

be held as assigned and transferred to this State and as hereinafter provided, shall be assigned and transferred by this State to said Washington and Cumberland railroad company with all rights and remedies provided by law for the enforcement of the same; said Washington and Cumberland railroad company shall also pay to the treasurer of this State within six months after the execution of said lease, a sum equal to twenty-five per cent. of the principal of the bonds known as preferred construction bonds, issued by said Chesapeake and Ohio canal company under the act of eighteen hundred and forty-four, chapter two hundred and eighty-one, such principal amounting to sixteen hundred and ninety-nine thousand five hundred dollars, which said sum said treasurer shall proceed to distribute *pro rata* amongst the holders of said preferred construction bonds; upon the payment of such *pro rata* share to said bond holders, they shall deliver their said bonds to the treasurer; if at the end of six months from such payment to him, any part of said sum so paid to him shall remain in his hands uncalled for he shall return the same to said Washington and Cumberland railroad company; said Washington and Cumberland railroad company shall also pay to the said treasurer for the use of this State within twelve months after the completion of its roads from Cumberland to Williamsport the further sum of fifteen thousand dollars, and shall thereafter regularly pay to this State the sum of fifteen thousand dollars in semi-annual installments of seven thousand and five hundred dollars on the first day of January and the first day of July of each year, which said annuity shall be redeemable by said Washington and Cumberland railroad company at its option upon six months notice, upon the payment of three hundred thousand dollars to this State; upon the full payment by said Washington and Cumberland railroad company of the whole of the said hereinbefore recited bonds and interest thereon issued under said act of eighteen hundred and seventy-eight, chapter fifty-eight, the said seventy thousand dollars or thereabouts for labor claims, and said judgment for thirty thousand dollars or thereabouts, and not before, such lease shall take effect and the title of the said Washington and Cumberland railroad company to the said Chesapeake and Ohio canal its franchises and all property, and property and water-rights of every description of said company, subject to the covenants and stipulations of said lease shall accrue, and the prior liens of this State as mortgagee and creditor upon the said canal and all its property, property-rights and franchises, shall be waived and released in favor of and be transferred to and held by said Washington and Cumberland railroad company; and the board of public works shall execute and deliver to said Washington and Cumberland railroad company a good and sufficient assignment of all of said liens held by this State to the end that said liens shall be vested in said railroad company as fully as the

Rights.

Pro rata.

To pay

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