

of such excess of assets over liabilities for reserve, and if any differences arise between the Vendor and the Company as to the valuation of the said assets and liabilities the same shall be settled as hereinafter provided.

3. The said consideration shall be paid and satisfied as follows:—

(a) By the allotment to the Vendor or its shareholders of fully paid up and partly paid up shares in the capital of the Company in such way that the holders of fully paid up shares in the capital of the Vendor shall receive fully paid up shares in the capital of the Company equivalent in value (subject to the aforesaid deduction of twenty per cent for reserve) to the fully paid up shares now held by them in the capital of the Vendor and the holders of partly paid up shares in the capital of the Vendor shall receive shares paid up to the same extent and of the same value (subject to the said deduction for reserve in the capital of the Company), and if the holders of shares partly or fully paid up in the capital of the Vendor shall be entitled to more shares in the Company than they now hold in the capital of the Vendor the excess shall be paid to them either in cash or in fully paid up shares, at the option of the Company, and if in any case it shall not be practicable to give to the holder of partly or fully paid up shares the exact equivalent in value (subject as aforesaid) of such shares in the shape of shares whether partly paid up or fully paid up in the Company the difference in value between the shares theretofore owned by such holder and the shares allotted to him in return therefor shall be paid to such holder in cash. Provided always that the Company may at its option pay the whole of the consideration referred to in this sub-clause in fully paid up shares:

(b) As the residue of the consideration for the said sale the Company shall undertake to pay, satisfy and perform all the debts, liabilities, contracts and engagements of the Vendor in relation to the said business and shall indemnify the Vendor and its shareholders and each and every one of them against all proceedings, claims and demands in respect thereof.

4. The Vendor shall carry on its said business from and after the first day of January, 1899, for the benefit of the Company, and the Company shall be entitled to take over the said business as of that date.

5. The purchase shall be completed within _____ after the passing of the Act of incorporation at the offices of the Freehold Loan and Savings Company, in Toronto, when possession of all the property hereinbefore agreed to be sold shall as far as practicable be given, sold and transferred to the Company and the consideration aforesaid be paid and satisfied, subject to the provisions of this agreement, and thereupon the Vendor and all other necessary parties (if any) shall, at the expense of the Company, execute and do all such assurances and things for vesting the said premises in the Company and giving to it the full benefit of this agreement, as shall be reasonably required.

6. The Company agrees with the Vendor, (the Vendor acting herein for itself as a corporation and also acting for each and every shareholder of the Vendor), that the Company will indemnify and save harmless each and every of the sharehold-