

Victoria, and thence through the said town to the Village of Bobcaygeon, in the said County of Victoria, in all about forty miles, together with the appurtenances, including amongst other things all tracks, sidings, water tanks, water rights, turntables, land, stations, station grounds, freight houses, buildings, erections and structures of every kind which may have been or may be acquired for use in connection therewith, and all powers, privileges and franchises in respect of the said railway, all which railway and appurtenances are hereinafter called "the demised railway."

TO HAVE AND TO HOLD the same and every part thereof unto the Lessee, its successors and assigns, for and during the term of ninety-nine years to be computed from the date of these presents and from thence next ensuing and fully to be complete and ended free from all charges or encumbrances of any kind whatsoever save and except bonds to the amount of seven hundred thousand dollars (\$700,000) bearing four per cent. interest payable half yearly running for ninety-nine years concurrently with the term hereby granted, and secured by a first mortgage on the demised railway and of which bonds only five hundred thousand dollars (\$500,000) are to be issued at present and the remainder, two hundred thousand dollars (\$200,000), are to be held by trustees subject to the terms of an agreement between the Lessor and the Lessee and James B. Clarke and R. H. Bowes bearing even date herewith. YIELDING AND PAVING THEREFOR to the Lessor, its successors and assigns, yearly and every year during the said term the annual rent which the Lessee hereinafter covenants to pay, such rent to be paid at the respective days and times and in the manner and upon the terms and conditions hereinafter specified.

The Lessor, for itself and its successors doth hereby covenant with the Lessee, its successors and assigns, as follows, that is to say: