

to be allotted as follows:—

The debenture stock in the proportion of one share for every hundred dollars of the first and second issue of Debentures of the Saint Stephen Branch Railway Company, and of the Woodstock Railway Company Debentures:

The preference stock to the holders of the third issue of Debentures of the Saint Stephen Branch Railway Company, and to the holders of the Debentures issued by the Houlton Branch Railway Company, in the proportion of one share for every hundred dollars:

The ordinary stock to be issued to the stockholders in the said Branch Companies, and Woodstock Railway Company.

4. Immediately after this Act shall come into operation, or so soon thereafter as shall be practicable, certificates of stock in the said Company, as specified in the preceding section, shall be prepared and issued in due form, as to each class of stock, to the several persons and in the several proportions hereinbefore provided, and the several persons and stockholders in the first section mentioned shall accept, and they are hereby required to accept, and the mortgage Debenture holders in the said branch lines may at any time elect to accept such certificates in lieu of their existing claims, rights, stock, or securities, and the right and remedies of the persons to whom the same are issued, in respect of their existing claims, rights, stock, or securities, shall absolutely cease and determine, and their right and remedies shall be confined to the rights and remedies conferred by or in respect of the stock certificates by this Act allotted to them respectively, and represented by said certificates.

5. The net annual receipts of the Company, after deducting all expenditure of whatever kind, whether chargeable to capital or revenue, shall be divided into five equal parts or shares, and three of such five parts shall be considered as belonging to the capital stock of the main line, and shall be applied as follows:—

Firstly—In paying interest on the perpetual guaranteed Debenture Stock at the rate of three pounds per centum per annum for the first two years from the thirtieth day of June next, and thenceforth at the rate of three pounds ten shillings per cent. per annum, any deficiency in any one or more years to be provided for out of the earnings of succeeding years, before any other payment is made:

Secondly—In paying dividends on the ordinary stock of the main line, up to the rate of four pounds per centum per annum:

Thirdly—In paying additional interest and dividends on the guaranteed debenture stock and ordinary stock, *pari passu*, but so that the interest on the debenture stock shall not, during the first two years, exceed three pounds per centum per annum, or at any time five pounds per cent. per annum, and so that the dividends on the ordinary stock shall not at any time exceed five pounds ten shillings per cent. per annum:

Fourthly—In paying dividends on the B stock, provided that if during the first four years after the thirtieth day of June next, the rate of dividend paid on the said ordinary stock, on the average of such four years, be less than the rate of interest paid on the guaranteed debenture stock on the same average, any surplus of net revenue which may remain in any subsequent year after making the payments firstly hereinbefore provided, including any arrears and deficiency, and after making the payment secondly hereinbefore provided, shall, instead of being applied in the manner

thirdly hereinbefore provided, be applied in recouping to the holders of such ordinary stock, the difference between the aggregate amount which they have actually received during those four years, and the aggregate amount which they would have received during such years, if paid at a rate equal to that at which the holders of such guaranteed debenture stock were paid.

6. The remaining two fifths of the net annual receipts of the Company shall be considered as belonging to the capital of the branch lines and Woodstock Railway, and shall be apportioned and applied as follows:—

One fourth of the whole net annual receipts shall be appropriated as follows:—

First—In paying the interest of the first and second Debentures issued by the Saint Stephen Branch Railway Company, according to the terms of the said debentures, in the order of their issue; or if such debentures shall have been converted into debenture stock in whole or in part, then in paying such interest or dividends upon the stock into which such debentures may have been converted, as the case may be, reference always being had to the order of the issue of such debentures, whether the same shall remain as debentures, or be converted into debenture stock as agreed on; but such dividends shall not exceed an amount equal to six per cent. interest upon the debentures so converted:

Second—In paying interest on the preferred stock issued to the holders of the third mortgage bonds, and in place thereof, at the rate of six per cent., any deficiency of interest in any one or more years to be provided for and paid out of the earnings of succeeding years before any payment is made to the ordinary stockholders in the said Company:

Third—In paying dividends on the ordinary stock issued to the stockholders of the said Saint Stephen Branch Railway Company.

One twelfth of the whole net annual receipts shall be appropriated as follows:—

First—In paying the interest to the holders of mortgage debentures of the Woodstock Railway, and making the annual payment to the sinking fund connected with said debentures, or if such debentures shall have been converted into debenture stock, in whole or in part, then in paying such interest on dividends upon the stock into which such debentures may have been converted, as the case may be, but such dividends shall not exceed an amount equal to six per cent. interest upon the debentures so converted.

Second—The balance remaining, after the payments as above provided, to be paid to the said lessees of the said Woodstock Railway, or their assigns, during the continuance of the said lease, and upon its termination in any manner the above balance to be paid to the stockholders of the Woodstock Railway Company in the proportion of their stock.

One fifteenth of the whole net annual receipts shall be appropriated as follows:—

First—In paying interest on the preferred stock issued to the holders of the mortgage debentures of the Houlton Branch Company, at the rate of six per cent., any deficiency in any one or more years to be provided for out of the earnings of succeeding years before any payments are made to the ordinary stockholders in said Company.

Second—In paying dividends on the ordinary stock issued to the stockholders of the Houlton Branch Railway Company.

7. The perpetual guaranteed debenture stock, created by this Act, shall constitute a first charge upon the three fifths