

hereby authorized and directed to borrow on the faith and credit of the town of Federalsburg the sum of seventy-two thousand dollars (\$72,000) and to issue coupon bonds therefor in sums of one thousand dollars (\$1,000) to be signed by the Mayor of Federalsburg and countersigned by the Clerk of Federalsburg, with the seal of said municipal corporation affixed thereto, and said bonds shall be designated as "Federalsburg Refunding Bonds" and shall be numbered consecutively from one (1) to seventy-two (72) inclusive, and shall bear interest at a rate not exceeding five per cent per annum, payable semi-annually on the first day of November and May of each and every year accounting from May 1st, 1931, and said bonds shall be exempted from all taxation for State, county and municipal purposes in the State of Maryland and shall have printed on them a distinct reference to this Act authorizing their issue.

SEC. 2. *And be it further enacted*, That the said bonds to be issued under this Act shall mature in their numerical order, three thousand dollars (\$3,000) annually in each and every year beginning May 1st in the year 1936, and that said bonds, with interest thereon, shall be paid and cancelled by the said Mayor and Council of Federalsburg in the amount of three thousand dollars (\$3,000) during each and every year beginning as aforesaid until the whole of said bonds shall have been paid, and the date of issue shall be the same on all bonds under this Act, which date shall be May 1st, 1931.

SEC. 3. *And be it further enacted*, That the Mayor and Council of Federalsburg are authorized and empowered to sell said bonds to the highest bidder upon sealed proposals after having given at least ten days' prior notice by advertisement in some newspaper published in Caroline County and by such other advertisement as the Mayor and Council of Federalsburg deem advisable, but the right is reserved unto the Mayor and Council of Federalsburg to reject any and all bids. If no bids are received after such advertisement, or if all of the bids received are rejected by the said Mayor and Council of Federalsburg, the said Mayor and Council of Federalsburg are authorized and empowered to sell said bonds by private sale at not less than par and accrued interest.

SEC. 4. *And be it further enacted*, That the proceeds arising from the sale of said bonds shall be applied: first, to the payment of twenty-four thousand dollars (\$24,000) of Federalsburg water works promissory notes due May 1st, 1931; second, to the payment of twenty-six thousand dollars (\$26,000) of outstanding promissory notes issued to complete the construction of the water works system and the Federalsburg Municipal Building,