

of the said second mortgage bonds (coupons not to be included), and may receive in payment therefor such second mortgage bonds. The holder of any of said bonds, when presented in payment for stock, shall be entitled to such shares of preferred and common stock, when the amount of the principal of said bonds so presented shall equal twenty-five dollars or any multiple thereof, but shall not be entitled to any fractional part of a share for any fractional part of such sum of twenty-five dollars in value of said bonds, and the holders of the outstanding overdue coupons of the said first mortgage bonds, and the holders of the said second mortgage bonds, shall have precedence in subscribing to the stock of the said company, as reorganized, over all other persons. The holders of the shares of preferred stock to be so issued, shall, after the payment of all sums due for interest, repairs, salaries and operating expenses during any year, be entitled to be paid out of the amount earned by the said company in said year a dividend of not exceeding six per cent., if the net earnings of said company for said year, after payment of such interest, repairs, salaries and operating expenses shall amount to so much; and if the said net earnings shall amount to more than enough to pay such dividends of six per centum, the directors may, at their option, declare a dividend on the common stock, and pay the same to the holders of said common stock, but no dividend shall be declared on said common stock in any year unless a previous dividend of six per cent. shall have first been made payable to the holders of such preferred stock out of the net earnings of said year.

Who has precedence.

Six per cent. dividend.

SEC. 3. *And be it enacted*, That the shares of stock of the said company, as reorganized, shall be subscribed upon books, to be opened in accordance with the provisions of the said Act of Assembly, passed at January session, eighteen hundred and seventy-six, chapter two hundred and forty-two, and the several persons subscribing shall designate the number of shares of preferred stock so subscribed, and the number of shares of common stock so subscribed, and shall be entitled to pay for the same by surrender of the overdue coupons of the said first

Stock—preferred and common.