

The loan was made, the security therefore being;—

1st. A mortgage upon real estate in Ontario dated 25th January, 1896.

2nd. A mortgage upon leasehold dated 17th February, 1896, expressed to be made as collateral security for the mortgage upon the real estate.

3rd. A bond by Thomas Evans Bradburn, son of Thomas Bradburn, and now, as an executor, one of the plaintiffs in this action. This bond was in the penal sum of \$100,000, conditioned for the payment by Thomas Bradburn to the defendants of the money to become due on, and for the performance of the covenants in, the mortgage given by Thomas Bradburn on the realty.

The mortgage was for £10,273 19s. 6d sterling, with the proviso that it was to be void on payment at the office of the British Linen Company Bank in London, England, of the principal sum, with interest, also payable at that bank, at $4\frac{1}{2}$ per cent. per annum, as follows:—Principal on 15th January, 1906, and the interest half-yearly on 15th January and July in each year. All moneys to be paid in gold coin, or its equivalent in sterling money, if required. It was expressly provided in the mortgage that a bank draft on London, England, made in favour of the mortgagees, payable on presentation thereof, and delivered to the agent in Toronto aforesaid of the mortgagees, or mailed in the post office at Peterborough aforesaid, addressed to the said British Linen Company Bank, directed to be placed to the credit of the mortgagees, and duly registered, should, unless subsequently dishonoured, be considered as equivalent to the payment at the office of the said British Linen Company Bank in London, England, of a like amount to that named in said draft on the day of such delivery or mailing.

It was also provided that the mortgagor should have the right to pay on account of principal at the end of any year of the said term, the sum of £1,027 8s. 0d. (\$5000), on condition of 4 months' previous notice of intention to make such payment.

Owing to loss by fire and the application of certain insurance money, the mortgage was reduced to £8,441 2s. 0d. sterling of principal, and at the time of the commencement of this suit stood at that amount.

In June, 1902, the executors (plaintiffs), for the purpose of winding up or "making an adjustment of the affairs of the estate," desired to pay off this mortgage. Negotiations followed. The defendants refused to accept the money on such terms as the plaintiffs offered, and the plaintiffs there-