

5. The Grand Trunk Company to have the option, at any time within six years, on assuming all the obligations and liabilities, whether fixed or guaranteed, of the Buffalo and Lake Huron Company, an approximate statement of which as at present existing is set out in the Schedule hereto, and which said liabilities shall not be increased without the concurrence of the joint committee, to purchase for six hundred and sixty thousand pounds the whole of the Ordinary Share Capital of the latter Company, at present amounting to one million two hundred and thirty thousand pounds, the purchase money being payable either in cash or in Grand Trunk stock, calculated at its then market value, at the option of the holders individually of the Buffalo and Lake Huron capital, and the Buffalo and Lake Huron Company shall not, until after the expiration of the six years provided by this clause, pay any dividend on its share capital, without first extinguishing its floating debt.

6. The control and working of the Buffalo and Lake Huron undertaking shall, from the time of its being handed over as aforesaid to the Grand Trunk Company, be placed in the hands of the Grand Trunk Company, under a joint committee, consisting of two nominees from the Board of each Company, all matters on which they differ being referred to arbitration, and the Buffalo and Lake Huron Board shall, from time to time, nominate one of their own body, who shall, *ex-officio*, have a seat at the Grand Trunk Board as one of that body.

7. This agreement to subsist for twenty-one years, and to be without prejudice to the provisions from time to time remaining in force or to be fulfilled of the existing agreement between the two Companies dated the twenty-sixth day of January, one thousand eight hundred and sixty-four, or so many of such provisions as the Companies may hereafter agree on, or as are not inconsistent with this agreement.

8. During the said term the said Buffalo and Lake Huron Railway and its appurtenances shall be maintained and kept in a good and efficient state as to repairs, renewals, the supply of rolling stock, and generally; and shall be delivered up in such state at the end or other sooner determination of the said term of twenty-one years.

9. All differences between the two Companies relating to this agreement, and all questions as to the carrying into effect of any of its provisions, or anything to be done by either of the parties hereto, to be determined from time to time by arbitration as nearly as may be in the manner prescribed by the "Railway Companies Arbitration Act, 1859," or in any event by a single arbitrator to be (if not agreed on) nominated by the Board of Trade of the United Kingdom, or by the Chancellor for the time being of Upper Canada, or the Chief Justice for the time being of the Court of Queen's Bench in Lower Canada, with ample powers.

10. A more formal agreement for carrying these heads into effect, to be settled on behalf of the two Companies by counsel, to be (if not agreed on) nominated by the Board of Trade of the United Kingdom, or by the said Chancellor or Chief Justice, with such details and incidental provisions as such counsel may think fit, and with such modification, if any, as the Companies mutually agree to, and to be executed under seal, and to be binding on them respectively.

11. Application shall be made to Parliament in the year one thousand eight hundred and sixty-four to sanction the foregoing agreement in so far, if at all, as the same may not be within the existing powers of the Companies, and such application shall be renewed from time to time, if necessary, and may be so made or renewed by either party at the joint expense of the parties hereto (the other party hereby agreeing not in any way to oppose, but in all ways to assist and assent to the same), in