



CHAPTER 52.

An Act respecting the Corporation of the City of New Westminster.

[Assented to 25th March, 1930.]

WHEREAS the Corporation of the City of New Westminster Preamble.
(hereinafter referred to as the "City") entered into an

agreement with the Westminster Paper Company Limited (hereinafter referred to as the "Company") to unconditionally guarantee the payment of the interest on the Company's first mortgage debentures to the amount of three hundred thousand dollars for the period of twenty years at the rate of six and one-half per cent. per annum:

And whereas the City duly passed the "Westminster Paper Company Limited Aid By-law, 1929," being By-law numbered 1165, which said by-law received the assent of the electors on the twenty-first day of December, 1929, and was reconsidered and finally passed by the Council of the City on the twenty-seventh day of December, 1929:

And whereas the Company has, pursuant to the agreement forming part of said by-law, proceeded with the construction of its buildings and has now buildings, wharves, plant, machinery, and equipment on the lands mentioned in said by-law of the value of two hundred and forty thousand one hundred and seventy-seven dollars and thirty-six cents:

And whereas by inadvertence clause 14 of said agreement provided that the sum of five hundred thousand dollars should be expended upon the buildings, plant, machinery, and equipment to be erected and installed upon the said lands subsequent to the date of said agreement before the City's said guarantee could be endorsed upon said debentures, and the parties to said agreement intended that when the total value of said buildings, plant, machinery, and equipment so erected and installed, together with the value of such buildings, wharves, plant, machinery, and equipment as were upon the said lands at the date of the said agreement, should be not less

than five hundred thousand dollars, then the City, upon being satisfied that the said agreement had been otherwise fulfilled by the Company, should endorse its guarantee upon said debentures:

And whereas by inadvertence there was omitted from the said by-law a clause naming a reasonable time-limit for the commencement as well as for the completion of the works mentioned in the said by-law, as required by subclause (b) of subsection (21) of section 54 of the "Municipal Act"; and it has been ascertained that in other respects the aforesaid agreement does not properly and correctly set forth the intention and agreement of the City and the Company with respect to the matters referred to therein:

And whereas the Council of the City has deemed it just and equitable that in order to enable the Company to sell such debentures such by-law should be amended so as to accord with the intention of the parties, and has accordingly passed the "Westminster Paper Company Limited Aid By-law, 1929, Amendment By-law, 1930" (being By-law numbered 1171), in respect of the matters hereinbefore mentioned and in respect of other matters mentioned in the said amendment by-law, and the Company and the City have executed and delivered an agreement in the form set out in Schedule "B" hereto (and being Schedule "A" to the "Westminster Paper Company Limited Aid By-law, 1929, Amendment By-law, 1930"), and the Council of the City has prayed that legislation be enacted to validate the said by-laws and the said agreement:

Therefore, His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:—

Validates By-laws
numbered 1165
and 1171.

1. "Westminster Paper Company Limited Aid By-law, 1929," numbered 1165, set out in Schedule "A" hereto, and "Westminster Paper Company Limited Aid By-law, 1929, Amendment By-law, 1930," numbered 1171, of the Corporation of the City of New Westminster, as set out in Schedule "B" hereto, are ratified and confirmed and declared to be legal, valid, and binding on the Corporation of the City of New Westminster and the Council and on all parties.

2. The agreement dated the eighth day of February, 1930, between the City and the Company (in the form of the agreement set out in Schedule "B" hereto, and being Schedule "A" to the "Westminster Paper Company Limited Aid By-law, 1929, Amendment By-law, 1930") is ratified and confirmed and declared to be legal, valid, and binding on the City, the Council, the Company, and all parties.

Short title.

3. This Act may be cited as "The City of New Westminster By-law Validation Act, 1930."

SCHEDULE "A."

CORPORATION OF THE CITY OF NEW WESTMINSTER.

BY-LAW No. 1165.

A by-law to aid the Westminster Paper Company Limited to re-establish its paper manufacturing business in the City of New Westminster.

WHEREAS the Westminster Paper Company Limited (hereinafter referred to as "the Company") has for a number of years past carried on a paper manufacturing business in the City of New Westminster.

AND WHEREAS the buildings machinery and plant of the Company have recently been destroyed by fire and the Company proposes to re-establish its business in the City at an approximate cost of Seven hundred thousand (\$700,000.00) Dollars.

AND WHEREAS the Company has applied to the Corporation of the City of New Westminster (hereinafter referred to as the "Corporation") for aid in establishing such business by the unconditional guarantee of the interest on the First Mortgage Gold Bonds of the Company to the amount of Three hundred thousand (\$300,000.00) Dollars which said Bonds shall bear interest at the rate of Six and one-half (6½%) per cent per annum and be payable at the expiration of twenty years from the date thereof.

AND WHEREAS in the interests of industrial development in the City the Council deems it desirable to accede to the Company's request for such aid.

AND WHEREAS the Corporation has power under the provisions of the "Municipal Act" and amending Acts to grant such aid.

AND WHEREAS a draft proposed agreement has been prepared and has been approved by the Company and by the Council of the Corporation and is set out in Schedule "A" hereto and is hereinafter referred to as "the agreement."

NOW THEREFORE the Council of the Corporation of the City of New Westminster ENACTS AS FOLLOWS:—

1. The Corporation and its Council are hereby authorized and empowered to give to the Company the aid herein mentioned and set forth in the agreement and to enter into an agreement in the form of the draft set out in Schedule "A" hereto.

2. After the assent of the electors has been given in the manner hereinafter provided and after this by-law is in full force and effect, and the agreement shall have been executed by the Company the Corporation shall forthwith execute and deliver the agreement to the Company and on the execution thereof by both parties thereto and delivery as aforesaid the agreement shall be deemed to form part of and be read with this By-law and shall be in full force and effect.

3. The covenants, terms and conditions contained in the agreement are hereby approved and confirmed and it shall be lawful for the Corporation to carry out perform and fulfill the agreement and every term thereof and to provide for all moneys, costs and expenses that may be necessary for the purpose of carrying out the obligations of the Corporation under the agreement and of fully protecting the interests of the City under the agreement.

4. The Corporation is hereby authorized in the manner set forth in the agreement to guarantee the payment of interest on certain First Mortgage Gold Bonds to be issued by the Company as set out in the agreement.

5. This By-law shall before the final passing thereof, be submitted to and receive the assent of the electors of the City in manner provided in Division 1, Part 6 of the "Municipal Act."

6. This By-law may be cited as "WESTMINSTER PAPER COMPANY LIMITED AID BY-LAW 1929".

DONE AND PASSED in open Council the Ninth day of December, A.D. 1929.

RECEIVED the assent of the Electors the Twenty-first day of December, A.D. 1929.

RECONSIDERED AND FINALLY PASSED the Council this Twenty-seventh day of December, A.D. 1929.

(SEAL)

"A. W. GRAY"
Mayor.
"W. H. KEARY"
City Clerk.

SCHEDULE "A"

THIS AGREEMENT made the Ninth day of December, A.D. 1929.

BETWEEN:

WESTMINSTER PAPER COMPANY LIMITED a body corporate having its chief place of business at the City of New Westminster, British Columbia, hereinafter called the "Company" OF THE FIRST PART:

AND:

THE CORPORATION OF THE CITY OF NEW WESTMINSTER, hereinafter called the "City", OF THE SECOND PART:

WHEREAS the Company was incorporated under the "Companies Act" of British Columbia and has an authorized share capital of Five hundred thousand (\$500,000.00) Dollars divided into Fifty thousand (50,000) shares of the par value of Ten (\$10.00) Dollars each and has for a number of years past carried on the business of paper manufacturers on the lands in the said City of New Westminster described as Part 0.487 acres of Suburban Block Nine (9) City of New Westminster, British Columbia, and a 2.5 acre portion of Indian Reserve No. 146 in the said City.

AND WHEREAS the paper manufacturing plant of the Company has been destroyed by fire and the Company is desirous of rebuilding the same.

AND WHEREAS the Company estimates that it will require to raise the sum of Three hundred thousand (\$300,000.00) Dollars by the issue of Three hundred thousand (\$300,000.00) Dollars First Mortgage and Sinking Fund Gold Bonds payable in Twenty (20) years from the date of issue thereof and bearing interest at six and one-half (6½%) per cent per annum payable half yearly.

AND WHEREAS the Company has made application to the Council of the City for a guarantee of the interest only on the Company's First Mortgage and Sinking Fund Gold Bonds to the amount of Three hundred thousand (\$300,000.00) Dollars.

AND WHEREAS the Council deems it expedient to give such guarantee in order to assist in the re-establishment of the said Company's business

AND WHEREAS the City has power under the "Municipal Act" and Amending Acts to grant such aid.

NOW THEREFORE THIS INDENTURE WITNESSETH that the parties hereto mutually covenant and agree as follows:—

1. The Company will erect upon the said lands all buildings and will instal therein such plant, machinery and equipment as is necessary for the establishment of a paper manufacturing business such buildings, plant, machinery and equipment to cost not less than Seven hundred thousand (\$700,000.00) Dollars, such buildings to be erected in accordance with plans and specifications approved by the Council.

2. The Company covenants for itself and its contractors and sub-contractors that all workmen, mechanics, artisans and labourers employed in the construction of said buildings or in the installation of such plant machinery and equipment therein shall be paid such wages and remuneration as are generally accepted as current in each trade for competent workmen in the Municipality.

3. The Company covenants and agrees with the City that only white labour shall be employed in, about or upon the lands in the City now owned or hereafter to be acquired by the Company or in or about any building machinery plant or equipment which the Company may construct, maintain or operate in the City.

4. The Company covenants and agrees with the City that in the construction of said buildings and the installation of such plant, machinery and equipment it will give preference to workmen residing in the City in all cases where competent and reliable workmen so residing are available.

5. The Company covenants and agrees with the City that it will pay or cause to be paid all claims for wages or materials that may be incurred by the Company or its contractors in respect of the construction of said buildings and the installation of such plant, machinery and equipment and will indemnify and save the City harmless against all loss costs, damages and expenses which the City may suffer be put to or be at by reason or on account of any such claims for wages or materials.

6. The City covenants with the Company that it will unconditionally guarantee the interest on moneys secured by the said Bonds at the rate of six and one-half (6½%) per cent per annum for the period of twenty years from the date of such Bonds and that an endorsement in the following form on each of said Bonds shall as provided in paragraph 14 of this agreement be executed on behalf of the City by its Mayor and City Clerk and sealed with its seal:—

“Corporation of the City of New Westminster (hereinafter called “the Corporation”) acknowledges that the within Bond was subscribed for on the condition and in part consideration that the Corporation would give the guarantee following, and accordingly the Corporation hereby unconditionally guarantees to the holder (as defined in the Deed of Trust and Mortgage securing said Bond) of the within Bond the payment of the interest on the moneys thereby secured in manner following, that is to say:—

“(a) Should the Company make default in payment of the interest secured by the Bond during the period of twenty (20) years from the date thereof for seven (7) days, the City will pay such interest at the expiration of seven (7) days after the holder shall have demanded payment thereof from the City.

“(b) The City shall not be exonerated by time being given to the Company by the holder or the Trustee for the time being of said Deed of Trust and Mortgage, or by any other indulgence or concession being granted to the Company by the holder or the said Trustee, or by anything done by the holder or the said Trustee or by the said Trustee in the exercise of any of the trusts, powers, authorities or discretions vested in it by the said Deed or by anything the holder or the said Trustee may omit or neglect to do or by any other dealing or thing whatsoever which but for this provision might operate to exonerate the City.

“(c.) Under no circumstances shall it be necessary for any holder who has given notice in accordance with clause (a) to take any steps or proceedings for enforcing his rights against the Company or for preserving the security for the interest.

“(d.) Any demand under this guarantee must be made in writing signed by the holder and mailed under registered cover to the City, and the holder must deliver to the City the coupon representing the interest, at or before the time of payment thereof by the City.

“IN WITNESS WHEREOF the City has caused this guarantee to be sealed with its seal and signed by its Mayor and City Clerk, this day of 1929.”

7. The form of the Bond and of the Deed of Trust and Mortgage securing the same shall be subject to the approval of the Council of the City.

8. The Company covenants and agrees with the City that it will pay the interest due on the said bonds half yearly.

9. The Company covenants and agrees with the City that it will at the commencement of each year of the life of this agreement insure its buildings and plant to be erected and installed pursuant to this agreement for the full amount of the interest payable on such Bonds for that year and all insurance policies by which such insurance may be effected shall contain a provision that any loss payable under the terms thereof shall be payable to the City as its interest may appear.

10. The Company covenants and agrees with the City that if it shall at any time be in default in payment of interest on the said Bonds it will carry such additional insurance in favour of the City as may be necessary to cover all sums of money so in arrears and all insurance policies effecting such insurance for such arrears shall contain a clause that any loss payable thereunder shall be payable to the City as its interest may appear.

11. If the Company should fail to pay any instalments of interest payable in respect of the said bonds and if the City should deem it expedient to pay such interest for and on account of the Company all such amounts paid shall be a debt due by the Company to the City.

12. The Company covenants and agrees with the City that it will not declare or pay any dividends on any of its share capital until it shall have repaid the City all moneys paid by the City under its said guarantee.

13. The Company covenants and agrees with the City that it will not without first making provision for the payment of the moneys paid by the City under its said guarantee make any capital expenditures out of its profits without the consent of the Council of the City, and that the Auditor of the City shall have access to and be at liberty to make extracts from the books of account of the Company at all reasonable times.

14. When the Company shall have, pursuant to the terms of this agreement, erected buildings upon said lands in accordance with plans and specifications so approved by the Council and shall have installed therein plant, machinery and equipment of the total value of Five Hundred Thousand (\$500,000.00) Dollars and shall have paid all claims for wages and material in respect thereof and when the City shall have given its approval of the form of the Bond and Trust Deed hereinbefore mentioned the City covenants that it will at the request of the Company cause the said endorsement on the said Bonds to be executed in its behalf in the manner provided in paragraph 6 hereof.

15. The Company covenants with the City that the services of Mr. J. J. Herb or of some other person agreeable to the City shall be made available for the management of said paper manufacturing plant when established for at the least one half of the working time of said John Jacob Herb.

16. The Company covenants with the City that all things being equal contractors and sub-contractors resident in the City shall have the preference in the work of construction of said buildings and the supply of materials therefor and the furnishing and installation of the plant and machinery necessary for the equipment and establishment of the Company's paper manufacturing plant.

17. The Company covenants and agrees with the City that at all times during the life of this agreement two members of its Board of Directors shall be nominees of the Council of the City.

18. The Company covenants and agrees with the City that it will during the life of this agreement operate its said plant continuously for at the least six months in each year unless prevented by strikes of workmen, King's enemies, acts of God or other causes beyond the control of the Company.

19. This agreement shall not come into effect until a by-law authorizing the City to execute the same shall have been submitted to and shall have received the assent of the electors in manner required by law.

20. The terms, covenants and conditions of this agreement shall enure to the benefit of and be binding upon the successors and assigns of each of the parties hereto.

IN WITNESS WHEREOF the Corporate Seals of the parties hereto have been hereto affixed under the hands of their proper officers the day and year first above written.

SIGNED SEALED AND DELIVERED in the presence of: (SEAL) City of New Westminster British Columbia.	}	" WESTMINSTER PAPER COM- PANY LTD. " J. J. HERB " " Pres " " H. M. LORD " " Secy " (SEAL) Westminster Paper Company Limited New Westminster. B.C.
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" A. W. GRAY "
 " Mayor "
 " W. H. KEARY "
 " City Clerk "

SCHEDULE " B "

CORPORATION OF THE CITY OF NEW WESTMINSTER

BY-LAW No. 1171

A by-law to amend " WESTMINSTER PAPER COMPANY LIMITED AID BY-LAW 1929 ".

WHEREAS the Westminster Paper Company Limited hereinafter referred to as the " Company " has for a number of years past carried on a paper manufacturing business in the City of New Westminster;

AND WHEREAS the greater portion of the buildings, plant and machinery of the Company has recently been destroyed by fire and the Company proposes to re-establish its business in the City;

AND WHEREAS the Company applied to the Corporation for aid in establishing such business by the unconditional guarantee of the interest on the First Mortgage debentures of the Company to the amount of Three Hundred Thousand (\$300,000 00) Dollars which said debentures shall bear interest at the rate of Six and one-half (6½%) per cent per annum and be payable at the expiration of twenty (20) years from the date thereof;

AND WHEREAS the Corporation in compliance with the said request passed the " Westminster Paper Company Limited Aid By-law 1929 ", which said by-law was duly submitted to and received the assent of the electors on the 21st day of December 1929 and was reconsidered and finally passed on the 27th day of December 1929;

AND WHEREAS upon the submission of said by-law there were out of a total of 1526 votes cast for and against the same, 1309 recorded in favour of the said by-law;

AND WHEREAS the Company had prior to the passing of the said by-law, assets on said lands consisting of foundations, buildings, wharves, plant, machinery and equipment of the value of One Hundred and Forty Thousand, One Hundred and Seventy-seven Dollars and Thirty-six Cents (\$140,177.36) and since the passage of said by-law the said Company has expended in buildings on said lands the sum of One Hundred Thousand (\$100,000.00) Dollars making the value of the total assets of the Company located on said lands, Two Hundred and Forty Thousand, One Hundred and Seventy-seven Dollars and Thirty-six Cents (\$240,177.36) ;

AND WHEREAS it has been found that through inadvertence the said by-law does not name a reasonable time limit for the commencement as well as for the completion of the buildings and for the installation therein of the necessary plant, machinery and equipment for the establishment of such business as required by sub-clause (b) of sub-section 21 of section 54 of the " Municipal Act " ;

AND WHEREAS it has also been ascertained since the passing of the said by-law that the agreement forming part of said by-law contains certain inaccurate statements as to the total amount to be expended in the erection of buildings on said lands and the plant, machinery and equipment to be installed therein pursuant to such agreement which erroneously provided that such buildings, plant, machinery and equipment should cost not less than Seven Hundred Thousand (\$700,000.00) Dollars, whereas the Company intended that the value of its initial outlay for buildings, plant, machinery and equipment added to the value of the buildings, wharves, plant, machinery and equipment constructed on the said lands prior to the passing of said by-law and the value of its assets other than buildings, wharves, plant, machinery and equipment, should equal the total sum of Seven Hundred Thousand (\$700,000.00) Dollars in value ;

AND WHEREAS the Company has requested the Council to so amend the said by-law as to provide for the date of commencement and completion of the establishment of said business and for the endorsement of the Corporation's guarantee upon such debentures when the Company shall have erected buildings on said lands in accordance with plans and specifications approved by the Council and shall have installed therein plant, machinery and equipment, the total value of which, together with the value of such buildings, wharves, plant, machinery and equipment as were upon said lands prior to the passing of said By-law shall not be less than Five Hundred Thousand (\$500,000.00) Dollars and to provide for certain other amendments to said by-law all as set forth in the amended agreement attached to this by-law and marked as Schedule " A " hereto.

AND WHEREAS in view of the good faith shown by the Company in making the expenditures above mentioned and in proceeding promptly with the re-establishment of its business and the desirability of having such business established at the earliest date possible for the industrial welfare of the City of New Westminster, the Council deems it expedient to amend such by-law in accordance with the request of the said Company ;

THEREFORE the Municipal Council of the Corporation of the City of New Westminster ENACTS AS FOLLOWS :—

1. Section 1 of Schedule " A " of the " Westminster Paper Company Limited Aid By-law 1929 " is hereby repealed and the following substituted therefor :

" 1. The Company will on or before the First day of March 1930 commence to erect and install on said lands and will on or before the First day of September 1930 complete the erection and installation on said lands of such buildings, plant, machinery and equipment as are necessary for the establishment of a paper manufacturing business, and shall be carrying on such business therein and thereon on or before such last mentioned date, and the

value of which said buildings, plant, machinery and equipment when added to other assets of the Company shall make the total assets of the Company amount in value to Seven Hundred Thousand (\$700,000.00) Dollars, and such buildings shall be erected in accordance with plans and specifications approved by the Council."

2. Section 6 of the said Schedule "A" is hereby repealed and the following substituted therefor:

"6. The City covenants with the Company that it will unconditionally guarantee the interest on moneys secured by the said debentures at the rate of six and one-half (6½%) per cent per annum for the period of twenty (20) years from the date of such debentures and that an endorsement in the following form on each of said debentures shall as provided in paragraph 14 of this agreement be executed on behalf of the City by its Mayor and Clerk and sealed with its seal:—

"Corporation of the City of New Westminster (hereinafter called the "Corporation"), acknowledges that the within debenture was subscribed for on the condition that in part consideration that the Corporation would give the guarantee following, and accordingly the Corporation hereby unconditionally guarantees to the holder (as defined in the Deed of Trust and Mortgage securing said debenture) of the within debenture, the payment of the interest payable in respect of the said debenture, until the principal sum (thereby secured) is repaid by the Company, but for no longer period than twenty (20) years from the date of said debenture, in manner following, that is to say:—

"(a) Should the Company make default for seven (7) days in the payment of any interest payable under the debenture, the Corporation will pay such interest at the expiration of seven (7) days after the holder shall have demanded payment thereof from the Corporation.

"(b) The Corporation shall not be exonerated by time being given to the Company by the holder or the Trustee for the time being of said Deed of Trust and Mortgage, or by any other indulgence or concession being granted to the Company by the holder or the said Trustee, or by anything done by the holder or the said Trustee or by the said Trustee in the exercise of any of the trusts, powers, authorities or discretions vested in it by the said Deed or by anything the holder or the said Trustee may omit or neglect to do or by any other dealing or thing whatsoever which but for this provision might operate to exonerate the Corporation.

"(c) Under no circumstances shall it be necessary for any holder who has demanded payment in accordance with clause (a) to take any steps or proceedings for enforcing his rights against the Company or for preserving the security for the interest.

"(d) Any demand under this guarantee must be made in writing signed by the holder and mailed under registered cover to the Corporation, and the holder must deliver to the Corporation, the coupon representing the interest, at or before the time of payment thereof by the Corporation.

"(e) The Corporation shall not either by reason of the payment of any such interest or otherwise howsoever be subrogated to any of the rights of the holder.

"IN WITNESS WHEREOF the Corporation has caused this guarantee to be sealed with its seal and signed by its Mayor and Clerk, this day of 1930."

3. Section 10 of the said Schedule "A" is hereby amended by adding thereto the following proviso:

"Provided, however, that the interest of the City in the loss payable under any and all insurance policies placed pursuant to paragraphs 9 and 10 hereof shall be at all times subject to the rights of the Trustee for the time being of

the said Deed of Trust and Mortgage, who shall have a first and paramount right and charge prior to the City upon any moneys payable under any such policies for the amount of the said debentures and interest payable to the holders thereof and for all other moneys payable under the terms of the said Deed of Trust and Mortgage, and the loss under all such policies shall be therein expressed to be payable first to the said Trustee as its interest may appear."

4. Section 11 of said Schedule "A" is hereby amended by striking out the words "deem it expedient to" in the third line of said section 11.

5. Section 14 of said Schedule "A" is hereby repealed and the following substituted therefor:

"14. When the Company shall have pursuant to the terms of this agreement, erected buildings on said lands in accordance with plans and specifications approved by the Council and shall have installed therein plant, machinery and equipment, and if the total value of the said buildings, plant, machinery and equipment so erected and installed, together with the value of such buildings, wharves, plant, machinery and equipment as are on the said lands at the date of this agreement, shall be not less than Five Hundred Thousand (\$500,000.00) Dollars, and all claims for wages and materials in respect thereof shall have been paid, and when the City shall have given its approval to the form of the debenture and Trust Deed, hereinbefore mentioned, the City covenants that it will, at the request of the Company, cause the said endorsement on the said debentures to be executed on its behalf in the manner provided in paragraph 6 hereof."

6. The Mayor and Clerk are hereby authorized to sign on behalf of the Corporation and affix the Corporate Seal of the Corporation to and to deliver to the Westminster Paper Company Limited an agreement in the form set forth in Schedule "A" to this by-law.

7. This by-law may be cited as the "WESTMINSTER PAPER COMPANY LIMITED AID BY-LAW 1929 AMENDMENT BY-LAW 1930".

DONE AND PASSED in open Council this Third day of February 1930.

RECONSIDERED AND FINALLY PASSED this Eighth day of February 1930.

[SEAL]

A. W. GRAY,
Mayor.
W. H. KEARY,
City Clerk.

SCHEDULE "A" TO "WESTMINSTER PAPER COMPANY LIMITED AID BY-LAW 1929 AMENDMENT BY-LAW 1930".

THIS AGREEMENT made the Eighth day of February in the year of our Lord one thousand nine hundred and thirty.

BETWEEN:

WESTMINSTER PAPER COMPANY LIMITED a body corporate having its chief place of business at the City of New Westminster, Province of British Columbia, hereinafter called the "Company", OF THE FIRST PART:

AND:

THE CORPORATION OF THE CITY OF NEW WESTMINSTER hereinafter called the "City", OF THE SECOND PART:

WHEREAS the Company was incorporated under the "Companies Act" of British Columbia and has an authorized share capital of Five Hundred Thousand (\$500,000.00) Dollars divided into Fifty Thousand (50,000) shares of the

par value of Ten (\$10.00) Dollars each and has for a number of years past carried on the business of paper manufacturers on the lands in the said City of New Westminster described as Part 0.487 acres of Suburban Block Nine (9), City of New Westminster, Province of British Columbia, and a 2.5 acre portion of Indian Reserve No. 146 in the said City;

AND WHEREAS the paper manufacturing plant of the Company has been destroyed by fire and the Company is desirous of re-building the same;

AND WHEREAS the Company estimates that it will require to raise the sum of Three Hundred Thousand (\$300,000.00) Dollars by the issue of Three Hundred Thousand (\$300,000.00) Dollars First Mortgage debentures payable in twenty (20) years from the date of issue thereof and bearing interest at six and one-half (6½%) per cent per annum payable half-yearly;

AND WHEREAS the Company has made application to the Council of the City for a guarantee of the interest only on the Company's debentures to the amount of Three Hundred Thousand (\$300,000.00) Dollars;

AND WHEREAS the Council deems it expedient to give such guarantee in order to assist in the re-establishment of the said Company's business;

AND WHEREAS the City has power under the "Municipal Act" and Amending Acts to grant such aid;

NOW THEREFORE THIS INDENTURE WITNESSETH that the parties hereto mutually covenant and agree as follows:—

1. The Company will on or before the First day of March 1930 commence to erect and install on said lands and will on or before the First day of September 1930 complete the erection and installation on said lands of such buildings, plant, machinery and equipment as are necessary for the establishment of a paper manufacturing business, and shall be carrying on such business therein and thereon on or before such last mentioned date, and the value of which said buildings, plant, machinery and equipment when added to other assets of the Company shall make the total assets of the Company amount in value to Seven Hundred Thousand (\$700,000.00) Dollars, and such buildings shall be erected in accordance with plans and specifications approved by the Council.

2. The Company covenants for itself and its contractors and sub-contractors that all workmen, mechanics, artisans and labourers employed in the construction of said buildings, or in the installation of such plant, machinery and equipment therein, shall be paid such wages and remuneration as are generally accepted as current in each trade for competent workmen in the municipality.

3. The Company covenants and agrees with the City that only white labour shall be employed in, about or upon the lands in the City now owned or to be acquired by the Company or in or about any building, machinery, plant or equipment which the Company may construct, maintain or operate in the City.

4. The Company covenants and agrees with the City that in the construction of said buildings and the installation of such plant, machinery and equipment it will give preference to workmen residing in the City in all cases where competent and reliable workmen so residing are available.

5. The Company covenants and agrees with the City that it will pay or cause to be paid all claims for wages or materials that may be incurred by the Company or its contractors in respect of the construction of said buildings and the installation of such plant, machinery and equipment and will indemnify and save the City harmless against all loss, costs, damages and expenses which the City may suffer, be put to or be at by reason or on account of any such claims for wages and materials.

6. The City covenants with the Company that it will unconditionally guarantee the interest on moneys secured by the said debentures at the rate of six and one-half (6½%) per cent per annum for the period of twenty (20) years from the date of such debentures and that an endorsement in the follow-

ing form on each of said debentures shall as provided in paragraph 14 of this agreement be executed on behalf of the City by its Mayor and Clerk and sealed with its seal:—

“Corporation of the City of New Westminster (hereinafter called the “Corporation”), acknowledges that the within debenture was subscribed for on the condition that in part consideration that the Corporation would give the guarantee following, and accordingly the Corporation hereby unconditionally guarantees to the holder (as defined in the Deed of Trust and Mortgage securing said debenture) of the within debenture, the payment of the interest payable in respect of the said debenture, until the principal sum (thereby secured) is repaid by the Company, but for no longer period than twenty (20) years from the date of said debenture, in manner following, that is to say:—

“(a) Should the Company make default for seven (7) days in the payment of any interest payable under the debenture, the Corporation will pay such interest at the expiration of seven (7) days after the holder shall have demanded payment thereof from the Corporation.

“(b) The Corporation shall not be exonerated by time being given to the Company by the holder or the Trustee for the time being of said Deed of Trust and Mortgage, or by any other indulgence or concession being granted to the Company by the holder or the said Trustee, or by anything done by the holder or the said Trustee or by the said Trustee in the exercise of any of the trusts, powers, authorities or discretions vested in it by the said Deed or by anything the holder or the said Trustee may omit or neglect to do or by any other dealing or thing whatsoever which but for this provision might operate to exonerate the Corporation.

“(c) Under no circumstances shall it be necessary for any holder who has demanded payment in accordance with clause (a) to take any steps or proceedings for enforcing his rights against the Company or for preserving the security for the interest.

“(d) Any demand under this guarantee must be made in writing signed by the holder and mailed under registered cover to the Corporation, and the holder must deliver to the Corporation the coupon representing the interest, at or before the time of payment thereof by the Corporation.

“(e) The Corporation shall not either by reason of the payment of any such interest or otherwise howsoever be subrogated to any of the rights of the holder.

“IN WITNESS WHEREOF the Corporation has caused this guarantee to be sealed with its seal and signed by its Mayor and Clerk, this day of , 1930.”

7. The form of the debenture and of the Deed of Trust and Mortgage securing the same shall be subject to the approval of the Council of the City.

8. The Company covenants and agrees with the City that it will pay the interest due on the said debentures half-yearly:

9. The Company covenants and agrees with the City that it will at the commencement of each year of the life of this agreement insure its buildings and plant to be erected and installed pursuant to this agreement for the full amount of the interest payable on such debentures for that year and all insurance policies by which such insurance may be effected shall contain a provision that any loss payable under the terms thereof shall be payable to the City as its interest may appear.

10. The Company covenants and agrees with the City that if it shall at any time be in default in payment of interest on the said debentures it will carry such additional insurance in favour of the City as may be necessary to cover all sums of money so in arrears and all insurance policies effecting such insurance for such arrears shall contain a clause that any loss payable there-

under shall be payable to the City as its interest may appear, PROVIDED, however, that the interest of the City in the loss payable under any and all insurance policies placed pursuant to paragraphs 9 and 10 hereof shall be at all times subject to the rights of the Trustee for the time being of the said Deed of Trust and Mortgage, who shall have a first and paramount right and charge prior to the City upon any moneys payable under any such policies for the amount of the said debentures and interest payable to the holders thereof and for all other moneys payable under the terms of the said Deed of Trust and Mortgage, and the loss under all such policies shall be therein expressed to be payable first to the said Trustee as its interest may appear.

11. IF the Company should fail to pay any instalments of interest payable in respect of the said debentures and if the City should pay such interest for and on account of the Company, all such amounts paid shall be a debt due by the Company to the City.

12. The Company covenants and agrees with the City that it will not declare or pay any dividends on any of its share capital until it shall have repaid the City all moneys paid by the City under its said guarantee.

13. The Company covenants and agrees with the City that it will not without first making provision for the payment of the moneys paid by the City under its said guarantee make any capital expenditures out of its profits without the consent of the Council of the City, and that the Auditor of the City shall have access to and be at liberty to make extracts from the books of account of the Company at all reasonable times.

14. When the Company shall have pursuant to the terms of this agreement, erected buildings on said lands in accordance with plans and specifications approved by the Council and shall have installed therein plant, machinery and equipment, and if the total value of said buildings, plant, machinery and equipment so erected and installed, together with the value of such buildings, wharves, plant, machinery and equipment as are on the said lands at the date of this agreement, shall be not less than Five Hundred Thousand (\$500,000.00) Dollars, and all claims for wages and materials in respect thereof shall have been paid, and when the City shall have given its approval to the form of the debenture and Trust Deed, hereinbefore mentioned, the City covenants that it will, at the request of the Company, cause the said endorsement on the said debentures to be executed on its behalf in the manner provided in paragraph 6 hereof.

15. The Company covenants with the City that the services of Mr. John Jacob Herb or of some other person agreeable to the City shall be made available for the management of said paper manufacturing plant when established for at the least one-half of the working time of the said John Jacob Herb.

16. The Company covenants with the City that all things being equal, contractors and sub-contractors resident in the City shall have the preference in the work of construction of said buildings and the supply of materials therefor and the furnishing and installation of the plant and machinery necessary for the equipment and establishment of the Company's paper manufacturing plant.

17. The Company covenants and agrees with the City that at all times during the life of this agreement two members of its Board of Directors shall be nominees of the Council of the City.

18. The Company covenants and agrees with the City that it will during the life of this agreement operate its said plant continuously for at least six months in each year unless prevented by strikes of workmen, King's enemies, acts of God or other causes beyond the control of the Company.

19. The terms, covenants and conditions of this agreement shall enure to the benefit of and be binding upon the successors and assigns of each of the parties hereto.

IN WITNESS WHEREOF the Corporate seals of the parties hereto have been hereunto affixed under the hands of their proper officers the day and year first above written.

(SEAL) The Corporate Seal of the Westminster Paper Company Limited was hereunto affixed in the presence of :

J. J. HERB

Pres.

H. M. LORD

Secy.

(SEAL) The Corporate Seal of the Corporation of the City of New Westminster was hereunto affixed in the presence of :

A. W. GRAY

Mayor.

W. H. KEARY

City Clerk.

VICTORIA, B.C. :

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1930.