CHAPTER ccxxix.

An Act to enable the Girvan and Portpatrick Junction Railway Company to raise further moneys; to arrange with their creditors; and to authorise in certain events the sale of the undertaking. [18th August 1882.]

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WHEREAS the Girvan and Portpatrick Junction Railway Company (in this Act called "the Company"), were incorporated by the Girvan and Portpatrick Junction Railway Act, 1865, and authorised to construct a railway from the Maybole and Girvan Railway at Girvan to the Portpatrick Railway, in the parish of Old Luce, and for that purpose to raise two hundred and fifty thousand pounds by shares and eighty-three thousand three hundred pounds by borrowing: 28 & 29 Vict. c. cclviii.

And whereas by the Girvan and Portpatrick Junction Railway Act, 1870, (in this Act called "the Act of 1870"), the time for the construction of the railway and works of the Company was extended for three years from the twentieth day of June, one thousand eight hundred and seventy: 33 & 34 Vict. c. lxxiv.

And whereas, by the Girvan and Portpatrick Junction Railway Act, 1872 (in this Act called "the Act of 1872") a power of joint user was conferred upon the Company and all companies and persons lawfully working their railway over inter alia that portion of the Portpatrick Railway between East Challoch and Stranraer, called the "Stranraer Section," and it was provided that in respect of the joint user conferred upon the Company over the Stranraer Section, the Company should make certain payments to the Portpatrick Railway Company (in this Act called "the Portpatrick Company") therein particularly specified: 35 & 36 Vict. c. clxi.

And whereas by the Act of 1872 the Company were authorised to raise by the issue of new shares of ten pounds each, (either ordinary or preferential) any sums not exceeding the following amounts respectively—videlicet, ten thousand pounds, forty thousand

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pounds and thirty-five thousand pounds, and to raise by mortgage any sum or sums not exceeding three thousand three hundred and thirty pounds, thirteen thousand three hundred and thirty pounds and eleven thousand six hundred and sixty pounds; but it was provided that the Company should not create such additional share capital of forty thousand pounds, nor borrow the aforesaid sum of thirteen thousand three hundred and thirty pounds, until they resolved themselves to work their undertaking and to provide themselves with rolling stock and plant for that purpose, nor should they create the aforesaid additional share capital of thirty-five thousand pounds, nor borrow the aforesaid sum of eleven thousand six hundred and sixty pounds, except in so far only as such capital and borrowed money might be required for the purpose of paying the one-half of the cost of the purchase of lands for and the original construction of the Stranraer Section of the Portpatrick Railway:

36 & 37 Vict. c. ci.

And whereas by the Girvan and Portpatrick Junction Railway Act, 1873, the period for the completion of the railway and works was extended for a period of two years from the twentieth day of June, one thousand eight hundred and seventy-three:

38 & 39 Vict. c. xxi.

And whereas by the Girvan and Portpatrick Junction Railway Act, 1875 (in this Act called "the Act of 1875"), the Company were authorised to raise sixty-five thousand pounds by new preference shares or stock and twenty-one thousand six hundred pounds by borrowing:

40 & 41 Vict. c. xiii.

And whereas by the Girvan and Portpatrick Junction Railway Act, 1877 (in this Act called "the Act of 1877"), the Company were authorised to borrow on mortgage any sums not exceeding one hundred thousand pounds, but it was provided that the mortgages and debenture stock granted and created by the Company by virtue of that Act and the interest thereon should rank after all mortgages and debenture stock and the interest thereon respectively granted or created or to be granted or created by the Company in pursuance of the powers of any Act of Parliament passed prior to the passing of that Act:

42 & 43 Vict. c. ccix.

And whereas by the Girvan and Portpatrick Junction Railway Act, 1879, (in this Act called "the Act of 1879") the Company were authorised to borrow on mortgage, in addition to the sums which they were already authorised to borrow (first) the aggregate amount of the principal sums paid and to be paid by the Company in respect of the Company becoming joint owners with the Portpatrick Company of the Stranraer Section of that Company's railway and of the East Pier of Stranraer in pursuance of an award to be made under an arbitration then pending between the Company and

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the Portpatrick Company, including any sums then paid or expended in connexion with that section and the said East Pier, for which the arbitrator should find the Company entitled to credit, and (second) any sums not exceeding seventy thousand pounds; and it was also provided by the Act of 1879 that the mortgages granted by the Company for the sums which they were by the said Act authorised to borrow, or any part thereof, should rank after all mortgages and the interest thereon granted or to be granted by the Company in pursuance of the powers of any Act of Parliament passed prior to the passing of the said Act:

40 & 41 Vict. c. lx.

And whereas by the Portpatrick Railway Act 1877, the Portpatrick Company acquired the East Pier of Stranraer, and became liable for the debt thereon, amounting to twenty thousand pounds; and they likewise became bound to pay the town council of Stranraer a perpetual annuity of five hundred pounds for their interest in the pier:

And whereas by section thirty-four of the Act now in recital the Company, and all companies and persons lawfully working or using their railway, are entitled to use the East Pier of Stranraer, jointly with the Portpatrick Company, and by section thirty-five the Company are bound to pay, for the joint user of the said East Pier, a half of the annuity of five hundred pounds payable to the town council of Stranraer, and a yearly sum equal to interest at a rate to be agreed upon or determined by arbitration, on one-half of the cost of acquiring and improving the East Pier, including the twenty thousand pounds aforesaid; and by section thirty-six of the same Act the Company are bound to pay annually, in proportion to the use had by them of the East Pier and works connected therewith, the expense of maintaining the same as the same if not agreed upon should be determined by arbitration; and by section thirty-seven of the same Act the Company are entitled, at any time within five years of the opening of their railway instead of paying or continuing to pay the yearly sum to be ascertained as aforesaid, to pay to the Portpatrick Company the principal sum itself, upon which payment the Company might apply to Parliament to have the East Pier and works connected therewith vested in them and the Portpatrick Company as joint owners:

And whereas the railway of the Company was opened for traffic in the month of October, one thousand eight hundred and seventy-seven and has since been and is now worked by the Glasgow and South-western Railway Company (herein-after called the "South-western Company") under agreement, upon terms of payment by the South-western Company to the Company of the residue of the receipts after the working costs are paid, the Company being liable

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to make good any deficiency, in the event of the receipts being insufficient to meet such working costs:

And whereas the share capital of the Company, other than so much thereof as is conditionally authorised by the Act of 1872, has been issued, with the exception of certain ordinary shares of ten pounds each, which are claimed to be held as fully paid up shares in security by persons claiming to be creditors of the Company, in respect of moneys claimed to be owing to them by the Company, and by persons who allege that they are liable for moneys owing by the Company or their respective assigns:

And whereas mortgages to the amounts following have been issued by the Company, videlicet:—

As under the Act of	1865	-	-	£83,300	0 0
,, ,,	1872	-	-	3,330	0 0
,, ,,	1875	-	-	21,600	0 0
				108,230	0 0
,, ,,	1877	-	-	96,932	14 4
,, ,,	1879	-	-	2,300	0 0
				£207,462	14 4

And in addition to those mortgages a mortgage for three thousand pounds was issued to and is held by the Commercial Bank of Scotland, in security of an advance by that bank to the Company:

And whereas the Company and the Portpatrick Company having failed to agree as to the cost of the construction of the Stranraer Section and the sums expended by the Portpatrick Company on the East Pier and the rate of interest to be paid by the Company for the joint user conferred on them, on the twenty-first and thirty-first days of October, one thousand eight hundred and seventy-eight, entered into a minute of reference to Sir Thomas Bouch, civil engineer, to decide all questions and differences which had arisen between them:

And whereas Sir Thomas Bouch accepted the reference, and after procedure therein, pronounced a decree arbitral on the eleventh day of June one thousand eight hundred and eighty, fixing the sum due by the Company to the Portpatrick Company for the joint right of user at forty-seven thousand and seventeen pounds seven shillings and ninepence, upon which he decided that interest should be paid by the Company at the rate of four and a half per centum per annum:

And whereas the Company owe large sums of money on Lloyd's bonds or certificates of indebtedness, open accounts, and otherwise, which they are unable to pay:

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And whereas on the sixth day of May, one thousand eight hundred and seventy-nine, a petition was presented to the court of session in Scotland (in this Act called "the court") by Thomas Cross, Thomas Lever Rushton and James Ormrod, lately carrying on business as bankers in Bolton, Lancashire, under the style or firm of Hardcastle, Cross and Company, who claimed to be creditors of the Company holding certain Lloyd's bonds or certificates of indebtedness by the Company, for the appointment of a judicial factor under and in virtue of the Act passed in the thirtieth and thirty-first years of the reign of Her present Majesty Queen Victoria chapter one hundred and twenty-six; and shortly thereafter on the twenty-seventh day of June one thousand eight hundred and seventy-nine, another petition was presented to the court by John Millar, civil engineer, Edinburgh, a judgment creditor of the Company, also praying for the appointment of a judicial factor:

And whereas upon the third day of July, one thousand eight hundred and seventy-nine, the court appointed James Haldane, chartered accountant, Edinburgh, to be judicial factor on the undertaking of the Company (in this Act called "the judicial factor"), in terms of the fourth section of the Act of the thirtieth and thirty-first Victoria aforesaid, upon the petition of the said Thomas Cross, Thomas Lever Rushton and James Ormrod, with the usual powers:

And whereas the annual charge on account of interest upon the before-mentioned mortgages is ten thousand three hundred and forty-three pounds seven shillings and eightpence, exclusive of the mortgage for three thousand pounds held by the Commercial Bank of Scotland as aforesaid:

And whereas in the month of May, one thousand eight hundred and eighty-one, the Portpatrick Company raised an action in the court against the Company, for payment and interdict concluding for payment of the sum of ten thousand and fifty-six pounds eighteen shillings and eightpence, with interest on the sum of nine thousand three hundred and thirty-nine pounds and fivepence, being principal, the said first-mentioned sum being claimed as due in terms of the award of Sir Thomas Bouch, for the joint user in the past, of the Stranraer Section and the East Pier, with interest to the date of the action; and the Portpatrick Company also claimed interdict against the Company, prohibiting their user of the Stranraer Section and the East Pier until the arrears were paid:

And whereas in the course of the proceedings, the Portpatrick Company restricted their claim to nine thousand seven hundred and sixty-five pounds seventeen shillings and ninepence, with interest

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from the date of the action on the sum of nine thousand and fifty-six pounds nineteen shillings and sevenpence, and, after full discussion, the court, upon the third day of February, one thousand eight hundred and eighty-two, pronounced the following interlocutor :

Edinburgh, 3rd February, 1882.

The Lords, having heard counsel on the reclaiming note for the Girvan and Portpatrick Junction Railway Company and others, against Lord Rutherfurd Clark's Interlocutor of second November, one thousand eight hundred and eighty-one, recal the said interlocutor, decern, and ordain the defenders the Girvan and Portpatrick Junction Railway Company to make payment to the pursuers of the sum of nine thousand seven hundred and sixty-five pounds, seventeen shillings and ninepence, with interest at the rate of five pounds per centum per annum on the sum of nine thousand and fifty-six pounds, nineteen shillings and sevenpence, being principal from the date of citation, but under deduction of the sum of five hundred and fifteen pounds and twopence, with interest on the said sum, from the eleventh day of June, one thousand eight hundred and eighty to twenty-eighth May, one thousand eight hundred and eighty one, on the condition that the Girvan and Portpatrick Junction Railway Company assign to the Portpatrick Railway Company all claims for this sum, which they have against the Caledonian Railway Company : Find, declare and decern that, failing the said defenders making payment to the pursuers of the sum of six thousand and fifty pounds, eighteen shillings and fivepence, with interest on the sum of five thousand six hundred and thirty-one pounds and eightpence, being principal from the date of citation, and so long as the said sums or any part thereof remain unpaid, the pursuers are intitled to the sole and exclusive possession, use and enjoyment of that portion of the Portpatrick Railway, lying between the junction of the Girvan and Portpatrick Railway therewith, at East Challoch and a point on the Portpatrick Railway one furlong south-west of the existing booking office at Stranraer, as also the Stranraer Harbour Branch, and all approaches, stations, station yards, booking offices, platforms, warehouses, water supplies, watering places, sidings, standing room for engines and carriages and works, conveniences, and accommodations on or connected or used with the same respectively, which portion of railway, branch railway and others, are in the various Acts of Parliament relating to the use thereof by the said defenders described as the Stranraer Section of the Portpatrick Railway, and that free of any right of way over or joint use of the same by the said defenders, interdict prohibit and discharge the said defenders,

or anyone claiming right under them, from using the said Stranraer Section, by themselves, their officers, and servants aye, and until said sums shall be paid to the pursuers and decern; Find, declare and decern that, failing the said defenders making payment to the pursuers of the sum of three thousand seven hundred and fourteen pounds nineteen shillings and fourpence, with interest at the rate of five pounds per centum per annum on the sum of three thousand four hundred and twenty-five pounds eighteen shillings and elevenpence being principal fron the date of citation, but under deduction of the sum of five hundred and fifteen pounds and twopence, with interest on said sum from the eleventh day of June, one thousand eight hundred and eighty, to twenty-eighth May, one thousand eight hundred and eighty-one, on the condition above mentioned, and so long as said sums under deduction as aforesaid or any part thereof remain unpaid, that the pursuers are entitled to the sole and exclusive possession, use and enjoyment of the East Pier, at the harbour of Stranraer, and all rails, sheds, warehouses, offices, accommodations and conveniences of every description thereon or connected therewith, and that free of any right of way over or joint user of the same by the said defenders; interdict, prohibit and discharge the said defenders, or anyone claiming right under them, from using the said East Pier or works connected therewith by themselves, their officers or their servants, aye, and until the said sums shall have been paid to the pursuers and decern; Find, declare and decern against said defenders in terms of the remaining declaratory conclusions of the summons; Find the pursuers entitled to expenses, both in outer and inner house, and remit to the auditor to tax the account of said expenses and to report:—Remit the cause to the Lord Ordinary to proceed further therewith, and with power to decern for said expenses when taxed.

JOHN INGLIS, I.P.D.

And whereas nearly the whole of the principal moneys owing on the mortgages of the Company has become due and payable, and there is also a large arrear of interest owing by the Company on such mortgage debts, but the Company are unable, from want of funds to pay the same:

And whereas the results of the working of the railway for the three years preceding the twenty-eighth day of February, eighteen hundred and eighty-two, show an excess of expenditure over revenue of the sum of six thousand four hundred and fifty-seven pounds and upwards:

And whereas in the circumstances herein-before set forth, the judicial factor reported the state of the affairs of the Company to the holders of mortgages, and they resolved at a meeting held on

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the thirteenth day of May, one thousand eight hundred and eighty, that the working agreement with the South-western Company should be terminated, and that a better arrangement should, if possible, be made with that or some other company, and that, failing this, it should be considered whether a sale of the line could not be effected:

And whereas no arrangement has been made with the South-western Company for working the railway and intimation was therefore given to that Company terminating the working agreement; and at a meeting of the holders of mortgages held on the twenty-seventh day of October, one thousand eight hundred and eighty, it was resolved that further exertions should be made to enable the Company to acquire rolling stock and to work the railway themselves; and at that meeting holders of mortgages subscribed one thousand five hundred pounds for the purpose of enabling the railway to be worked by the judicial factor, and on a subsequent appeal promises were made, which with the one thousand five hundred pounds referred to, brought up the sum guaranteed by holders of mortgages to nearly four thousand pounds for the purpose of equipping and working the railway for the benefit of the creditors themselves; but these sums being altogether inadequate, it appeared to the judicial factor that the only course open in the interest of the mortgagees and others concerned was to effect if possible a sale of the undertaking:

And whereas the judicial factor accordingly presented a note to the court upon the fifth day of July, one thousand eight hundred and eighty-one, in which he asked the authority of the court to enter into negotiations for the sale of the undertaking and to receive offers for the purchase, and to apply to Parliament for an Act authorising him to sell the undertaking, or otherwise for an Act authorising him to raise capital by the issue of mortgages, which should rank preferably both as regards principal and interest to the mortgages already issued or authorised under the existing Acts of the Company for the purpose of equipping and working the railway:

And whereas the court delivered judgment upon that application on the twentieth day of July, one thousand eight hundred and eighty-one, to the effect that it was unnecessary to confer special authority on the judicial factor to enter into negotiations for the sale of the undertaking, as such a matter fell within the proper scope of his powers:

And whereas the judicial factor thereupon proceeded to advertise the undertaking for sale in numerous newspapers in Scotland and

England, and he also endeavoured to effect terms of sale with the Caledonian Railway Company, the South-western Company and the Portpatrick Company and with other parties, but without success:

And whereas the position of the Company having again been brought under the consideration of the court, they after full discussion, on the eighth day of December (signed the tenth), one thousand eight hundred and eighty-one, unanimously pronounced the following interlocutor:—

Edinburgh, 8th December, 1881.

The Lords having resumed consideration of the (printed) minute for the judicial factor, No. 45, of process, with the answers for Thomas Lever Rushton and James Ormrod Cross, No. 47, of process, and heard counsel for the judicial factor, for the respondents Thomas Lever Rushton and James Ormrod Cross, and for the directors of the Girvan and Portpatrick Junction Railway Company authorise the judicial factor to apply to Parliament for an Act to enable him to sell the undertaking of the Girvan and Portpatrick Junction Railway to such person or persons, or body corporate as may be willing to buy the same upon such terms as shall be authorised by the provisions of such Act and to apply the price realised by the sale of the said undertaking in payment of the liabilities of the Company in such manner as may be directed in said Act, or otherwise according to the respective order and preferences of the various parties having claims against the said Company as the same shall be determined according to law. Further find that the expenses of the application to be made in terms of the authorisation hereby granted, form a proper charge in the factory and decern.

John Inglis, I.P.D.

Signed, 10th December, 1881.

And whereas it is expedient, that before recourse is had to a sale of the undertaking, an attempt should be made by the Company in the interest of the Company and their mortgage and other creditors to carry on and work their undertaking, and that the Company should be empowered for that purpose to raise a sum not exceeding thirty thousand pounds, by the issue of mortgages which shall be a first charge upon their undertaking:

And whereas it is expedient, in the interest both of the Company and its creditors, that the existing mortgage debt of the Company and the other debts and liabilities of the Company, including the debt secured upon Lloyd's bonds, should be consolidated and converted into debenture stocks, to be issued to the holders of the

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existing mortgages of the Company and to the creditors of the Company as herein-after provided:

And whereas it is expedient that during the period herein-after defined the voting power of the ordinary shareholders of the Company should be reduced, and that the management and control of the Company should be vested in the mortgagees, holders of debenture stocks and creditors of the Company by conferring upon them powers of voting at general meetings of the Company, and the other powers and privileges herein-after contained:

And whereas it is expedient that the Company should be empowered to lease their undertaking:

And whereas it is expedient that if the Company fail to raise the said sum of thirty thousand pounds or so much thereof as they shall find necessary to enable them to carry the provisions of this Act into effect by the issue of the said mortgages, or if the net revenues of the Company applicable to the purpose should be inadequate to pay the interest upon the A debenture stock and the B debenture stock to be created under this Act as herein-after provided, then and in either of such cases, provision should be made for the sale of the undertaking, and the price to be received in respect of such sale should be distributed and the affairs of the Company should be wound up as by this Act provided:

And whereas on the twenty-third day of May, one thousand eight hundred and eighty-two, the position of the Bill for this Act was again brought under the consideration of the court by the judicial factor, and the court, after discussion, unanimously pronounced the following interlocutor;—

Edinburgh, 23rd May, 1882.

The Lords having resumed consideration of the note for the judicial factor for special powers No. 41 of process, and the minute for him No. 44 of process, with the minute also for the judicial factor of date May seventeenth, one thousand eight hundred and eighty-two, No. 50 of process, and whole proceedings, and heard counsel for the parties thereon, approve of the proceedings of the judicial factor as stated in the said Minute No. 50 of process, and authorise him to continue to promote the bill now before Parliament, and find the costs of such promotion by him a proper charge in the factory and decern.

John Inglis, I.P.D.

And whereas the holders of three-fourths in value of the Company's existing mortgages have assented in writing to, and approved of the provisions of this Act:

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And whereas at a special general meeting of the proprietors of the Company, held on the twenty-first day of June, one thousand eight hundred and eighty-two, the Bill for this Act was unanimously approved:

And whereas the objects aforesaid cannot be effected without the authority of Parliament:

May it therefore please Your Majesty, that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows (that is to say):—

Short title.

1. This Act may be cited as the Girvan and Portpatrick Junction Railway (Arrangement) Act, 1882.

Interpretation.

2. In this Act the following words and expressions have the respective meanings herein-after assigned to them, unless there be something in the subject or context repugnant to such construction:—

"The Company" means the Girvan and Portpatrick Junction Railway Company.

"The court" means the court of session in Scotland, or either division thereof, or the lord ordinary officiating on the Bills in vacation or recess;

"The judicial factor" means James Haldane, chartered accountant, Edinburgh, or his successor duly appointed and confirmed by the court;

"The undertaking of the Company" or "the undertaking" means the undertaking, railways, sidings, stations, works, approaches and conveniences, lands, buildings, estates, plant, rolling stock and property, whether of a real or personal character, and all the rights, powers and privileges therein, and in and over the Stranraer Section, and the Portpatrick Section of the Portpatrick Railway, or either of those sections, and the East Pier of Stranraer, and all rights and privileges in respect of the purchase or acquisition of the said sections, or either of them, or the said pier, including the power to levy tolls, rates and charges, on and over their own railway and works or on and over other undertakings of, in or to which, the Company, by virtue of the recited Acts, or otherwise howsoever, immediately before the passing of this Act, were seized, possessed or in anywise entitled.

Application of moneys in the hands of

3. From and after the first election of directors which shall take place after the passing of this Act, the rights, powers and duties of

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the judicial factor.

the judicial factor shall cease; and upon the application of the Company or of the judicial factor, the court shall discharge him on passing his accounts, and on his accounting for or on payment by him of any moneys in his hands.

Cesser of interest on Company's debt.

4. Subject to the provisions of section twenty-two of this Act, all interest on the existing mortgages, debentures and ordinary debts of the Company shall cease as from the eleventh day of November, one thousand eight hundred and eighty-two.

Election of new board.

5. A special meeting of the Company shall be held within three months after the passing of this Act, and at that meeting the then existing directors of the Company shall retire, and new directors (the retiring directors being eligible for re-election) shall be elected and thenceforth the board shall consist of five members.

Domicile of Company.

6. The domicile of the Company shall be in the counties of Ayr or Wigtown, or in Edinburgh or Glasgow.

Qualification of directors of new board.

7. The qualification of a director shall be the possession in his own right of not less than five hundred pounds of the debenture stocks by this Act authorised to be created, or his being entitled to have allotted to him in his own right five hundred pounds of such stocks.

Voting power of debenture stock holders and preference shareholders at general meetings. 26 & 27 Vict. c. 118.

8. Notwithstanding anything contained in section thirty-one of the Companies Clauses Act, 1863, and subject to the provisions of this Act, the holding of, or the right to allotment of the A, B and C debenture stocks by this Act authorised to be created, shall confer the right to be present in person or by proxy at any meeting of the Company, and to vote thereat, but the holding or right to allotment of any of the aforesaid stocks shall not diminish any rights of voting in respect of any ordinary shares of the Company (according to the reduced scale in the following section prescribed) which such holders of debenture stocks may possess.

Votes at meetings.

9. Notwithstanding anything contained in the Company's Acts herein-before recited and the Acts incorporated therewith, the rights of voting, heretofore conferred thereby upon the ordinary shareholders of the Company, shall be and continue in abeyance until the income of the Company has for three successive years been sufficient to pay a dividend at the rate of four per centum per annum on the A and B debenture stocks of the Company, under the provisions herein-after contained, and at all meetings of the company, during that period, the debenture stock holders, or those in right of

allotment of such stock, and the preference and ordinary shareholders shall respectively have and be entitled to votes as follows: A.D. 1882.

One vote for each complete sum of

10*l.* A debenture stock.
10*l.* B debenture stock.
20*l.* C debenture stock.
50*l.* in preference shares.
100*l.* in ordinary shares.

Debenture stock holders to be deemed proprietors. 8 & 9 Vict. c. 17.

10. So long as the debenture stock holders are by the provisions of this Act entitled to be present in person or by proxy at meetings of the Company, and to vote thereat for the purposes of the Companies Clauses Consolidation (Scotland) Act, 1845, and for the purposes of any standing order of either House of Parliament, the debenture stock holders of the Company shall, subject to the provisions of this Act, be deemed proprietors or shareholders of the Company, and the several debenture stocks hereby authorised to be created, shall be deemed to be paid-up capital of the Company: Provided always that nothing herein contained, and no rights or privileges hereby conferred upon the debenture stock holders shall be held to take away, abridge, diminish, or in any way prejudicially affect any of the rights, powers and privileges of the debenture stock holders to which they would have been entitled in case the right of being present and voting at meetings of the Company had not been conferred upon them.

Company not to raise any further money under former Acts.

11. After the passing of this Act the Company shall not, under the provisions of any of the herein-before recited Acts relating to the Company, borrow or raise any further moneys.

Power to raise further sums by debenture stock.

12. The Company may borrow on mortgage of the revenues of their whole undertaking a sum not exceeding thirty thousand pounds, at a rate of interest not exceeding five per centum per annum, which shall be applied in the order and according to the priorities following:—

(1.) In the first place in discharging any liabilities undertaken by the judicial factor, and in paying the costs, charges, and expenses of and incidental to the judicial factory, including the discharge of the judicial factor, and the preparing for, obtaining and passing of this Act and incidental thereto;

(2.) In the second place, in payment of the compensation and expenses of landowners for the purchase of lands taken for the purposes of the undertaking if and so far as unpaid;

(3.) In the third place in paying the said moneys owing to the Portpatrick Company and any interest thereon;

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(4.) In the fourth place in paying any other debts of a preferential nature;

(5.) And in the fifth place in providing plant and rolling stock to enable the Company to work their undertaking if they shall think it expedient to do so.

The Company shall apply the money when raised to those purposes in the order in this section provided and to no others, and the money so raised and the interest thereon in perpetuity shall rank in priority to the A, B and C debenture stocks of the Company hereby authorised to be created, to the existing mortgages of the Company, and to the preference stock of the Company, and the interest and dividends thereon respectively, and such money and interest shall be, and is hereby both as to principal and interest declared to be a first charge in favour of the holders of the mortgages granted therefore upon the undertaking of the Company, and upon the gross receipts of the traffic thereon, after deducting the moneys payable to the Portpatrick Company, as herein-after provided, and working expenses and the expenses of and incident to the maintenance of the undertaking, and the payment of all rates, taxes, and burdens of a like nature affecting the same.

Power to issue A, B and C debenture stocks.

13. When and so soon as the said sum of thirty thousand pounds hereby authorised to be raised, or so much thereof as the Company shall deem necessary shall have been raised, the Company shall further create and issue debenture stocks of several classes to be called A, B and C debenture stocks respectively, bearing the dividends after mentioned from and after the eleventh day of November, one thousand eight hundred and eighty-two, which shall be charged both as to principal and interest upon the revenues of the whole undertaking of the Company, in the orders of priority and ranking after specified, and which shall be subject respectively to the conditions herein-after specified, videlicet:

As to A debenture stock.

(1.) "A" debenture stock shall not exceed in amount the sum of one hundred and twenty thousand pounds, and shall rank as a charge upon the revenues of the undertaking, next after the sum of thirty thousand pounds to be borrowed under the authority of this Act, and shall be issued at par to the several persons who immediately before the passing of this Act were holders of mortgages of the Company issued under the authority of the Company's Acts of 1865, 1872 and 1875, according to the amount of their respective holdings, and the amount of interest due thereon from Martinmas, one thousand eight hundred and seventy-eight, to the eleventh day of November, one thousand eight hundred and eighty-two, calculated at the

rate of two and a half per centum per annum, and shall be taken and accepted by such persons in exchange and substitution for such mortgages, and in full discharge of any unpaid interest accrued due thereon before the eleventh day of November, one thousand eight hundred and eighty-two;

As to B debenture stock.

(2.) "B" debenture stock shall not exceed in amount the sum of one hundred and thirteen thousand pounds, and shall rank as a charge upon the revenues of the undertaking next after the A debenture stock, and shall be issued at par to the several persons who immediately before the passing of this Act were holders of mortgages of the Company issued under the authority of the Company's Acts of 1877 and 1879, in proportion to the amount of their respective holdings, and the amount of interest due thereon from the eleventh day of November, one thousand eight hundred and seventy-eight, to the eleventh day of November, one thousand eight hundred and eighty-two, calculated at the rate of two and a half per centum per annum, and shall be taken and accepted by such persons in exchange and substitution for such mortgages and in full discharge of any interest thereon accrued due before the eleventh day of November, one thousand eight hundred and eighty-two;

As to C. debenture stock.

(3.) "C" debenture stock shall not exceed in amount the sum of eighty-two thousand pounds, and shall rank as a charge upon the revenues of the undertaking next after the B debenture stock, and shall be issued at par in exchange and substitution for such Lloyd's bonds as are due from the Company, and interest thereon at a rate not exceeding two and a half per centum per annum, to the eleventh day of November, one thousand eight hundred and eighty-two, and also for equal amounts of other general debts to any general creditor who shall demand the same, and shall be accepted by the persons entitled to such bonds and debts, in full discharge of all moneys due to them from the Company, and of all interest due thereon: Provided that the Company may state accounts, compromise and ascertain debts and claims against the Company, and the interest due thereon by arbitration or otherwise, and issue C debenture stock for the amounts so stated compromised or ascertained, and they may dispose of any unappropriated A, B and C debenture stocks for the general purposes of the undertaking to which capital is properly applicable.

Certificates of different classes of

14. The Company may call in the existing mortgages, and shall, from time to time, issue to the holders thereof certificates of A or B

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debenture stock.

debenture stock, as the case may be: Provided that the Company shall not be bound to issue any such certificates, unless and until the holder deliver to the directors to be cancelled, or prove to their satisfaction the loss of the mortgage in respect of which the new certificate is to be issued.

Powers to trustees and others.

15. All trustees, executors and administrators, trustees, sequestrators and inspectors in bankruptcy, or under deeds of arrangement or composition, liquidators of companies and corporations, holding or being entitled to or interested in any mortgage, judgment, Lloyd's bond, or debt of the Company, in respect of which debenture stock is by this Act authorised to be issued upon any trust or otherwise, and the guardians, committees, tutor, curator or curator bonis of the estates of any infants or lunatics, who may hold or be entitled to or interested in any mortgage, judgment, Lloyd's bond or debt of the Company, may accept any offer of debenture stock made to them under the provisions of this Act, and may exercise all or any of the powers of consenting or other powers and discretions by this Act given to mortgagees, judgment creditors, Lloyd's bondholders, creditors of the Company respectively, and they may further exercise all or any of the powers and discretions conferred by the Railway Companies (Scotland) Act, 1867.

30 & 31 Vict. c. 126.

Debenture stocks to be subject to same trusts, &c. as affected the original debentures, &c.

16. All debenture stock, appropriated, vested by or issued in pursuance of this Act, shall be subject and liable to the same trusts, powers, provisions, declarations, agreements, charges, liens and incumbrances as immediately before the passing of this Act; and the vesting or issue of the aforesaid debenture stock respectively in exchange for the then existing mortgages, judgments or Lloyd's bonds, or other debts, for which it is substituted or in respect of which it is issued, shall be so as to give effect to and not revoke any testamentary disposition of or affecting such then existing mortgages, judgments or Lloyd's bonds, or other debts, and any such testamentary disposition shall take effect with reference to the whole or a proportionate part of such debenture stock, as the case may be.

On the issue of the new stocks old securities to be cancelled.

17. Subject to the provisions of section twenty-two of this Act, all mortgages, judgments, Lloyd's bonds and debts in substitution for which debenture stock shall be issued under the powers of this Act shall, upon such issue being made, be absolutely cancelled and extinguished.

Power to lease undertaking.

18. The Company may lease the undertaking for such period, and upon such terms, and on such conditions as may be agreed upon and as may be approved by the Board of Trade, to the Glasgow and

South-western Railway Company, the Portpatrick Company, the London and North-western Railway Company, or the Caledonian Railway Company, or any one or more of them.

Application of income.

19. Subject to the provisions of this Act the rates, tolls, charges, fares, rents, rebates, allowances, and other income from whatsoever source arising, received or accruing due in any year in respect of the undertaking of the Company shall be applied to the following purposes and according to the following priorities, that is to say:—

(1.) In payment of all rates, tithes and annual rentcharges affecting the undertaking payable by the Company in pursuance of the Lands Clauses Consolidation (Scotland) Act, 1845, or of the Lands Clauses Consolidation Acts Amendment Act, 1860, and the interest on unpaid purchase-money for lands in possession of the Company; 8 & 9 Vict. c. 19. 23 & 24 Vict. c. 106.

(2.) In payment, on the expiration of every three months, of the proportion for those months of the moneys payable to the Portpatrick Company under the provisions of the Act of 1872 and the Portpatrick Railway Act, 1877, and the decree arbitral pronounced by Sir Thomas Bouch herein-before recited in respect of the joint user conferred by those Acts on the Company;

(3.) In payment of all working and other incidental expenses of or connected with the undertaking;

(4.) In payment of the interest on the sum of thirty thousand pounds, to be borrowed under the provisions of this Act, or of so much thereof as the Company shall borrow;

(5.) In payment to the holders of the A debenture stock pari passu of interest at the rate of two and a half per centum per annum upon the amount of such debenture stock held by them respectively;

(6.) In payment to the holders of B debenture stock pari passu of interest at the rate of two per centum per annum upon the amount of such debenture stock held by them respectively;

(7.) In payment to the holders of C debenture stock pari passu of interest at the rate of one per centum per annum upon the amount of such debenture stock held by them respectively;

(8.) In payment to the holders of the said A, B and C debenture stocks according to their respective priorities, of such sums as shall suffice in any year to make up in the first place, the interest on the A debenture stock to three and a half per centum per annum; in the second place, the interest on the B debenture stock to three per centum per annum, and in the

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third place, the interest on the C debenture stock to two per centum per annum;

(9.) In payment to the holders of the A, B and C debenture stocks according to the amount of their respective holdings and according to their respective priorities, of such sums as shall suffice in any year to make up in the first place, the interest on the A debenture stock to four per centum per annum; in the second place, the interest on the B debenture stock to four per centum per annum, and in the third place, the interest on the C debenture stock to three per centum per annum;

(10.) In payment to the preference shareholders of the Company of a dividend at the rate of one-half per centum per annum, and to the ordinary shareholders of the Company of a dividend at the rate of one-quarter per centum per annum upon the amounts of preference and ordinary shares held by them respectively;

(11.) In payment to the holders of the C debenture stock pari passu of such sums as shall suffice to make up the interest thereon to three and a half per centum per annum.

(12.) In dividing the surplus between the preference and ordinary shareholders of the Company according to the amount of the preference or ordinary shares of the Company held by them respectively in the rates of two-thirds to the preference shareholders and one-third to the ordinary shareholders;

Provided that if the income in any year shall be insufficient to pay to the holders of the A and B debenture stocks the several amounts of interest due to them under sub-sections (5) and (6) of this section, the income of succeeding years shall be applied in making up the deficiency, in the first place to the A debenture stockholders, and subject thereto to the B debenture stockholders, before being applied under the remaining sub-sections of this section; but, except as herein-before expressly provided, the arrears of interest on debenture stock shall not be made good out of the income of any subsequent year.

Joint user of Stranraer section of Portpatrick Railway may be suspended if proportions of moneys due to that Company are not paid.

20. If the proportion for any period of three months of the moneys payable to the Portpatrick Company as aforesaid be not paid when the same becomes due, the joint user conferred on the Company as aforesaid shall in the option of the Portpatrick Company, or of any company or persons at the time working the railway of that Company, forthwith cease until the same with interest thereon be fully paid, when the joint user shall revive, and continue so long as the said moneys are paid when the same become due as aforesaid.

Judgment of court of session not to be prejudiced.

21. Nothing contained in this Act shall alter, prejudice, or affect the judgment of the court of session of third February, one thousand eight hundred and eighty-two, herein-before recited.

In certain events undertaking may be sold.

22. If the Company shall within twelve months from the first election of directors after the passing of this Act fail to raise the said sum of thirty thousand pounds, or so much thereof as may be necessary to enable them to carry the provisions of this Act into effect, or if the net receipts of the Company applicable to that purpose shall be and continue for a space of four years after the passing of this Act, or shall be in any one year after the expiration of such period of four years, inadequate to pay to the holders of the A and B debenture stocks hereby authorised to be created the minimum rates of interest to which they are respectively entitled under sub-sections five and six of section nineteen of this Act, the rights, powers and privileges of all mortgagees, creditors, preference shareholders and all other persons in respect of the Company and the undertaking shall thereupon be of the same force and validity as if this Act had not been passed: Provided always that the holders of A or B debenture stocks, to the amount together of not less than fifty thousand pounds may, if the Company within twelve months from the first election of directors after the passing of this Act, fail to raise the said sum of thirty thousand pounds, or so much thereof as may be necessary to enable them to carry the provisions of this Act into effect, or on the expiration of the said periods of four years or one year respectively, as the case may be, apply to the court for authority to sell the undertaking and wind up the Company, and the court may upon such application of new appoint a judicial factor upon the undertaking and authorise the same to be sold.

Power to sell.

23. The judicial factor to be so appointed shall, in such manner and subject to such terms and conditions as shall be approved by the court, offer the undertaking of the Company for sale, and may sell the same to any railway company, or to any persons intending to form a railway company (herein-after called "the purchaser"): Provided always that the bidding of any railway company incorporated by Act of Parliament or persons intending to form a railway company shall not be rejected on the ground that such company, or intended company, are not at the time legally authorised to effect the purchase, but such bidding may be accepted subject to such company or intended company, obtaining in the next following session of Parliament the necessary powers for carrying the purchase into effect.

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As to conveyance.

24. The transfer shall be effected by a proper deed of conveyance (which shall be in the form or as nearly as may be in the form set forth in the schedule to this Act), in which the purchase or consideration money shall be fully and truly stated and set forth, and which deed shall be duly stamped with the full and proper ad valorem stamp duty on such consideration.

Undertaking to vest in purchaser.

25. Subject to the provisions of this Act, from and after the payment of the purchase-money, and the execution of the deed of conveyance, which conveyance the judicial factor to be appointed by the court under section twenty-two of this Act is hereby empowered to execute, the undertaking shall be vested in the purchaser, subject to all the obligations and liabilities of the Company under the recited Acts with respect to the maintenance, repair, management, regulation, working and use of the undertaking or any part thereof, and the traffic thereon, but freed and by this Act absolutely discharged from all mortgages and all other contracts, agreements, debts, liabilities and engagements of the Company whether directly affecting the undertaking or affecting the Company in respect of the same, and from all claims of shareholders in the Company, except such mortgages, contracts, agreements, debts, liabilities and engagements as have been entered into or incurred by the Company in respect of lands taken under the powers of the recited Acts: Provided always that the purchaser shall not be entitled to exercise the joint user conferred on the Company by the Act of 1872 and the Portpatrick Railway Act, 1877, until the moneys from time to time payable to the Portpatrick Company are paid. The purchaser shall, within three months from the date of the transfer, produce to the Commissioners of Inland Revenue such deed of conveyance duly stamped as aforesaid, and in default of such production, the ad valorem stamp duty, with interest thereon, at the rate of five pounds per centum per annum, from the date of the transfer to the day of payment, shall be recoverable from the purchaser with full costs of suit, and all costs and charges attending the same.

Powers of Company to be exercised by purchaser.

26. Subject to the provisions of this Act, all the powers and authoritiies including the right to levy tolls, rates and charges for the use of the undertaking, which are by the recited Acts conferred upon the Company, shall, after the payment of the purchase-money, be exercisable and enforceable by the purchaser.

Application of purchase money &c.

27. The purchase-money and any other moneys in the hands of any judicial factor, to be hereafter appointed by the court as aforesaid, other than the sum of thirty thousand pounds to be raised

under this Act, shall be applied by such judicial factor in the order and according to the priorities following :—

(1.) In paying and discharging any liabilities undertaken by the judicial factor, and in paying the costs, charges and expenses of and incident to the preparing for, obtaining and passing of this Act in so far as not theretofore paid, and the costs of the judicial factories, and of the sale of the undertaking and the distribution of the assets of the Company ;

(2.) In payment of the compensation and expenses of and incident to the purchase of all lands taken by the Company for the purposes of the undertaking, if and so far as unpaid ;

(3.) In paying the moneys due at the time to the Portpatrick Company, as aforesaid, and any interest thereon ;

(4.) If the sale shall take place after the issue of the mortgages for thirty thousand pounds authorised to be issued under the provisions of this Act or any portion thereof, in payment to the holders of such mortgages of the sums due to them, of both principal and interest ;

(5.) In payment to the holders of mortgages, debentures or debenture stock and the other creditors of the Company of such sums in full discharge and satisfaction of their claims against the Company, according to their respective rights and priorities, but in such manner and proportions as shall be fixed and determined with respect to each such class having regard to all the circumstances by an arbiter to be appointed by the Board of Trade on the application of any of the parties interested.

Company to cease to exist in certain event.

28. When and so soon as the sale of the undertaking is completed, and the purchase-money distributed, the Company shall cease to exist for any purpose whatsoever.

Saving liens over property of the Company.

29. Nothing in this Act contained relating to the sale of the undertaking or the application of the purchase-money shall prejudice or affect any lien or right of retention competent to any person over any deeds, writings or documents of the Company, or the debts or claims in respect of which such lien or right of retention exists.

Classification table to be open to inspection and copies to be sold.

30. The book, tables or other document in use for the time being containing the general classification of goods carried by goods or merchandise trains on the railways of the Company shall during all reasonable hours be open to the inspection of any person without the payment of any fee at every station at which goods or merchandise are received for transmission, and such book, tablies, or other document as annually revised shall be kept on sale at the principal office of the Company at a price not exceeding one shilling.

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Accounts to be rendered as to terminal charges.

The Company shall, within one week after application in writing made to the secretary of the Company by any person interested in the carriage of any goods which have been or are intended to be carried over the Railway, render an account to the person so applying in which the charge made or claimed by the Company for the carriage of such goods shall be divided, and the charge for conveyance over the railway shall be distinguished from the terminal charges (if any) and if any terminal charge is included in such account the nature and detail of the terminal expenses in respect of which it is made shall be specified.

Penalty.

If the Company fail to comply with the provisions of this section they shall for each offence, and in the case of a continuing offence for every day during which the offence continues be liable to a penalty not exceeding five pounds, which penalty shall be recovered and applied in the same manner as penalties imposed by the Regulation of Railways Act, 1873, section 14.

36 & 37 Vict. c. 48.

Interest not to be paid on calls paid up.

31. The Company shall not, out of any money by this Act authorised to be raised, pay interest or dividend to any shareholder on the amount of the calls made in respect of the shares held by him: Provided always that this Act shall not prevent the Company from paying to any shareholder such interest on money advanced by him beyond the amount of the calls actually made, as is in conformity with the Companies Clauses Consolidation (Scotland) Act, 1845.

Deposits for future bills not to be paid out of capital.

32. The Company shall not, out of any money by this Act authorised to be raised, pay or deposit any sum, which by any standing order of either House of Parliament now or hereafter in force, may be required to be deposited in respect of any application to Parliament for the purpose of obtaining an Act authorising the Company to construct any other railway or to execute any other work or undertaking.

Provision as to General Railway Acts.

33. Nothing in this Act contained shall exempt the undertaking or the purchaser from the provisions of any General Act relating to railways, or the better and more impartial audit of the accounts of railway companies now in force, or which may hereafter pass during this or any future session of Parliament, or from any future revision or alteration under the authority of Parliament of the maximum rates of fares and charges, or of the rates for small parcels authorised to be taken on the Railway.

SCHEDULE referred to in the foregoing Act.

FORM OF CONVEYANCE.

In pursuance of the Girvan and Portpatrick Junction Railway (Arrangement) Act, 1882, and in consideration of the payment by of the sum of to the judicial factor appointed by the court of session, by Act and Warrant, dated the He, the said does hereby convey, assign and transfer unto the undertaking of the Girvan and Portpatrick Junction Railway Company as defined by that Act: to hold the same unto the said ; And the said do hereby accept the same accordingly.

In witness whereof (*add Testing Clause in accordance with the Law of Scotland*).

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