for the time being due on the Equipment Mortgage Bonds No. 2, authorised to be issued by the Grand Trunk Railway Act, 1867, and of all arrears, if any, in respect thereof, (4) in priority to any other payments in the said Section mentioned in payment to the Buffalo Company of one equal moiety of the following further sums and of all arrears, if any, in respect thereof:—

For the year ending 30th June,	1870	£2,500
" " "	1871	7,500
" " "	1872	12,500
" " "	1873	17,500
" " "	1874	22,500
" " "	1875	23,500
" " "	1876	24,500
" " "	1877	25,500
" " "	1878	26,500
" " "	1879	27,500

and subject to the proviso hereinafter contained for every subsequent year £27,500; provided that in respect of any year after the 30th day of June, 1879, the sum of £27,500 shall be payable only if there shall be a surplus (or to the extent that such surplus shall extend) of earnings in the whole year, ending the 30th June after payment of the interest for the time being due on the said Equipment Mortgage Bonds, issued under the said Acts of 1862 and 1867 respectively, and of all arrears, if any, in respect thereof. All the said half-yearly payments to the Buffalo Company are to be made on the 1st January and 1st July in each year, or within two calendar months from those periods respectively, the first half-yearly payments amounting to £21,250 and £1,250, to be deemed to have become due on the 1st of January, 1870, and to be paid within one month after the confirmation of this Agreement by the Parliament of Canada.

The payments to be made without any deduction whatsoever, except for property or income tax, or any similar tax or imposition now or hereafter to be imposed.

Provided that the Grand Trunk Company shall be entitled to retain out of such half-yearly payments any sums of money which they may have been called upon to pay, and have actually paid, on account of any Debentures, Mortgage, or other incumbrances or liabilities (except those by this agreement expressly assumed by the Grand Trunk Company) of the Buffalo Company, together with interest thereon after the rate of £6 per cent per annum, with half-yearly rests for accumulations of interest.

15. The Mortgages and Incumbrances on the whole or any part of the undertaking of the Buffalo Company already existing or hereafter to be created under the 4th clause of this Agreement, and subject to which the said undertaking is hereby vested in the Grand Trunk Company, shall, according to the respective rights and priorities of the holders, be the first charges on the sums from time to time payable to the Buffalo Company under this Agreement; and so long as those sums are duly paid to that Company according to the terms of this Agreement, but no longer none of the holders of such Mortgages or Incumbrances shall exercise any of their powers or rights against the undertaking or property of that Company, but only against the said sums.

16. The Grand Trunk Company shall from time to time pay and discharge the rents and tolls now charged to, and payable by