

In order to carry into effect the provisions of this Act the Mayor, Counsellor and Aldermen of the city of Annapolis are hereby authorized and empowered to issue bonds of the city of Annapolis or make such other provision for the purchase of said stock as in their judgment is for the best interests of the city. The bonds so issued shall be secured by the credit of the city and the stock now owned by and that may hereafter be acquired out of the proceeds of the sale of said bonds. The bonds shall be known as the bonds of the city of Annapolis secured by the water stock as collateral. These bonds shall be limited to a period not exceeding thirty years. The interest shall not exceed three per centum per annum payable quarterly. The proceeds of the sale of these bonds shall be used for no purpose other than the purchase of water stock of the Annapolis Water Company, and any excess after the purchase of the stock that may be surrendered shall be deposited with the stock purchased to the credit of the sinking fund created to secure the loan. The Annapolis Savings Institution, or some other place of safe keeping to be acquiesced in by the bondholders, shall be the depository of the sinking fund. And said surplus may be drawn upon and used only for the payment of the principal and interest, and for the purchase of any outstanding stock until all said stock is acquired by the city. Stock so purchased shall be deposited to the credit of the sinking fund until said bonds are redeemed, and a sum sufficient for the payment of the interest and the redemption of the bonds at maturity shall be from time to time annually paid into and maintained in the sinking fund.

“If money is borrowed on collateral instead of issuing bonds the interest to be paid shall not exceed four per centum per annum payable semi-annually.

“So soon as a price to be paid for the State's interest is determined, and a satisfactory guarantee given for the final execution of the provisions of this Act, the Board of Public Works of the State of Maryland shall appoint two directors, and the Mayor, Counsellor and Aldermen shall elect two directors, not of themselves or holding any other office under their authority, and the Mayor shall be ex-officio the fifth director. The directors, so appointed,