

and properly applied under such provisions in the satisfaction or acquisition of the said present outstanding obligations of the Lessor, or some portion thereof; and at the option of the Lessee the amount of the proceeds, so to be expended on improvements, shall, from time to time, on the request of the Lessee, be handed over to the Lessee for the purpose of being so expended.

VIII.

The Lessor will, on or immediately after the commencement of the said term and at its own costs and charges in all respects, procure the following obligations of the Lessor to be satisfied or acquired by the application of the proceeds of consolidated debenture stock, to be issued (under the provisions of the said Act) to an amount, not exceeding the par value of such outstanding obligations, as below stated, that is to say:

Floating obligations, referred to in paragraph (d) of Section 3 of the said Act, four hundred thousand dollars.....\$400,000

New Brunswick Railway second mortgage bonds, two hundred thousand pounds sterling.....£200,000

New Brunswick Railway Car Trust on rolling stock, two hundred and fifteen thousand dollars.....\$215,000

so that the future annual charge in respect of these obligations shall be forthwith reduced to sixty-three thousand five hundred and thirty-four dollars, or its equivalent in sterling money.

IX.

All leases and contracts of the Lessor for the operation of other railroads, terminating during the term of this lease, if any, shall at the request of the Lessee be renewed