

## Article - Transportation

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§7-308.

(a) The Department may execute any agreement, lease, or equipment trust certificate for the purchase or rental of transit facilities or equipment such as rolling stock, substantially in the form customarily used in these cases and appropriate to effect the purchase or rental. The Department may dispose of an equipment trust certificate in the manner that it determines to be in its best interests.

(b) Each vehicle covered by an equipment trust certificate shall have the name of the owner and lessor plainly marked on both sides, followed by the words “owner and lessor”.

(c) (1) The money required to be paid by the Department under these agreements, leases, and equipment trust certificates shall be payable from revenues available under this title or Title 3 or 4 of this article.

(2) Payment for the purchase or rental of transit facilities or equipment may be made in installments, and deferred installments may be evidenced by equipment trust certificates. Title to the transit facilities or equipment may not vest in the Department until the equipment trust certificates are paid.

(d) An agreement by the Department to purchase transit facilities or equipment may:

(1) Direct the seller to sell and assign the equipment to a bank or trust company authorized to do business in this State or to the United States Department of Transportation, as trustee, lessor, or seller, for the benefit and security of the equipment trust certificates;

(2) Direct the trustee to deliver the transit facilities and equipment to one or more designated agents of the Department; and

(3) Authorize the trustee simultaneously with the delivery to execute and deliver a lease of the transit facilities or equipment to the Department.

(e) The agreements and leases shall be acknowledged in the form required for the acknowledgment of deeds. The agreements, leases, and equipment trust certificates shall be authorized by the Secretary and contain the covenants, conditions, and provisions that the Secretary considers necessary or appropriate to insure the payment of the equipment trust certificates from the revenues derived from the operation of the transit system and other funds.

(f) The covenants, conditions, and provisions of the agreements, leases, and equipment trust certificates may not conflict with any trust agreement securing the payment of bonds or other obligations of the Department then outstanding and may

not conflict with the rights of the holders of any other bonds or obligations.

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