

in the said section mentioned, or may dispose of such bonds and apply the proceeds to the payment of the present debts due to such creditors.

Power to Com-
pany to raise
£ 500,000 by
equipment
mortgage
bonds.

3. The Company may, from time to time, raise, by the creation and issue of Bonds, any sum or sums of money not exceeding in the whole five hundred thousand pounds sterling, such Bonds to be called Equipment Mortgage Bonds, to be redeemable at periods not exceeding fifteen years from the thirty-first of December, one thousand eight hundred and sixty one, and to bear interest not exceeding six per cent per annum, and to constitute a first charge or hypothec, both for principal and interest, upon and over all the Company's Railway, works, rolling stock and other plant, prior to all other charges or hypothecs thereon, and the moneys so raised shall be applied to the providing of additional sidings, wharfage, station and storage accommodation, elevators, rolling stock and other plant, or to some one or more of such objects.

Mode of issue
of equipment
mortgage
bonds.

4. The Equipment Mortgage Bonds shall be issued and disposed of to such persons and in such manner as the Directors determine; an option of subscribing for them being first given to the then holders of Bonds of the Company or of stock issued in exchange for Bonds.

Power to
reborrow.

5. The Company may, from time to time, reborrow all such moneys as may be required for paying or redeeming such Equipment Mortgage Bonds, by issuing other like Bonds having the same privileges, but so that the aggregate amount of the principal money secured by Equipment Mortgage Bonds, shall not at any time exceed the sum of five hundred thousand pounds.

First preferen-
tial bond-
holders may
convert their
bonds into first
preference
stock.

6. The respective holders of the first preferential Bonds of the Company may, at any time, within five years from the passing of this Act, exchange their Bonds for stock of the Company of equal nominal amount, and the Directors of the Company may, at any time, or from time to time, create and issue the stock required for the purpose of such conversion, to be called "First Preference Stock."

Second prefer-
ential bond-
holders may
convert their
bonds into
second prefer-
ence stock.

7. In like manner the respective holders of the second preferential Bonds of the Company may, at any time, within five years from the passing of this Act, exchange their Bonds for Stock of the Company of equal nominal amount, and the Directors of the Company may, at any time, or from time to time, create and issue the stock required for the purpose of such conversion, to be called "Second Preference Stock."

Seven per cent
bonds con-
verted into
third preference
stock.

8. The aggregate of the principal moneys secured by the ordinary Bonds of the Company bearing seven per cent interest and repayable in October, one thousand eight hundred and sixty-two, is hereby converted into a perpetual stock of the Company to be called "Third Preference Stock."