

NOW THEREFORE THIS INDENTURE WITNESSETH that the parties of the first part, in order to secure the payment of the said Bonds and interest which said Bonds bear even date herewith, and are numbered from one to sixty inclusive, and are authenticated by a certificate endorsed thereon and signed by said William Cayley, the party hereto of the second part, and in consideration of the sum of one dollar to the party of the first part at the sealing and delivery hereof in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, have granted, bargained, sold, assigned, transferred and conveyed, and by these presents do grant, bargain, sell, assign, transfer and convey to the party of the second part, and his heirs and assigns and successors in the trust hereby created, all the lands, Street Railway and property of the Company within the City of Toronto, Yorkville and the adjoining Municipalities, together with all the main tracks, branches or sidings of the said Street Railway made or to be made within the City of Toronto, Yorkville and the adjoining Municipalities and the line thereof, including the right of way and the land occupied thereby, and all lands and leaseholds used and set apart therefor, together with the superstructure and tracks thereon, and all other lands and property, with the appurtenances belonging to or to belong to the said Railway Company, or used or to be used therewith, and all franchises, rights and privileges of the said parties of the first part, whether acquired by their charter or otherwise, in and to the same, and all the tolls, revenue and income of the Company derivable or to be derived therefrom, and all iron rails and equipments, and all cars, carriages, tools, materials, machinery, stables, horses, harness and other personal property and rolling stock of the parties of the first part now or hereafter belonging to them.

TO HAVE AND TO HOLD the said premises and every part thereof with the appurtenances unto the party of the second part, his heirs and assigns and successors in the said trusts upon the following trusts, that is to say: In case the said parties of the first part shall fail to pay the interest on any of the Bonds aforesaid at any time when the same may become due and payable according to the tenor thereof, then after forty days from such default, upon the request of the holders of not less than twenty-five thousand dollars if the whole amount shall be issued, or if a less sum, then of fifty per cent. of the amount of Bonds issued at the time of such default, the party of the second part and his successors in the trust may enter into and take possession of all or any part of the said premises, and as the attorney in fact or agent of the said parties of the first part by himself or his agent or substitute duly constituted have, use and employ the same, making from time to time all needful repairs, alterations and additions thereto, and after deducting the expense of such use, alterations, repairs and additions, and of the expenses of working the said railway, to apply the balance of the receipts thereof to the payment of the interest and sinking fund on all the Bonds secured by this Mortgage remaining due and unpaid.

Provided always that if any accident shall happen while the said Railway or any of the property hereby conveyed is in the occupation of the party of the second part, either under the foregoing or any subsequent provisions herein contained whereby the parties of the first part may be rendered liable to any person or per-