

same are now held by this State, and shall also transfer and deliver to said company said repair bonds issued under the act of eighteen hundred and seventy-eight, chapter fifty-eight, and shall assign to said company the whole of said labor claims and judgment, and also all the bonds issued under the said act of eighteen hundred and forty-four, chapter two hundred and eighty-one, which the holders thereof shall have delivered to the treasurer upon the payment as hereinbefore provided of their *pro rata* share of the sum paid to him by said Washington and Cumberland railroad company for the redemption of said bonds, and shall also assign to said Washington and Cumberland railroad company all the liens which as hereinbefore provided, the State shall acquire by the purchases and payment with the money furnished by said Washington and Cumberland railroad company for the purchase of said repair bonds, labor claims, judgment and preferred construction bonds, so that the said Washington and Cumberland railroad company shall be subrogated to all the rights of the holders of said repair bonds, labor claims, judgment and preferred construction bonds; and the treasurer shall thereupon transfer to the said Washington and Cumberland railroad company for ninety-nine years, renewable forever, the whole of the capital stock of said Chesapeake and Ohio canal company belonging to this State.

Redemp-
tion.

SEC. 2. *And be it further enacted*, That the said Washington and Cumberland railroad company shall have power to issue bonds to an amount not exceeding eight millions of dollars, covering the entire length of its said road, in such sums and form and payable at such time and bearing such rate of interest not exceeding six per cent. per annum, as the president and directors of said company shall direct, and to secure the said bonds and the interest to accrue thereon, by a first mortgage upon all its corporate franchises and all its corporate property of every description and upon the franchises, property, tolls and revenues, land and water rights acquired by it under the lease from the Chesapeake and Ohio canal company authorized by this act; and to the end that no doubt may exist as to the priority of said mortgage when executed, the State of Maryland hereby waives, postpones and defers its claims and liens upon the said canal, its works, lands, water-rights and other property, and upon its tolls and revenues in favor of said mortgage when executed and the bonds and coupons issued thereunder, so as to give to the said mortgage and said bonds and coupons the priority of lien upon the said canal and its works, water-rights and other property, and upon the tolls and revenues that this State now has thereon, and to make the said mortgage and bonds the first lien thereon in preference to the claims and liens of this State, and of all other liens and claims whatever.

Issue
bonds.

Priority.

SEC. 3. *And be it further enacted*, That the said Washington