§ 1207-j. Limitation on the exercise of powers by authority and lease renewal. 1. The powers granted and conferred upon the authority by section twelve hundred seven-a of this title to purchase cars for the rapid transit lines of the authority, and by section twelve hundred seven-b of this title to issue bonds and notes of the authority, shall not be exercised by the authority unless and until the authority and the city shall have entered into an agreement for the renewal and extension of the existing agreement of lease between the city and the authority, dated June first, nineteen hundred fifty-three, for a term of years. Any such renewal agreement may contain such revisions of the existing agreement and such additional terms and conditions, not inconsistent with law, as may be approved by the city and the authority.

2. The city, by resolution of the board of estimate or by instruments authorized by such resolution, and the authority shall be authorized to enter into an agreement for the renewal and extension of the existing agreement of lease between the city and the authority for such term of years as shall be agreed upon and in any such renewal and extension agreement the authority may agree to such limitations upon the exercise of the powers conferred upon it by sections twelve hundred seven-a through twelve hundred seven-i, inclusive, as the authority in its discretion shall approve.