

And as to the balance of the said purchase price, to wit: the sum of Five hundred thousand Dollars, the Quebec, Montmorency and Charlevoix Railway Company undertakes to pay the same by delivering to the said Montmorency Electric Power Company or any person or persons named by the said Company, five thousand shares of One hundred Dollars each of fully paid up unassessable ordinary stock of the said Quebec, Montmorency and Charlevoix Railway Company, such stock being part of the unissued stock of the said Quebec, Montmorency and Charlevoix Railway Company now in the Treasury, and such stock to carry with it the right to any dividend, or proportion of dividend earned, declared or paid since the sixteenth of August last [1898].

The said Quebec, Montmorency and Charlevoix Railway Company hereby covenants and undertakes and warrants, with the said Montmorency Electric Power Company and the shareholders thereof, that the first mortgage bonds of the said Quebec, Montmorency and Charlevoix Railway Company to be given in payment of the present purchase, are part of an issue of Bonds duly authorized and which with the Bonds issued or to be issued to pay and redeem the bonds of the said Montmorency Electric Power Company assumed by the said Quebec, Montmorency and Charlevoix Railway Company amount in the whole to Two Million five hundred thousand Dollars and such bonds shall rank concurrently on all the property of the said Quebec, Montmorency and Charlevoix Railway Company including that purchased by the present deed [saving the prior rank of the bonds issued by the Montmorency Electric Power Company upon the property hereby sold] and the said Quebec, Montmorency and Charlevoix Railway Company further covenants that they shall not issue any further or additional bonds which shall rank concurrently with the bonds now issued or hereafter to be issued for the purpose of paying the price of the present purchase—unless the consent of a majority in value of the Bondholders for the time being be first obtained.

And the said Quebec, Montmorency and Charlevoix Railway Company further covenants that it will, either exchange the Bonds of the said Montmorency Electric Power Company now outstanding or any of them at the option of each and every holder thereof, for bonds issued by the said Quebec, Montmorency and Charlevoix Railway Company of a like amount and bearing interest at five per cent per annum, which bonds shall rank concurrently with all its present issue, or shall pay and satisfy the bonds of the Montmorency Electric Power Company in principal and Interest when and as the same shall fall due and that so long as the bonds of the said Montmorency Electric Power Company are outstanding unexchanged and unredeemed and to the extent that such bonds are outstanding the said Quebec, Montmorency and Charlevoix Railway Company shall not negotiate or put upon the market bonds to a larger amount than the above mentioned sums of One Million five hundred thousand Dollars already issued, Five hundred thousand Dollars undertaken to be issued and the amount of the redeemed or exchanged bonds of the said Montmorency Electric Power Company.