

results of its operations. In such study, the Authority may use and shall be entitled to rely upon the report of any reputable certified public accountant. If the Authority, after such investigation, shall find that the operating income of the Ferry, exclusive of subsidies, after giving effect to such reduction in expenses of operation and administration as the Authority believes reasonably practicable, and before taxes and depreciation would have been, for the year 1934, and would have been also for the average over the five year period 1930 to 1934, inclusive, sufficient to have paid the annual debt service requirements on One Million Two Hundred Thousand Dollars (\$1,200,000) principal amount three per cent. (3%) Fifteen Year "Ferry" Bonds, including both the interest thereon at said rate of three per centum (3%) per annum and annual installments of principal as such installments fall due, then the Authority shall offer One Million Two Hundred Thousand Dollars (\$1,200,000) in principal amount of Fifteen Year Three Per Cent. (3%) "Ferry" Bonds secured as in this sub-title provided, for the real property, easements, franchises (except its corporate franchise), docks, wharves, terminals, ferry boats, other vessels, motor vehicles, furniture, equipment and supplies of the said Claiborne-Annapolis Ferry Company. In the event that the offer by the Authority is accepted by the Ferry Company, any agreement for the transfer of the ferry property to the Authority shall provide for the delivery of said property free and clear of all liens and encumbrances, and for the proper maintenance of the property from the date of the agreement to the time of transfer. In the event that, prior to the date of transfer, any of such property, allowing for normal wear and tear and for depletion of supplies or equipment incident to operation, has been destroyed or disposed of, then the Claiborne-Annapolis Ferry Company shall at the time of transfer, pay over to the Authority the value of any such property, as shown by the books and records of the Company. The Authority is further directed to make all other reasonable and appropriate provisions in the said contract as to insurance, as to indemnity against liens, indebtedness or claims against the property of the Ferry Company, and in all other respects to assure the Authority that the value of said Ferry Company's physical assets and franchises shall be maintained until the date of delivery thereof, or that appropriate compensation be made for any deficiency therein. The Authority is further empowered to enter into any leasing or operating agreement that it may determine necessary or advisable to protect its interests, pending the delivery of the property. Upon the delivery of the "Ferry" bonds to the Claiborne-Annapolis Ferry Company and the transfer to the Authority by the Ferry Company of its property, all the right, title and interest of said Ferry Company in and to such property shall be divested immediately, and the sole rights and remedies of the Ferry Company thereafter shall be with respect to the "Ferry" bonds. The ferry shall, upon its transfer, be operated by the Authority, which shall have full power, subject to any limitations in this sub-title, and in any contract with the holders of any of its bonds, to fix and determine schedules of trips and rates of fare for