

arrears is injurious to the interests of the Company and their creditors and Shareholders:

And whereas the amount of the share capital of the Company as at present authorised is £500,000, in shares of £20 each, of which there have been issued 15,075 shares, amounting to £301,500, all of which are fully paid up.

And whereas, having regard to the circumstances aforesaid, it will be for the advantage of the Company and their said Creditors and Shareholders that the liabilities and the existing capital of the Company as to so much of their loan capital as consists of the said B Debenture Stock, and as to their existing share capital, shall be re-adjusted in manner hereinafter provided so as to effect a new security and provision for the said holders of the said B Debenture Stock, which shall be more beneficial to them and also to the Company and their Shareholders than the existing security:

Now therefore the Company in pursuance of the provisions of the said Act of the Legislature of Nova Scotia, intituled "An Act to facilitate arrangements between Railway Companies and their creditors," have prepared and propose the following Scheme of Arrangement as between them and their creditors:—

1. As from the date of the filing of this Scheme (but subject to the confirmation and enrolment thereof in due course) in pursuance of the said Act, the said B Debenture Stock for £350,000, and the securities, rights, and interests theretofore subsisting in respect thereof, including all arrears of interest thereon and all certificates of indebtedness issued by the Company in respect of such arrears, shall become and be abrogated and determined, and in lieu thereof the holders of such B Debenture Stock shall be entitled to such new Debenture Stock and to such Preference Shares in the Company as hereinafter provided for.

2. Immediately upon this Scheme being enrolled there shall be created and in due course thereafter issued by the Directors of the Company new B Debenture Stock to the amount of £200,000 (being the amount of 50 per cent. of the capital of the existing B Debenture Stock, and about 35 per cent. of the arrears of interest thereon as aforesaid) which shall bear interest as from the 1st October, 1882, after the rate of £4 per cent. per annum, and be payable half-yearly on the 1st April and 1st October.

3. The new B Debenture Stock shall be a first charge upon the undertaking and rolling stock of the Company (including their right and interest in any line of Railway other than their own line which they are or may become entitled to by lease, or to work under any agreement or running powers) subject only to the said A Debenture Stock, and the interest on such new B Debenture Stock shall be the first charge on the net income of the Company accruing from the 1st October, 1882, subject