

lawful for the trustees, and it shall be their duty, to apply the residue of the moneys arising from such sale to the payment of the principal and accrued and unpaid interest on all the said bonds which shall then be outstanding, without discrimination or preference as between principal and accrued and unpaid interest, or as between the holders of the said bonds or of any coupons issued therewith, but equally and ratably and to all such bond and coupon holders, excluding, however, any bonds and interest coupons paid by the Government of Manitoba; and if, after the payment and satisfaction of said bonds, principal and interest, a surplus of the said proceeds shall remain, the same shall be applied in payment of the bonds and coupons which may have been paid by the Government of Manitoba, and if any surplus thereafter to pay such surplus to the Company or its assigns. And it is hereby declared and agreed that the receipt of the trustees shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money; and that after payment of such purchase money, and having such receipt, such purchaser or purchasers shall not be obliged to inquire into the application of such purchase money upon or for the trusts or purposes of these presents, or be in any manner whatsoever answerable for any loss, misapplication or non-application of such purchase money, or of any part thereof, nor shall he or they at any time be obliged to inquire at any time into the necessity, expediency or authority of or for any such sale.

12. In case default shall be made in the payment of any half-yearly instalment of interest on any of the said bonds, when such interest shall become payable according to the tenor of such bond, or of any coupon thereto annexed, and such instalment of interest shall remain unpaid and in arrear for a period of six months after the same shall have become payable as aforesaid, and been demanded, and such default shall continue for six months thereafter, then and from thenceforth the principal sum of each of the bonds aforesaid shall, upon a declaration of the trustees to that effect, made upon the request hereinafter provided for, become and be immediately due and payable, notwithstanding that the time limited in the said bonds for the payment thereof may not then have elapsed; but such declaration shall not be made by the trustees unless a majority in interest of the holders of all bonds aforesaid which shall then be outstanding, and upon which default in the payment of interest have been made and shall be continuing, shall have requested the trustees so to do, by an instrument in writing under their hands and seals, or by a vote at a meeting duly convened and held as hereinafter provided at any time before the actual payment and acceptance of the interest in arrear, have instructed the trustees to declare such principal sum due; and such majority of the bondholders as aforesaid shall have the power to cancel any declaration already made to that effect, or to waive the right so to declare, on such terms and conditions as such majority in interest shall prescribe; provided, always that no act or omission either of the trustees or of the bondholders in the premises shall extend to, or be taken in any manner whatsoever to affect, any subsequent default, or the rights resulting therefrom.