

part, the power to borrow so much of the said two sums as may not have been actually so applied, shall cease and become extinct, and the Debentures proposed to be issued for that purpose shall be cancelled, and shall not be thereafter issuable.

Option given to holders of former Debentures.

3. At any time during the three months next after the publication of the notice hereinbefore provided for, any holder of any Debenture falling within either of the two classes of Debentures in the last preceding section referred to, may signify in writing, either at the office of the Company in Montreal, or at that of Messieurs Glyn, Mills and Company, in London in England, his option, either *firstly*, to take in exchange therefor another Debenture or Debentures of like amount, issued under this Act, or *secondly*, to receive out of the monies to be borrowed under this Act, the amount in cash of such now outstanding Debenture, with interest to the day of payment; and in the latter case such holder, notwithstanding such now outstanding Debenture may not have matured and become payable, may recover the amount thereof, with such interest, by suit against the Company, at any time not less than six months after signification of such his option, unless the Company show that they have not borrowed under this Act a sufficient sum to enable them to repay all the Debentures that may be so demanded, and that they have not applied any of the monies so borrowed otherwise than as by this Act authorized; and every holder signifying such option shall be bound by such signification, so that at the expiration of one month after tender made him by the Company in terms thereof, interest shall forthwith cease to run upon all Debentures thereby in effect called in, and the *hypothèque* borne by them shall be *ipso facto* postponed to that borne by the Debentures issued for assurance of the Loan aforesaid; and if any such holder do not signify his option as aforesaid, he shall be entitled to retain such now outstanding Debenture, with all the privileges and rights now appertaining thereto; and of the two sums reserved under the last foregoing section, Debentures representing so much only as such holders may elect to take by way of exchange of Debentures as aforesaid, whether within such term of three months or thereafter, as may be, shall be so issued,—and Debentures representing so much only as may suffice for such payments in cash as they shall elect to take as aforesaid, whether within such term of three months or thereafter, as may be, shall be otherwise issued,—and all the remainder of the Debentures representing such two sums shall be cancelled as aforesaid.

They shall be bound by the option declared, &c.

Paying off other Debentures.

4. From and out of the proceeds of so much only of the said Loan as is not required to be so reserved as aforesaid, the Company may redeem and pay off, when, where, and in such manner as they may deem expedient, and as the conditions of the respective Debentures hereinafter in this section mentioned and referred to may allow, all their other now outstanding Debentures whatsoever, whether bearing *hypothèque* on any other part of their Railroad, or not bearing *hypothèque*,—and any surplus only of such proceeds, if such there be, may be applied to the payment of their existing liabilities not covered by Debentures.

Provision for another loan if that first mentioned be not raised.

5. If from any cause the Loan aforesaid be not raised, the Company may raise, by way of loan, any amount not exceeding eighty thousand pounds sterling, which they may require to raise for the purposes in this section limited, and not otherwise; and for assurance thereof may issue Debentures, in the form of Schedule C to this Act annexed, or in any other like form,—which Debentures shall bear *hypothèque* over all those lands, wharves, buildings and real property of the Company, forming that part only of their Railroad which heretofore belonged to the late Montreal and New