

on the whole of the unsold lands forming the remaining part of the Company's land grant earned and to be hereafter earned, such principal and interest to be paid out of the net proceeds of the sale of such lands; and the Government shall continue to hold and retain the entire amount of land grant bonds now in its custody and possession, as provided by the said Act, applying the moneys applicable to the land grant bonds in the hands of the Government, over and above the sum of five million dollars referred to in the paragraph numbered two of section five of the said Act, to the interest and principal of the said sum of nine million eight hundred and eighty thousand nine hundred and twelve dollars, instead of the purposes provided by the paragraph numbered one of section five of the said Act. And if the net proceeds of such sales, to be made from time to time in due course, shall be insufficient to pay the interest on the said last mentioned amount as the same shall fall due, or the principal thereof when the same shall become due, the Governor in Council may order the sale by the trustees of such lands, or any part thereof, in such manner as shall be fixed by such order, in satisfaction of the interest or principal in respect of which default has occurred; and, after the sale of the whole of such lands, and deficiency in the proceeds thereof to pay the amount charged thereon shall be a charge upon the Company's entire revenue, after providing for its fixed charges, and by preference over the shareholders. And no further or other charge shall be created on the property mortgaged as security for the said first mortgage bonds until the said sum of nine million eight hundred and eighty thousand nine hundred and twelve dollars, and interest, and also the said sum of twenty million dollars, and interest, shall have been paid in full. And after payment out of the proceeds of such lands of the outstanding land grant bonds, and of the said sum of nine million eight hundred and eighty thousand nine hundred and twelve dollars, and interest, the remainder of such lands shall remain charged with a first lien and privilege in favor of the Government as additional security for the payment of the said sum of twenty million dollars, and interest.

Government to retain land grant bonds under 47 V. c. 1.

Application of proceeds of sales by trustees after payment of land grant bonds.

Provision if the proceeds of sales of land are insufficient to pay the interest, or the principal of the said balance when due.

No further charge to be created by Co. until the \$29,880,912, and interest are paid.

Provision after payment of land grant bonds outstanding.

7. The Government may make a temporary loan to the Company of five million dollars, to be repaid by the Company to the Government on or before the first day of July, one thousand eight hundred and eighty-six, with interest at the rate of four per cent. per annum, payable on the first day of January and the first day of July, one thousand eight hundred and eighty-six, the Company to have the right to repay the said loan by instalments of not less than one million dollars each, and to receive on the payment thereof a corresponding proportion of the amount of the said bonds held as security therefor; and after reserving

Loan to Co. of five million dollars payable by 1st July, 1886, and security on the first mortgage bonds.