special obligation bonds shall be payable out of any revenues, receipts, monies or assets of the authority, the metropolitan transportation authority and its subsidiary corporations and the New York city transit authority and its subsidiary corporations identified for such purposes in accordance with agreements with the holders of particular bonds.

2. The bonds shall be authorized by resolution of the board and shall bear such date or dates, mature at such time or times, not exceeding fifty years from their respective dates, bear interest at such rate or rates, be payable at such time or times, 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. The bonds may be sold at public or private sale for such price or prices as the authority shall determine. Notwithstanding the foregoing provisions, such bonds as may be authorized by resolution of the board and issued on or before June thirtieth, nineteen hundred sixty-five, shall bear interest at such rate or rates as such resolution may provide.

3. The bonds may be issued for any corporate purpose of the authority.

4. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds thereby authorized, as to

(a) pledging all or any part of the tolls and revenues of the project or of all or any part of any or all such projects to secure the payment of the bonds or of any issue of the bonds subject to such agreements with bondholders as may then exist;

(b) the rates of the tolls to be charged, and the amounts to be raised in each year by tolls, and the use and disposition of the tolls and other revenues;

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

(d) limitations on the right of the authority to restrict and regulate the use of the project in connection with which such bonds are issued;

(e) limitations on the purpose to which the proceeds of sale of any issue of bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the bonds or of any issue of the bonds;

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

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

(h) limitations on the amount of moneys derived from any project to be expended for operating, administrative or other expenses of the authority;

(i) vesting in a trustee or trustees such property, rights, powers and duties in trust as the authority may determine which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to section five hundred sixty-seven hereof, and limiting or abrogating the right of the bondholders to appoint a trustee under section five hundred sixty-seven hereof or limiting the rights, duties and powers of such trustee;

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

4-a. Any resolution or resolutions authorizing any bonds or any issue of bonds maturing in not exceeding ten years from their date (hereafter in this subdivision four-a referred to as "short term obligations") may contain, in addition to all other provisions authorized by this title, provisions, which shall be a part of the contract with the holders of the short term obligations thereby authorized, as to (a) refunding the short term obligations and, if so provided, outstanding bonds by the issuance of bonds of the authority either by the sale of bonds and the application of the proceeds to the payment of the short term obligations and outstanding bonds or by the exchange of bonds for the short term obligations and outstanding bonds; provided, however, that the authority shall make no covenant to refund which shall require it to issue bonds, the aggregate principal amount of which shall exceed by more than ten per centum the aggregate principal amount of the short term obligations and outstanding bonds to be refunded thereby;

(b) satisfying, paying or discharging the short term obligations, at the election of the authority, by the tender or delivery of bonds of the authority in exchange therefor; provided, however, that the aggregate principal amount of bonds shall not exceed by more than ten per centum the aggregate principal amount of the short term obligations to satisfy, pay or discharge which the bonds are tendered or delivered;

(c) exchanging or converting the short term obligations, at the election of the holder thereof, for or into bonds of the authority; provided, however, that the aggregate principal amount of the bonds shall not exceed by more than ten per centum the aggregate principal amount of the short term obligations to be exchanged for or converted into bonds;

(d) pledging bonds of the authority as collateral to secure payment of the short term obligations and providing for the terms and conditions of the pledge and manner of enforcing the pledge, which terms and conditions may provide for the delivery of the bonds in satisfaction of the short term obligations; provided, however, that the aggregate principal amount of the bonds pledged shall not exceed by more than ten per centum the aggregate principal amount of the short term obligations

to secure which they are pledged;

(e) depositing bonds in escrow or in trust with a trustee or fiscal agent or otherwise providing for the issuance and disposition of the bonds as security for carrying out any provisions in any resolution adopted pursuant to the foregoing paragraphs (a), (b), (c) and (d) hereof and providing for the powers and duties of the trustee or fiscal agent or other depositary and the terms and conditions on which the bonds are to be issued, held and disposed of;

(f) any other matters of like or different character which relate to any provision or provisions of any resolution adopted pursuant to the foregoing paragraphs (a), (b), (c), (d) and (e) hereof.

In computing the amount of bonds of the authority which may be outstanding at any one time, short term obligations shall be excluded to the extent that the resolution authorizing the issuance of such short term obligations shall provide for the issuance of bonds pursuant to paragraphs (a), (b), (c) or (d) of this section, but the bonds provided to be issued by such resolution shall be included in making such computation whether or not such bonds are outstanding.

The authority shall have power to make contracts for the future sale from time to time of short term obligations, by which the purchasers shall be committed to purchase short term obligations from time to time on the terms and conditions stated in such contracts, and the authority shall have power to pay such consideration as it shall deem proper for such commitments.

4-b. The authority shall have power from time to time to issue notes (herein referred to as notes) for any corporate purpose or power and from time to time to issue renewal notes maturing not later than five years, from their respective dates whenever the authority shall determine that payment thereof can be made in full from any moneys or revenues which the authority expects to receive from any source. The authority may pledge such moneys or revenues (subject to any other pledge thereof) for the payment of the notes and may in addition secure the notes in the same manner as herein provided for bonds or otherwise. The notes shall be issued in the same manner as bonds. The authority

shall have power to make contracts for the future sale from time to time of the notes, by which the purchasers shall be committed to purchase the notes from time to time on terms and conditions stated in such contracts, and the authority shall have power to pay such consideration as it shall deem proper for such commitments.

4-c. It is the intention hereof that any pledge of tolls or other revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the tolls or other revenues or other 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.

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

6. The authority shall have power out of any funds available therefor to purchase bonds. The authority may hold, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.