

C H A P. 85

An Act to amend the Revised Statutes, 1909, respecting railway companies

[Assented to, 8th of March, 1922]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

R. S., 6474a, enacted. **1.** The following article is inserted in the Revised Statutes, 1909, after article 6474, as amended by the acts 1 George V (2nd session), chapter 42, section 1, and 9 George V, chapter 66, section 1:

Railway companies empowered to hypothecate, etc., moveable and immoveable property in the Province. **"6474a.** Notwithstanding any existing law, any railway company incorporated under an act of the Legislature of the Province of Quebec, or any such company incorporated outside the Province, if empowered thereto by its charter, may by authentic deed—for the purpose of securing any bonds, debentures or debenture stock which it is by law entitled to issue—hypothecate, mortgage or pledge any property, moveable or immoveable, present or future, which it may own in the Province.

How effected. Such hypothecation, mortgaging or pledging may be by trust deed to any trustee, and such security shall be good and valid, notwithstanding that the mortgagor or pledgor may be permitted by the trustee to remain in the possession and use of the property, so mortgaged or pledged.

By-law authorizing same. The above-mentioned powers can be exercised only if authorized by a by-law, approved by a vote of the shareholders representing at least two-thirds in value of the subscribed capital stock of the company at a general meeting duly called for this purpose.

Rank of of such rights. The rights which such hypothec and mortgage give upon immoveables, present or future, rank immediately after the privileges upon immoveables enumerated in article 2009 of the Civil Code. The manner in which they must be registered, shall be governed by the provisions of the Civil Code in the title of *Privileges and Hypothecs* and that of *Registration of Real Rights*, and they shall be subject thereto.

Provisions applicable to registration. The mortgaging and pledge of moveables shall confer a privilege upon moveables present and future, ranking immediately after the other privileges on moveables, enumerated in articles 1994, 1994a, 1994b and 1994c of the Civil Code. Such hypothec and such privilege shall take effect only from the date of the registration of the deed by

which they are constituted in the Registry office of the registration division in which the company has its head office in the province, and also in any other division in which it has a place of business. Effect from date of registration.

The registrar shall register at length the trust deed creating a hypothec or mortgage upon, or a pledge of, the moveables only, in the special register for moveables mentioned in article 6119c enacted by the act 4 George V, chapter 51, and amended by the act 7 George V, chapter 44. Registration at length of trust deed.

However, in the case of a deed creating a hypothec or mortgage upon or a pledge of immoveables and moveables, it shall be sufficient for the said deed to be registered by memorial, by means of an ordinary summary, in the special register for moveables, provided always that the deed in question has already been registered at length, in the same division, in a register to which reference may be had, and that it has already been entered in the index of immoveables. Registration by memorial, in certain cases. Proviso.

The registrar may exact, for the various services in connection with such registration at length or by memorial, as the case may be, the fees which shall from time to time be fixed by the Lieutenant-Governor in Council. Registration fees.

A copy of any trust deed for securing any issue of debentures or other securities of the company shall be forwarded to every holder of any such debenture or other security at his request, on payment in the case of a printed trust deed of the sum of twenty-five cents, or such less sum as may be prescribed by by-law of the company, or, where the trust deed has not been printed, on payment of ten cents for every hundred words required to be copied. Right to copy of trust deed by holder of debentures, etc., on payment of fee.

If such copy is refused or is not forwarded upon request, the company shall be liable to a fine not exceeding one hundred dollars for such refusal or neglect, and to a further fine not exceeding ten dollars for every day during which the neglect to forward a copy continues; and every director, manager, secretary, or other officer of the company, who, knowingly, authorizes or permits the neglect, shall incur the like penalty. Penalty for refusal to furnish such copy.

2. This act shall come into force on the day of its sanction. Coming into force.