

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

1. The said Agreement, a copy of which forms the Schedule to this Act, is hereby ratified and confirmed and declared to be legally binding, according to the tenor thereof, upon His Majesty and the "Canadian Northern Railway Company"; and the parties to said Agreement, so far as the Legislature of the Province of British Columbia has power to enact, are hereby authorized and empowered to do whatever is necessary to give full effect to said Agreement, the provisions of which are to be taken as if they had been expressly enacted hereby and formed an integral part of this Act.

2. The Canadian Northern Pacific Railway Company, mentioned in said Agreement, is hereby authorized and empowered, when incorporated, to have the power to do and to do whatever is necessary and expedient to implement the provisions of said Agreement.

3. The said guarantee of securities mentioned in said Agreement shall be signed by the Minister of Finance for the Province of British Columbia, or such other officer as may be so designated by the Lieutenant-Governor in Council, and upon being so signed, the Province of British Columbia shall become liable for the payment of the principal and interest of the securities guaranteed according to the tenor thereof, and the Lieutenant-Governor in Council is hereby authorized to make arrangements for supplying the money necessary to fulfil the requirements of the said guarantee, and to advance the amount necessary for that purpose out of the general revenue of the Province; and in the hands of any purchaser, pledgee or other person acquiring any of such securities, the said guarantee so signed shall be conclusive evidence that the terms of this Act with respect thereto have been complied with.

"4. Subject to the proviso in this section contained, the mortgages or deeds of trust (hereinafter called "the original instruments") securing the securities provided to be guaranteed by said agreement may provide for the issue, from time to time, and ranking pari passu with said securities and without preference or priority one over the other, of additional securities of similar kind, tenor, and effect, not exceeding thirty-five thousand dollars (\$35,000) per mile of additional line of railway in the Province of British Columbia, to be hereafter constructed by the Canadian Northern Pacific Railway Company executing the original instru-

ments. Provided, always, that before such additional securities are issued, the guarantee by the Province of the payment of the principal and interest thereon shall first have been authorized by the Legislature, and that such guarantee shall first have been given pursuant to such authorization."

5. Supplementary mortgages or deeds of trust (herein called "supplementary instruments") covering the said lines in the said Agreement mentioned and the additional lines in the preceding section mentioned, in form approved by the Lieutenant-Governor in Council, shall be taken to the trustees of the original instruments, and such additional securities shall be issued under the terms of the original instruments and supplementary instruments, which, together with the mortgaged premises covered thereby, shall form the security for all the securities issued thereunder, in the same manner and with the same effect as if the original instrument and supplementary instrument formed but one instrument, and as if all the securities issued or to be issued under the original or supplementary instruments were issued under one instrument.

6. Any payments by the Province of principal or interest on the said securities, pursuant to the guarantee thereof, shall not in any event be taken to affect the liability of the Canadian Northern Railway Company, or the Canadian Northern Pacific Railway Company therefor, under the securities so paid, or under the mortgage or deed of trust securing the payment thereof, or under the terms of the said Agreement, but such liability shall remain unimpaired and enforceable, according to the terms of the mortgages or deeds of trust and of the aforesaid Agreement, by the Province against the said companies. Subject to the terms of the Agreement, the Province shall be subrogated as against the said companies to all rights, privileges and powers to which the holders of the respective securities so paid were entitled, by virtue of such securities or of the said mortgage or deed of trust, prior to payment by the Province under its guarantee, and shall, with respect to the securities so paid, be in the same position as a holder of securities upon which the issuing company has made default.

#### SCHEDULE

Memorandum of agreement made this seventeenth day of January, A. D., 1910.

Between His Majesty the King (hereinafter called "the government,"