

" we may succeed in realizing from Ellenhausen notes now in
 " suit to amount of ten thousand dollars more within six months,
 " with interest at 7 per cent. per annum on whole amount un-
 " paid, five thousand dollars within 12 months, and five thousand
 " dollars annually thereafter until fully paid with interest semi-
 " annually at the rate of seven per cent. per annum, the property
 " to be mortgaged to the Bank as security for due payment of
 " above sums, and to be kept insured in good companies to the
 " satisfaction of the Bank to full amount of their claim, on the
 " execution of the deeds, the cash already realized from collateral
 " to be applied in reduction of our claim, and the cordwood, bone
 " black and ground bones, now in possession of the Bank, to be
 " transferred to you, all notes and acceptances of the company
 " and of other parties endorsed by the company forming our
 " claim to be cancelled if practicable to be delivered over to
 " you."

On the 8th of January the following further letter was written:—

" Referring to that part of my letter of Saturday last address
 " ed to you respecting the Pioneer Beet Root Sugar Company
 " property, in which I agreed in the event of your purchasing the
 " property from us should it come into our hands at sheriff's on
 " the 12th inst. to transfer the cord wood, bone black, and
 " ground bones to you. I find it is questionable whether we
 " should legally be able to do this, as some of the notes for
 " which this is held as collateral are included in our judgment,
 " and application of a portion of proceeds of the sale could be
 " demanded to apply on those notes. I must therefore withdraw
 " that portion of my letter, and can only undertake to subrogate
 " you in respect to those collaterals in such rights as we have,
 " that have not been extinguished by the sheriff's sale. In other
 " respects my letter to remain in force and the property held by
 " us for ten days from date of sale, subject to your acceptance on
 " the terms and conditions therein stated. Please acknowledge
 " receipt of this and state if satisfactory.

" P.S.—It is understood our whole debt with interest and costs
 " is to be paid, and we should deed without any warranty."

The letter which Mr. McDougall on the 9th of January wrote
 in reply has in some unexplained manner disappeared from the
 record, but it appears clear that he expressed himself satisfied
 with the proposals made by Mr. Farwell.