

maturing. If the respective amounts of the payments provided for under said Paragraph 2 plus the Power Commission's share of the fees and expenses of the Trustee shall then have been paid by the Power Commission, the Trustee shall deliver the above-mentioned deeds to the Power Commission. If said respective amounts and shares of fees and expenses shall not then have been so paid, the Trustee shall hold said deeds until the aggregate amount thereof, with interest at the rate of five and one-half per cent (5½%) per annum compounded annually, shall have been paid by the Power Commission, whereupon the Trustee shall deliver said deeds to the Power Commission; provided however, that should such payments not have been made within twenty (20) years from the date hereof said deeds shall be re-delivered to the respective grantors thereunder.

4. In the event that power is not generated at said Grand Falls on or before the first day of July, 1934, then if the Power Commission shall have surrendered on or before the first day of July, 1935, to the Falls Company and to the Paper Company, and any of its subsidiaries, possession of all lands or any of them into possession of which the Power Commission shall then have entered pursuant to the permission granted under the Sale and Purchase Agreement, said bonds shall be re-delivered to the Power Commission and all of the above-mentioned deeds shall be re-delivered to the respective grantors thereunder. For proof of the fact of such surrender of possession the Trustee shall be entitled to rely, in the case of the surrender of possession of lands of the Falls Company, on a certificate signed by its President, and in the case of surrender of lands of the Paper Company, or any subsidiary of the Paper Company, on a certificate signed by the President of the Paper Company.

5. No default or alleged default by the Falls Company or the Paper Company in their obligations under any provisions of the Sale and Purchase Agreement, or under any other agreement between them, or either of them and the Power Commission, present or future, shall be a defense or bar to the carrying out of the provisions of this Memorandum of Agreement or a justification for refusal to carry out such provisions; but in case of any such default the Power Commission shall rely alone upon its action in damages therefor.

6. The term "subsidiary of the Paper Company" as used herein shall mean any company in which the Paper Company owns, or by similar stock ownership in another company controls, all the capital stock; and includes American Realty Company, a company incorporated under the laws of the state of Maine.

7. The fees and expenses of the Trustee shall be borne equally by the Power Commission and the Paper Company.

8. The Trustee accepts the trusts in this Memorandum of Agreement contained and agrees to perform the same on the terms herein set forth.

In witness whereof the parties hereto have caused this Memorandum of Agreement to be executed under their corporate seals respectively by their officers thereunto duly authorized on the date first above mentioned.

|                             |                                 |
|-----------------------------|---------------------------------|
| GRAND FALLS COMPANY LIMITED | NEW BRUNSWICK ELECTRIC POWER    |
| By .....                    | COMMISSION                      |
| Vice-President.             | By .....                        |
| and .....                   | and .....                       |
| Assistant Secretary.        |                                 |
| INTERNATIONAL PAPER COMPANY | NATIONAL TRUST COMPANY, LIMITED |
| By .....                    | By .....                        |
| Vice-President.             | Manager.                        |
| and .....                   | and .....                       |
| Secretary.                  | Trust Officer.                  |

W.L. Mackenzie King Papers

Memoranda & Notes

**PUBLIC ARCHIVES**  
**ARCHIVES PUBLIQUES**  
**CANADA**