**§ 1207. Notes and equipment trusts.** 1. The authority may issue notes in conformity with applicable provisions of the uniform commercial code in anticipation of the receipt of revenues provided that the aggregate principal amount of such revenue anticipation notes outstanding at any time shall not exceed ten per cent of the average annual revenues of the authority. All such revenue anticipation notes shall mature within two years of the date of issue and an installment or installments of not less than fifty per cent of the principal amount of such notes shall mature in the first fiscal year succeeding the fiscal year in which such notes are issued. Such notes may be sold at public or private sale and the city shall have power to purchase the same from any revenues or funds of the city other than moneys derived from borrowings.

2. The authority shall have power to purchase pursuant to conditional sales agreements or equipment trust agreements, to lease and otherwise to acquire subject to a lien for the purchase price, such equipment as it deems desirable including cars and rolling stock, electric and other motive power vehicles, automobiles, buses, and other motor vehicles, provided, however, that the amount of liabilities which the authority may incur under this subdivision shall be governed by the limitations contained in paragraph b of subdivision one of section eighteen hundred three of this law and shall in no event exceed such sum of five million dollars in any one fiscal year without the approval of the mayor. Payment for such equipment, or rentals therefor, may be made in installments to a trustee in trust to secure payment of equipment trust certificates, and provision may be made that title to such equipment shall not vest in the authority until the equipment trust certificates are paid, or that such equipment shall be subject to a lien to secure equipment trust certificates. Any such agreements, leases and equipment trust certificates shall contain such covenants, conditions and provisions as it deems necessary or desirable to insure payment of the equipment trust certificates.

3. The authority may also issue its promissory notes from time to time in conformity with applicable provisions of the uniform commercial code for the purpose of raising working capital to pay its expenses of operation. Such promissory notes shall be general obligations of the

authority, may be secured or unsecured as the authority shall determine, subject to the prior rights, if any, of the holders of other obligations of the authority, shall mature not later than five years from the date of issue and shall at no time be outstanding in an unpaid principal amount in excess of two hundred million dollars. Such promissory notes may be sold at public or private sale.