

expenses contingent upon such inquiry, and the arbitrators may disburse such funds for the purposes of such inquiry, and may retain therefrom their own fees and disbursements.

5. The arbitrators shall give notice in the *Canada Gazette*, in the *Cobourg Star*, and *Peterborough Review*, one month previous to holding the said inquiry.

6. The effect of the award, when so made, shall be to limit the amount of all the encumbrances or liens on the said railway, and against the said company, to the present value of the railway properties and franchises as declared in the award; and on payment of the said award, in the manner hereinafter provided, all encumbrances, liens, judgments and claims against the said company of what kind soever shall be wholly discharged and acquitted, and all parties interested either as bondholders or creditors of the said company shall, as such, thereafter be forever foreclosed and debarred from claiming any right or interest in or over the said railway; Provided, always, that the claims in full for unpaid rights of way or station and depot grounds as agreed on or arbitrated on with the company shall be a first charge upon the award.

7. The amount of the award so to be made shall, within eighteen months from the filing thereof in the office of the clerk of the peace for the united counties of Northumberland and Durham as herein provided, be paid by the said company into the Court of Chancery for Upper Canada, to be paid out or distributed by that court: In the first place, towards unpaid rights of way and depot and station grounds in full, and thereafter by *pro rata* distribution to the respective bondholders and creditors in accordance with the amounts and priorities established by the award, and upon petition by the claimants verified by affidavits; Provided always that any of the holders of the said bonds shall have the option of converting their bonds into paid up new capital stock, in the proportion of double the sum which he or they would be entitled to receive under the award.

8. So soon as the award shall have been paid into the court of chancery, and the encumbrances or liens on the said railway discharged or acquitted as herein provided, the railway, its properties and franchises, shall revert absolutely to the original shareholders, and the company shall thenceforth be governed by the original Act of incorporation, which shall then and thereafter be in full force and effect, excepting so far as the same shall be virtually altered or amended by this Act.

9. Upon the railway properties and franchises so reverting to the original shareholders, the original shares shall be reduced to twenty-five per cent, of the amount subscribed; and the capital shall consist of that proportion of the paid up stock, the amount, if any, of the converted bonded debt, and any further subscription of new stock by municipalities or other parties, to the full amount of their subscriptions, which shall be called in from time to time, as the Directors shall decide, when calls not to exceed ten per cent at one time, and to be payable after sixty days notice; and the said new subscribed stock, and the converted bonded stock shall be a preferential stock, and shall be first entitled to dividends at the rate of