

1<sup>st</sup> Mort: 6 Int  
Secd: 4 Int

mortgage computing from the date from which said bonds bear interest to the date of the capitalization hereinafter mentioned, and this interest shall be added to the amount of said mortgage: The amount paid the parties holding the first mortgage bonds on account of interest, in stock, and also the amount of the several cash payments made to the same parties with interest on each from the time each of the said payments was made up to the date of the capitalization hereinafter mentioned shall be deducted from the amount of said Mortgage and interest as aforesaid and the balance or remainder after making said deduction shall be the amount charged upon the said Railway under said first Mortgage.

2<sup>nd</sup> Ottawa &  
Prescott

The principal of the said second Mortgage held by the Corporation of Ottawa and the Corporation of the Town of Prescott shall be taken to be and shall be the second charge upon said Railway.

3<sup>rd</sup> Grand Trunk

The principal of the said third mortgage upon the Railway held by the Grand Trunk Railway Company of Canada, shall constitute the third charge.

4 Capitalized to 30<sup>th</sup> June 1866

4. The interest upon all the three mortgages shall be capitalized up to the thirtieth day of June in the year of our Lord one thousand eight hundred and sixty-six, or to such date as the net receipts shall have paid for the repairs and renewals and change of gauge.

5 Int: on 1<sup>st</sup> Mort:  
by 4<sup>th</sup> Int

5. The arrears of interest upon the first mortgage shall be capitalized by the Bonds of the Ottawa and Prescott Railway Company of equal value and priority, and bearing the same rate of interest as the Bonds under the said original first mortgage

6 On 2<sup>nd</sup> & 3<sup>rd</sup> Mort  
by 4<sup>th</sup> Int

6. The interest upon the second and third mortgages shall be capitalized up to the same date by the issue of preference shares in the Ottawa and Prescott Railway Company, and the interest upon the second mortgage shall for the purposes of capitalization and thereafter be fixed at six per cent. instead of eight per cent per annum.

7 Debts - same as  
2<sup>nd</sup> & 3<sup>rd</sup> Mort  
by 4<sup>th</sup> Int

7. The debts existing upon the Ottawa and Prescott Railway except those for current wages or stores shall be paid by the issue of preference shares at such rate per cent as may hereafter be agreed upon.

8 - Other debts Cash

8. Any debts contracted since the appointment of the present Receiver for working expenses as hereinafter defined, shall be paid in cash and in full.

9. Bond not to be  
repaid

9. The necessary expenses of putting the road and bridges in a secure state including new ties, and the like, and the altering of the gauge shall be paid out of the first net earnings of the

(4<sup>th</sup> Int)

5 years