

The defendants, however, do not now rely upon anything in clause 29—and by a formal agreement between the parties—made in June, 1911 (by law passed 19th June, 1911), no question of forfeiture is to be raised.

The works were not completed within the time, but Mr. Henderson stated that time was extended.

The agreement between defendants and Mr. Charlebois, was duly authorized by by-law No. 745, passed 12th December, 1896.

The object of the defendants was not only to get sufficient fire protection, but all the other benefits resulting from the establishment of a system of water works, which would be reasonably sufficient for the town of Perth.

The agreement with Charlebois was made on the 1st February, 1897. On the 27th March, 1897, a resolution was adopted by the council of Perth, authorizing the water-works committee "to engage an engineer to superintend on behalf of the corporation, the putting in of a system of water works." In pursuance of that resolution C. H. Keefer was appointed for the town. Mr. Keefer made his report on the 18th July, 1898, and called special attention to certain things required—and upon these being furnished and complete, the work would be satisfactory and should be accepted as sufficient. There was a man resident near the works under Mr. Keefer, who had supervision of the work as it progressed and Mr. Keefer relied upon him to see that the work—which was reported by Mr. Keefer as required—was supplied.

On the 10th March, 1899, W. A. Allen, the secretary of the company, made a declaration of cost of the works pursuant to sec. 26 of the agreement. The entire cost, exclusive of about \$5,000 then in dispute was \$73,832.40. Then the defendants proceeded to settle as to certain items in dispute—the amount was fixed at \$600, which the defendants agreed to accept, and passed the resolution (exhibit 10) which is as follows:—

"That this council accept from the Perth Water Works Company the sum of \$600, in full satisfaction of all claims this corporation may have against the said company in respect to restoring the streets of the town as required by the water works by-law—and that upon payment of said sum of \$600, the hydrant rental according to the terms of the water works by-law, shall be payable to the said company from the 1st of May, 1898, and in the event of any breaks in the