

may be entered into between the consolidating companies, subject to the conditions following: First, that all existing contracts, engagements and liabilities of the said Baltimore and Hanover Railroad Company shall continue to bind said company and its property as fully as before the consolidation hereinabove authorized. Second, that all laws of the State of Maryland which would be operative upon the said Baltimore and Hanover Railroad Company shall be equally operative upon such consolidated company, so far as its operations and property may be within the jurisdiction of the State of Maryland. Third, that the capital stock of the consolidated company shall be the aggregate amount of the capital stock of the consolidated companies, and of such par value as may be fixed by the agreement or article of consolidation. Fourth, that said consolidated company, for the purpose of retiring any bonds heretofore issued by the consolidating companies, or for other purposes, shall have power to issue bonds, not exceeding the aggregate amounts which might have been issued by the companies which may be so consolidated, of such denominations as may be determined by said consolidated company, and shall have power to secure the payment of the principal and interest thereof by one or more mortgages upon its present, and after to be acquired, property, net revenues and tolls. Fifth, the board of directors shall consist of such number of shareholders as may be determined by the article or agreement of consolidation, or by the shareholders in such consolidated company, provided the number of directors shall be not greater than the largest number fixed for the board of directors by the charters of any of the companies so to be consolidated. Sixth, that portion of the railroad of the consolidated company situated in the State of Maryland shall be subject to taxation, and its capital stock, securities and rolling stock shall also be subject to taxation by the State of Maryland in the proportion that the length of its line of railway in this State shall bear to its entire line of railway, and its earnings from all sources in the State of Maryland shall be subject to taxation.

Existing contracts binding.

Laws operative.

Capital stock

Retiring bonds.

Number of directors.

Subject to taxation.