

and assigns, from all State taxes and charges, including contributions to the cause of the construction of railroad crossings, made or to be made under the authority of the State Roads Commission, and from all county and city taxes and charges in the nature of a tax for the years during which the property is so used, but not exceeding four (4) years, beginning January 1, 1936, under certain conditions.

WHEREAS, George Weems Williams, the Receiver of the insolvent Washington, Baltimore and Annapolis Electric Railroad Company, was compelled, on August 21, 1935, to discontinue the operation of said road because of the continued failure of said road to earn even its operating expenses; and

WHEREAS, The Baltimore and Annapolis Railroad Company, a Maryland corporation, was, in August, 1935, chartered and organized to take over and operate the North Shore Division of the former Washington, Baltimore and Annapolis Electric Railroad Company, and, having acquired said North Shore Division, has, since August 21, 1935, continued it in operation between Baltimore and Annapolis, with no interruption in either passenger or freight service between Baltimore and Annapolis along said North Shore Division; and

WHEREAS, Said The Baltimore and Annapolis Railroad Company, in order to furnish the necessary and proper passenger and freight service between Baltimore and Annapolis and over said North Shore Division, was compelled to expend approximately \$400,000.00 in connection with the acquisition, extension and improvement of said line of railroad; and

WHEREAS, In order to secure said sum of approximately \$400,000.00, it was necessary for the owners of bonds at the par value, plus accumulated unpaid interest thereon since January 1, 1931, of approximately \$2,000,000.00, said bonds constituting a first and second lien upon that part of the railroad between Shipley and Annapolis, to pledge said bonds as security therefor, and to accept preferred and common stock of the Baltimore and Annapolis Railroad Company in exchange therefor, to the end that the present mortgage indebtedness of the said The Baltimore and Annapolis Railroad Company should be reduced from approximately \$2,000,000.00 to approximately \$350,000.00; and

WHEREAS, Notwithstanding such sacrifices and losses on the part of said First and Second Mortgage Bondholders, and notwithstanding also the most careful and economical operation consistent with safety of the said The Baltimore and Annapolis Railroad Company, the revenues of the Railroad Company,