

The undersigned hereby certifies that the foregoing is a true copy of the original agreement signed in duplicate by the parties mentioned therein.

Montreal, 18th January, 1912.

A. R. CREELMAN,
General Counsel,
Can. Pac. Ry. Co.

CHAP. 83

An Act respecting the Quebec and Lake St. John Railway Company.

[Assented to 3rd April, 1912.]

WHEREAS the Quebec and Lake St. John Railway Com-^{Preamble.}
 pany has by its petition represented that its act of
 incorporation and the act amending the same should be
 amended as hereinafter set forth :

And whereas it is expedient to grant the prayer of the said
 petition

Therefore, His Majesty, with the advice and consent of the
 Legislative Council and of the Legislative Assembly of Quebec,
 enacts as follows :

1. This act may be cited as "The Quebec and Lake St. Short title.
 John Railway Act, 1912."

2. Notwithstanding anything in any of the acts relating ^{Certain}
 to the Quebec and Lake St. John Railway Company (herein-^{agreement}
 after called the "Quebec Company") the agreement set out in ^{ratified.}
 schedule A hereto, made between the Quebec Company,
 the Railway Share, Trust and Agency Company, Limited,
 and the Canadian Northern Railway Company (and herein-
 after called "the said agreement") is duly confirmed and de-
 clared to be valid and binding upon all persons and companies
 affected thereby or interested therein, in every respect as if
 the said agreement had been enacted hereby ; and the parties
 thereto are hereby authorized and required to observe and
 carry out all the terms and provisions of the said agreement
 according to the true intent and meaning thereof.

3. The said agreement having been sanctioned or approv-^{Said agree-}
 ed by extraordinary resolutions duly passed by the holders ^{ment bind-}

ing on cer-
tain bond-
holders, &c.

of the prior lien, first mortgage and income bonds of the Quebec Company respectively at meetings of such bondholders duly convened pursuant to the provisions contained in the deeds of trust respectively securing the same, all the terms and provisions of the said agreement shall be binding upon all of the holders of such bonds respectively, as fully as if such bondholders were each named in this act and declared separately to be bound hereby, whether present or not present at such meetings, and each and all of the bondholders shall be bound to give effect thereto accordingly and to exchange their said bonds for the new debenture stock provided for in the said agreement upon the terms and conditions in the said agreement specified. The passage of this act shall be conclusive evidence in all courts of the due passage of such resolutions.

Power to
issue new
debenture
stock, &c.

4. Without restricting the general terms of the confirmation of the said agreement, as set forth in section 2 of this act, and subject to the provisions of the said agreement, the Quebec Company may, notwithstanding anything contained in the acts relating to the Quebec Company, issue from time to time the new debenture stock provided for in the said agreement to the respective amounts set forth in clause 1 of the said agreement, and the mortgage or deed of trust securing the said new debenture stock shall be in the general form set out in schedule B hereto annexed subject to such additions, amendments or modifications as may be mutually agreed between the parties to the said agreement.

Winding up
of Lake St.
Joseph Hotel
Co., &c.

5. The Lake St. Joseph Hotel Company (hereinafter called the "Hotel Company"), a company incorporated by letters patent under the general joint stock companies incorporation act of the Province of Quebec, may be wound up by its stockholders or the Quebec Company, and the whole of the bondholders of the hotel company under its deed of trust of the Royal Trust Company, dated the 1st of May, 1906, recorded under the number 10298 of the records of Cy. Tessier, notary at Quebec, having assented to the said agreement, all the properties and undertakings of the hotel company shall be transferred or conveyed to the Quebec Company, and the Royal Trust Company, as trustee for the bondholders of the Hotel Company, shall release or discharge the said trust deed, and the said bondholders shall be bound to accept in exchange for the surrender of their bonds the new debenture stock of the Quebec Company issued to them pursuant to the terms of the said agreement.

Effect of

6. Upon the mortgage or deed of trust of the Quebec Com-

pany securing the new debenture stock being recorded by deed securing new debenture stock, &c. deposit in the office of the Provincial Secretary of Quebec, the said mortgage or deed of trust shall form a first charge upon the undertaking and properties of the Quebec Company and the Hotel Company of the nature and to the extent set forth and described in such trust deed.

7. The branch lines and extensions of the railway authorized to be constructed by the Quebec Company may be constructed from any point on its main or branch lines of railway and may be commenced within three years and completed within seven years from the date of the passing of this act, and section 2 of the act 9 Edward VII, chapter 104, is repealed. Construction of certain branch lines, &c.

Nevertheless the branch from Roberval to the northwest boundary of St. Felicien, shall be completed before the first day of July 1913. Proviso.

8. The provisions of this act and of the schedules hereto shall not apply to nor affect in any way the Chicoutimi extension first mortgage bond No. 039 of the Quebec and Lake St. John Railway Company, for one hundred and twenty-five thousand dollars (\$125,000.00) dated 18th April 1897, and payable on the 1st January 1913, and no conversion heretofore made under any act or to be made under the provisions of this act shall in any way affect the rights of the Government of the Province in the said bond. Certain bonds not affected.

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

SCHEDULE A.

THIS AGREEMENT made the 16th day of February 1911

BETWEEN

THE QUEBEC AND LAKE ST. JOHN RAILWAY COMPANY, duly incorporated by act of the Legislature of the Province of Quebec (hereinafter called "the Quebec Company")

Of the first part ;

THE RAILWAY SHARE TRUST AND AGENCY COMPANY LIMITED (hereinafter called "the trustees")

Of the second part

AND

THE CANADIAN NORTHERN RAILWAY COMPANY a Company duly incorporated by special acts of the Parliament of the Dominion of Canada

Of the third part.

Whereas the Quebec Company has now outstanding £500,000 prior lien bonds being the whole of an authorized issue of £500,000 of such bonds secured by trust deeds in favour of the trustees dated the 12th day of March 1901, the 12th day of November 1904, and the 6th day of April 1906 hereinafter referred to as "the prior lien trust deeds."

And whereas the Quebec Company has outstanding £442,400 First Mortgage Bonds being the whole of an authorized issue of £442,400 such bonds (but of which £6,425 have only been issued as collateral security and subject to the charges thereon are held by the Quebec Company) secured by trust deeds in favour of the Trustees dated the 23rd day of May 1901 and the 12th day of November 1904 (hereinafter referred to as "the First Mortgage Trust Deeds.")

And whereas the Quebec Company has outstanding £640,400 of Income Bonds being the whole of an authorized issue of £640,400 of Income Bonds (but of which £21,127 have only been issued as collateral security and subject to the charges thereon are held by the Quebec Company) secured by Trust Deeds in favour of the Trustees dated the 23rd day of May 1901 and 12th day of November 1904 (hereinafter referred to as "the Income Trust Deeds.")

And whereas the Lake St. Joseph Hotel Company has outstanding an issue of £10,000 of First Mortgage Bonds

which are unconditionally guaranteed as to both principal and interest by the Quebec Company (which Bonds are hereinafter referred to as "the Hotel Bonds.")

And whereas the Trustees have under the powers conferred upon them by the Prior Lien First Mortgage and Income Trust Deeds and in pursuance of all other powers in that behalf them enabling, appointed Mr. A. J. Gorrie to be Receiver of the property and undertaking of the Quebec Company.

And whereas the Quebec Company has agreed with the Trustees with the concurrence of the holders of a majority in value of the Prior Lien Bonds the First Mortgage Bonds, the Income Bonds and the Hotel Bonds to create a new issue of First Mortgage Debenture Stock (hereinafter called the New Debenture Stock) to be constituted and secured as hereinafter mentioned and to offer to the existing Bondholders of the Quebec Company and to the holders of the Hotel Bonds the right to exchange their said existing bonds for the New Debenture Stock respectively on the terms hereinafter appearing.

And whereas the Canadian Northern Railway Company has agreed to guarantee unconditionally the New Debenture Stock both as to principal and interest.

Now it is hereby agreed by and between the parties hereto as follows:—

1. The Quebec Company shall with all reasonable dispatch take such steps as may be required to effectually create the new Debenture Stock to be constituted and secured by a Trust Deed in favour of the National Trust Company Limited of Toronto and the British Empire Trust Company Limited of England as joint Trustees. The said Trust Deed shall provide (*inter alia*) the following points.—

(a) That the new Debenture Stock shall be secured as a first mortgage and charge upon the whole of the property and undertaking of the Quebec Company including the Lake St. Joseph Hotel property.

(b) That the total amount of the new Debenture Stock shall be limited to—

1. An amount sufficient to provide for the exchange of the whole of the outstanding Prior Lien First Mortgage and Income Bonds and the Hotel Bonds respectively on the terms hereinafter mentioned and for the payment of all remuneration costs, charges and expenses of the Trustees and of the Receiver and of the holders of the Hotel Bonds and the costs, charges and expenses of the Bondholders' committees.

2. An amount sufficient to provide for the payment of the present floating indebtedness of the company amounting in all to the sum of \$1,570,000 or thereabouts.

3. An amount not exceeding \$430,000 for the purpose of providing for the additional rolling stock and equipment now required.

4. An amount equal to \$30,000 per mile of line of railway hereafter constructed or contracted to be constructed by the Quebec Company after deducting therefrom any amount for the time being outstanding of any mortgages or securities guaranteed by the Dominion Government or the Government of any Province of Canada and for the time being ranking on such line of railway in priority to the new Debenture Stock.

5. An amount equal to the amount by which any mortgages or securities guaranteed by the Dominion of Canada or any of the Provinces thereof that may hereafter be secured on the Quebec Company's lines of railway or any part thereof in priority to the new Debenture Stock exceed \$30,000 per mile of the lines on which they are secured as a first mortgage or charge.

6. An amount equal to the cost price to the Quebec Company of any rights of way or land purchased or to be purchased by the Quebec Company for terminals or any other purposes in connection with the construction, operation and maintenance of the Quebec Company's lines of railway or any of them.

7. An amount equal to the cost price to the Quebec Company of any bonds, stocks, shares, or securities of any other company which may hereafter from time to time be deposited with the Trustees with their consent and specifically mortgaged by way of first mortgage as additional security for the new Stock.

8. An amount sufficient to provide for the actual cost of providing permanent betterments or improvements to or in connection with the Quebec Company's undertaking and in particular the cost of steel bridges, new or enlarged engine sheds, repair shops or freight yards, double tracking and other similar improvements.

(c) That the Quebec Company shall be entitled to create charges on any extension of the existing line or new line of railway respectively hereafter constructed ranking in front of the new Debenture Stock provided such charges are guaranteed as to principal and interest by the Government of the Dominion of Canada or by one of the Provinces of the said Dominion.

(d) That the new Debenture Stock shall be guaranteed unconditionally both as to principal and interest by the Canadian Northern Railway Company.

(e) That the interest on the new Stock shall be payable on the first day of July and the first day of January in each

year the first payment of a full half-year's interest being made on the 1st July 1911.

(f) That the new Stock shall carry interest at the rate of 4 per cent, per annum.

(g) That the new Stock shall be perpetual.

(h) The Trust Deed shall contain all usual and proper provisions and in particular the ordinary Stock Exchange provisions for the holding of meetings of the Stockholders and the binding of the whole of the Stockholders by a prescribed majority by Extraordinary Resolution passed at meetings of the Stockholders duly convened and held.

2. The Trustees and the Quebec Company shall forthwith concur in calling meetings of the Prior Lien, First Mortgage and Income Bondholders and the Trustees and the Quebec Company shall each use their best endeavours to procure all necessary Resolutions to be passed at such meetings so as to bind the holders of the whole of the Prior Lien, First Mortgage and Income Bonds to exchange their said Bonds for the new Debenture Stock on the terms and conditions hereinafter mentioned. Such exchange to be made in the case of Prior Lien Bonds through the medium of the Prior Lien Bondholders Committee of 99 Gresham Street in the City of London and in the case of the First Mortgage and Income Bonds through the medium of the Bondholders Protection Committee of 75 and 76 Lombard Street in the said City.

3. So soon as the said Resolutions have been passed at the meetings of the Bondholders above referred to the Quebec Company shall apply to the Legislature of the Province of Quebec and of the Dominion of Canada for legislative sanction to the creation of the new Debenture Stock and the exchange of such Debenture Stock for the said Prior Lien, First Mortgage and Income Bonds and Hotel Bonds and the Quebec Company shall use its best endeavours to procure from the said Legislatures the confirmation and approval of the terms upon which the said Bonds are to be exchanged for the new Debenture Stock so as to render the same absolutely binding upon the holders of the whole of the said Bonds. The Trustees shall at the cost of the Quebec Company support the application of the Quebec Company to the Legislatures and use their best endeavours to facilitate the obtaining by the Quebec Company of the legislative sanction and approval above referred to.

4. If and so soon as such legislative sanction and approval as aforesaid have been obtained and the holders of the whole of the said Bonds have become bound or have agreed to exchange

their said Bonds for the new Debenture Stock and the draft Trust Deed securing the new Debenture Stock shall have been approved by all necessary parties or failing approval shall have been settled by Mr. Robert Younger K. C. or failing him some other King's Counsel practising in London to be nominated by the President of the Law Society for the time being and all remuneration, costs, charges and expenses of the Trustees and of the Receiver and of the holders of the Hotel Bonds and £9,300 the agreed sum of the costs, charges and expenses of the Bondholders Committees shall have been paid or provided for the Trustees shall at the cost of the Quebec Company concur with the Quebec Company in releasing from the Mortgage or Mortgages created to secure the Prior Lien, First Mortgage and Income Bonds by or in accordance with the Prior Lien Trust Deeds the First Mortgage Trust Deeds and the Income Trust Deeds the whole of the property assets and undertaking of the Quebec Company and the Quebec Company shall thereupon forthwith execute and record the said Trust Deed securing the new Debenture Stock in the manner hereinbefore provided. The Trustees shall on signature of this Agreement and upon payment of all remuneration, costs, charges and expenses of the Trustees and of the Receiver and of the holders of the Hotel Bonds and the aforesaid agreed sum of £9,300 in respect of the costs, charges and expenses of the Bondholders Committees concur with the Quebec Company in taking such steps as may be necessary to obtain the discharge of the said A. J. Gorrie as Receiver and to terminate the Receivership, if requested so do to by the Canadian Northern Railway Company.

5. The terms upon which the different classes of Bondholders of the Quebec Company aforesaid and holders of the Hotel Bonds are to be entitled to exchange their Bonds for the new Debenture Stock shall be as follows:

(a) Each holder of £100 of Prior Lien Bonds shall be entitled to receive on surrender of such Bonds to the Quebec Company together with the coupon for the interest due 1st October 1910 and all subsequent coupons £100 of the new Debenture Stock.

(b) Each holder of £100 of First Mortgage Bonds shall be entitled to receive on surrender of such Bonds to the Quebec Company together with all unpaid coupons whether matured or not £70 of the new Debenture Stock.

(c) Each holder of £100 of Income Bonds shall be entitled to receive on surrender of such Bonds to the Quebec Company together with all unpaid coupons whether matured or not £13 of the New Debenture Stock.

(d) Each holder of £100 of the Hotel Bonds will be entitled

to receive on surrender of such Bonds to the Quebec Company together with all unpaid coupons whether matured or not £100 of the new Debenture Stock.

6. The new Debenture Stock to be issued by the Quebec Company in exchange for its said outstanding bonds as aforesaid shall carry a full half-year's interest due on the 1st July 1911 but shall not bear any interest for any period prior to the 1st January 1911.

7. The Canadian Northern Railway Company agrees that provided the Trust Deed securing the new Debenture Stock of the Quebec Company is in a form approved by it for the purpose of giving effect to this Agreement and provided that the holders of the whole of the outstanding Bonds of the Quebec Company have agreed or become bound to exchange their said Bonds for the new Debenture Stock on the terms above mentioned and provided that the holders of the whole of the outstanding Hotel Bonds have likewise agreed or become bound to accept new Debenture Stock in exchange for their said Bonds it will guarantee unconditionally both as to principal and interest the new Debenture Stock such guarantee to be embodied in the Trust Deed securing the new Debenture Stock which shall be executed by the Canadian Northern Railway Company under its Seal and if and in so far as necessary or expedient to render such guarantee in all respects efficient and effectual the Canadian Northern Railway Company will apply for and exercise its best endeavours to obtain the legislative sanction thereto of the Dominion and Provincial Parliaments as the case may require.

8. This Agreement is conditional upon the holders of the whole of the outstanding Bonds of the Quebec Company and the holders of the whole of the Hotel Bonds outstanding respectively agreeing or becoming bound to exchange their said respective Bonds for the new Debenture Stock of the Quebec Company on the terms above mentioned and is also conditional upon the Quebec Company and the Canadian Northern Railway Company respectively obtaining the necessary legislative sanction to the creation and issue and guarantee of the new Debenture Stock.

9. Any notice required to be given to any or either of the parties by any other or others of them may be served by sending the same addressed to them at their respective Head Offices for the time being in a prepaid registered letter and any such notice shall be deemed to have been served in the ordinary course of post.

which expression shall wherever the context so requires or admits include the said Companies and all other the persons or companies for the time being Trustees of these presents).

Of the second part.

AND

THE CANADIAN NORTHERN RAILWAY COMPANY duly incorporated by Special Acts of the Parliament of the Dominion of Canada (hereinafter called "the Canadian Northern")

Of the third part.

Whereas the Company owns and operates the lines of railway with sidings terminals equipment and conveniences hereinafter described or referred to and anticipates that it will hereafter acquire or construct and own and operate other lines of railway.

And whereas the Company has issued and has outstanding the following series of Bonds all charged or secured or formerly charged or secured upon its existing railways and other properties or parts thereof namely:—

(a) A series of Five hundred thousand pounds of Prior Lien Bonds secured by Trust Deeds in favour of the Railway Share Trust & Agency Company Limited (hereinafter called "the Agency Company,") dated the Twelfth day of March One thousand nine hundred and one the Twelfth day of November one thousand nine hundred and four and the Sixth day of April one thousand nine hundred and six (hereinafter referred to as "the prior lien trust deeds") and the whole of such Bonds have been issued and are outstanding.

(b) A series of four hundred and forty-two thousand four hundred pounds of first mortgage bonds secured by trust deeds in favour of the agency company dated the twenty-third day of May one thousand nine hundred and one and the twelfth day of November one thousand nine hundred and four (hereinafter referred to as the first mortgage trust deeds) and the whole of such bonds have been issued and are still outstanding but of such bonds six thousand four hundred and twenty-five pounds have only been issued as collateral security and subject to the charges thereon belong to the company.

(c) A series of six hundred and forty thousand four hundred pounds of income bonds secured by trust deeds in favour of the agency company dated the twenty-third day of May one thousand nine hundred and one and the twelfth day of November 1904 (hereinafter referred to as "the income trust deeds") and the whole of such bonds have been issued

and are outstanding but of such bonds twenty-one thousand one hundred and twenty-seven pounds have only been issued as collateral security and subject to the charges thereon belong to the Company.

And whereas the company owns and holds in its own name or the names of its nominees the whole of the capital stock of the Lake St. Joseph Hotel Company (hereinafter called "the Hotel Company") which company formerly owned certain hotel property and other premises included in the premises hereby charged and the Hotel company has created and has outstanding a series of ten thousand pounds of first mortgage bonds which are secured or were formerly secured by a mortgage or charge upon its said properties and are unconditionally guaranteed as to both principal and interest by the company.

And whereas [here will follow recitals of the act of the Quebec Legislature proposed to be obtained as provided by clause 3 of the draft agreement and also recitals of any meetings of the bondholders held and resolutions passed for rendering such bondholders bound to accept debenture stock to be secured by this deed in exchange for their existing bonds.]

And whereas [here will be recited the provisions of the said acts relating to the Hotel Company. As the new stock is to be secured by a charge on the property of the Hotel Company we assume that the act will provide for the winding up of the Hotel Company and the transfer of its property to the company as well as for the exchange of its bonds for the new stock. All relevant resolutions if any of the bondholders of the Hotel Company should also be recited here.]

And whereas [here will be recited the reconveyances to be executed by the agency company pursuant to clause 4 of the draft agreement under the provisions of the acts to be passed as aforesaid and also the conveyances or documents under which the property of the Hotel Company is vested in the company freed from its present bond issue.]

And whereas by an act of the Parliament of the Dominion of Canada being 4 Edward VII, chapter 60, section 7 the Canadian Northern are authorized to guarantee in whole or in part the payment of the principal or interest of the bonds debentures or other securities of any railway company or any transportation, navigation, telegraph, express, hotel or other company provided that the terms of the Agreement respecting such guarantee have been approved by resolution of the shareholders of the Canadian Northern and by the Governor in Council.

And whereas the requirements of the said act have been duly complied with in all particulars and the Canadian Northern is authorized to give the guarantee hereinafter referred to.

And whereas in pursuance of the hereinbefore recited act of the Legislature of the Province of Quebec the company has determined to create and issue four per cent. first mortgage debenture stock to such amounts as hereinafter mentioned and to constitute and secure the same in manner hereinafter appearing and the Canadian Northern has agreed to guarantee the principal and interest of such stock as hereinafter appearing.

And whereas it is intended that the said stock shall or may be held and registered both in England and in Canada and that all such stock whether registered in the English Register or in the Canadian Register shall be held and transferred in sums of one pound sterling or multiples thereof.

And whereas it is intended that the certificates of said debenture stock when registered in the English Register shall be in the form or substantially in the form set forth in the first schedule hereto and that those for the stock registered in the Canadian Register shall be in the form or substantially in the form set forth in the second schedule hereto.

And whereas all necessary and requisite by-laws and resolutions of the directors and shareholders of the company and of the Canadian Northern have been duly passed so as to make the creation and issue of the said debenture stock and the execution of these presents and the guarantee thereof by the Canadian Northern legal and valid and in accordance with the statutes relating to the company and the Canadian Northern and all other statutes and laws in that behalf.

And whereas these presents have been duly submitted to and approved by the shareholders and directors of the company at meetings duly called and held to consider the same.

And whereas the foregoing recitals are made as representations and statements of fact by the company and not by the trustees.

Now this indenture witnesseth and it is hereby agreed and declared as follows:—

1. In these presents unless there is something in the subject or context inconsistent therewith the expressions following shall have the following meanings namely:—

The "stock" means the principal amount of the said four per cent. first mortgage debenture stock of the company for the time being outstanding hereunder.

The "stockholders" means the several persons for the time being entered in one or other of the registers hereinafter mentioned as holders of the stock.

The "specifically mortgaged premises" means all the railways lands buildings and other immoveable property and the privileges franchises and powers now owned or at any time hereafter acquired by the company and all other property

hereby expressed to be assured to or mortgaged or charged by way of fixed and specific charge in favour of the trustees and all other property from time to time and for the time being assured to or mortgaged or charged in favour of the trustees by way of a fixed and specific security for the payment of the moneys intended to be hereby secured.

The "mortgaged premises" means and includes the specifically mortgaged premises and all other the property hereby mortgaged or charged with the payment of the moneys aforesaid.

And words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine and words importing persons shall include corporations.

2. The company hereby covenants with the trustees that it will as and when the principal of the stock shall be declared or become payable as hereinafter provided pay to the trustees the principal amount of the stock for the time being outstanding and will in the meantime and until such payment pay to the trustees interest on the principal amount of the stock for the time being outstanding at the rate of four per cent. per annum by equal half-yearly payments on the dates mentioned in the stock certificates provided that every payment to the stockholders on account of principal or interest upon the stock held by them respectively shall be a satisfaction *pro tanto* of the covenant by the company in this clause contained.

3. The Canadian Northern in pursuance of the powers conferred upon it by the hereinbefore recited act of the Parliament of the Dominion of Canada and of all other powers thereunto enabling it hereby absolutely and unconditionally guarantees the due payment by the company of the principal and interest of the stock for the time being outstanding in pursuance of the covenant on the part of the company contained in the last preceding clause hereof and shall forthwith execute as a separate document and deliver to the trustees a general guarantee of the principal and interest of the stock in the form to be endorsed upon the form of stock certificate as set forth in the first and second schedules hereto.

4. The principal amount of the stock to be issued hereunder shall not exceed the total of the following amounts namely:—

(a) £

being the amount required under the hereinbefore recited act of the Legislature of the Province of Quebec to be issued in exchange for the said outstanding issues of prior lien bonds first mortgage bonds and income bonds of the company and the said outstanding issue of bonds of the Hotel Company at the rates of exchange specified in the said acts as hereinbefore recited. Stock to this amount shall be certified by the

trustees forthwith and delivered over to the company for exchange for equivalent amounts at the rates of exchange aforesaid of the said prior lien first mortgage and income bonds of the company and bonds of the Hotel Company.

(b) A further amount of £ certificates for which amount shall be certified and delivered by the trustees to the company as and when required by it.

(c) A further amount sufficient to satisfy or to raise the moneys required for payment of the present floating indebtedness of the company amounting to the sum of one million five hundred and seventy thousand dollars or thereabouts. The company shall under its seal certify the amount of stock requiring to be issued for this purpose and such certificate shall be conclusive authority to the trustees to certify and deliver to the company certificates for stock to the amount stated in such certificate.

(d) An amount not exceeding four hundred and thirty thousand dollars for the purpose of providing additional rolling stock and equipment now required for the company's existing lines of railway. The certificate of the company under its seal counter-signed by the engineer to be appointed by the Canadian Northern (hereinafter called "the said engineer") shall be conclusive as to the amount of stock authorized to be issued under this head and shall conclusively authorize the trustees to certify and deliver certificates for the amount of stock named in such certificate.

(e) A further amount equal to thirty thousand dollars per mile of line of any additional lines of railway hereafter constructed or under contract to be constructed by the company (hereinafter called "the company's future lines of railway") less an amount equal to the total principal amount for the time being secured by all other bonds debenture stocks mortgages or securities guaranteed by the Government of the Dominion or of any of the Provinces of Canada and charged upon such future lines of railway or any part or parts thereof ranking thereon in priority to the charge created by these presents. Before the company shall be entitled to issue any stock hereunder in respect of any future line of railway not already constructed the company shall prove to the satisfaction of the trustees that it is under contract to construct such line and the proceeds of any stock issued in respect of any such line not actually constructed when such stock is issued shall be paid into a joint account in the joint names of the trustees at some bank to be nominated by the trustees and shall only be paid out therefrom against certificates of the said engineer that such payment ought to be made having regard to the work done and property acquired in connection with the construction of such line.

(f) A further amount equal to the amount by which the principal amount of any bonds debentures stocks mortgages or other securities of the company charged on any part of the company's future lines of railway in priority to the charge hereby created and guaranteed by the Government of the Dominion or of any of the Provinces of Canada exceeds thirty thousand dollars per mile of the part of the said lines upon which they are so charged as aforesaid.

(g) A further amount equal to the cost price to the company of any rights of way or land hereafter purchased or under contract to be purchased by the Company for terminals or any other purposes in connection with the construction, operation and maintenance of the company's railway or any part thereof. Before the trustees shall be bound to certify or deliver any stock under this head the company shall be bound to satisfy the trustees that it has purchased or agreed to purchase such rights of way or land and shall also in the case of land already purchased duly convey or mortgage the same to the trustees (free from any other encumbrance) as part of the specifically mortgaged premises hereunder. Where any stock is issued under this heading in respect of rights of way or land not already purchased and paid for by the company the trustees shall not certify or deliver the certificates for such stock except upon the terms that the proceeds thereof shall be paid into such joint account as aforesaid and shall only be paid out therefrom against certificates of the said engineer that such payments ought to be made having regard to the rights of way or lands acquired.

(h) A further amount equal to the cost price to the company of any bonds or other securities or stocks or shares of any corporation (other than the company) which shall hereafter (with the consent of the trustees which they shall have absolute discretion to give or withhold without incurring any responsibility or liability) be deposited with and specifically mortgaged by way of first mortgage to the trustees as part of the specifically mortgaged premises hereunder.

(i) A further amount sufficient to provide for or recoup to the company the actual net cost of any permanent betterments, or improvements hereafter constructed or effected by the company to or in connection with any part of its undertaking and in particular the cost of steel bridges new or enlarged engine shops repair shops or freight yards double tracking and other similar improvements. Before the company shall be entitled to issue or the trustees shall be bound to certify or deliver any stock under this heading in respect of betterments or improvements constructed or provided the company shall satisfy the trustees that such betterments or improvements have actually been constructed or provided and that the same

form part of the specifically mortgaged premises hereunder. Where any stock is issued under this heading in respect of any betterments or improvements proposed to be constructed or provided by the company but for which the company has not actually paid the trustees shall not certify or deliver the certificates for such stock except upon terms that the proceeds thereof shall be paid into such joint account as aforesaid and shall only be paid out therefrom against certificates of the said engineer that such payments ought to be made having regard to the work done and property acquired for the purposes of the said betterments or improvements.

Provided that for the purposes of this clause one pound sterling shall be taken to be the equivalent of four dollars eighty-six and two-thirds cents in gold coin of the present standard of weight and fineness.

5 Whenever under the preceding clause the trustees are required to be satisfied on any matter or thing the trustees may accept a certificate under the hands of the president or vice-president or any two directors of the company countersigned by or on behalf of the Canadian Northern by any of its officers or by the said engineer as sufficient evidence thereof and shall not be concerned or bound to require further evidence or be responsible for any loss or damage occasioned by their failing so to do. And whenever under the preceding clause hereof any payment is directed to be made out of the joint account therein referred to on the certificate of the said engineer the trustees may accept any certificate purporting to be signed by any person acting or purporting to act as the engineer, of the Canadian Northern as authentic and as conclusively authorising and requiring them to make payments to the amount and to the persons or companies mentioned in such certificate and shall not be liable or responsible for any damage or loss whatsoever which may be occasioned by their acting on any such certificate and treating the same as authentic.

6. All moneys paid into any such joint account as aforesaid shall until paid out pursuant to any provision hereof form part of the specifically mortgaged premises and until the same are required to be paid out may be invested in the joint names of the trustees or one of them and the company and the income of any such investments shall unless the security hereby created shall become enforceable as hereinafter provided be paid over to the company.

7. All stock issued hereunder shall rank *pari passu* and be secured equally and rateably hereby and without discrimination or preference whatever may be the date of issue of the same respectively. And further whenever under the provisions hereinbefore contained the company has become entitled

to issue and has issued stock to a particular amount hereunder it shall at all times thereafter be entitled to have issued and outstanding hereunder stock to that amount unless any stock shall have been purchased out of moneys in the hands of the trustees in pursuance of sub-clause (d) of the proviso in clause 20 hereof and accordingly if the company shall at any time purchase pay off or redeem any stock so issued other than stock so purchased as aforesaid (whether the same has been issued outright or by way of pledge or security only) it shall be at liberty at any time and from time to time thereafter to re-issue the stock so purchased paid off or redeemed or to issue other stock in the place thereof and the trustees shall be bound to certify the same accordingly provided only that the total aggregate principal amount of the stock for the time being outstanding is not increased beyond the total principal amount which the company has at any time become entitled to issue. And all stock so issued or re-issued shall rank *pari passu* in all respects with all other stock issued hereunder and be secured by these presents equally and rateably therewith.

8. Subject as hereinbefore provided the stock may be issued to such persons and on such terms and either at par or at a premium or a discount as the company may think fit.

9. The company will comply with the stock certificates and perform the several conditions endorsed thereon respectively and the stock shall be held subject to such conditions which shall be binding upon the company and the stockholders and all persons claiming through or under them respectively. The stock certificates may be signed by the president or one of the vice-presidents or any two directors and the secretary or assistant-secretary of the company or by the registrar or assistant-registrar and the secretary or assistant-secretary of the company in Canada or by the local registrar or assistant-registrar and local secretary or assistant-secretary of the company in London England.

10. No stock certificate shall be issued or if issued shall be obligatory or binding or entitle the holder to the benefit of the security hereby created unless and until it has been certified by or on behalf of one of the trustees in the form annexed to the forms of stock certificate set out in the first and second schedules hereto or in some other form approved by the trustees.

11. All stock whether registered in the register to be kept in London England as hereinafter provided or in the register to be kept in Canada shall be issued in English sterling.

12. The company hereby grants and conveys to the trustees a first charge for securing the payment of all principal moneys and interest for the time being and from time to time owing

on the security of these presents and all other moneys intended to be hereby secured upon and over the whole of the undertakings and railways of the company including all rights of way terminals station grounds and all other real estate and interests therein hotel buildings and other structures and improvements rolling stock and equipment plant machinery supplies materials and other personal property acquired for the purposes of the said railways or undertakings or in connection with operating repairing maintaining and carrying on the same and the tolls incomes and revenues of the company arising and to arise from the said railways and undertakings and all rights privileges franchises and powers acquired used or held or hereafter acquired, used or held by the company for the purposes of the same or any of them or the operation maintenance or carrying on thereof and all other (if any) the property and assets of the company whatsoever and wheresoever present or future including in particular all the property and assets formerly belonging to the Hotel Company and all lands which have heretofore been or may hereafter be granted or agreed to be granted to the company its predecessors or successors by the Governments of the Dominion of Canada or any province thereof or any other Government or municipality as a land subsidy or bonus or assistance in aid of the construction or acquisition of lines of railway or otherwise and all present and future subsidies bonuses and assistances in money or otherwise from any such Governments or municipalities. Such charge shall as regards the present or future railway lines rights of way terminals station grounds lands land grants buildings and other immoveable property and the privileges franchises and powers of the company and all bonds or other securities and shares and stocks of other companies owned by the company be a fixed and specific charge but as regards all the other property and assets of the company such charge shall be a floating charge and shall accordingly in no wise hinder or prevent the company until the security hereby constituted shall have become enforceable from selling alienating or otherwise disposing of or dealing with such property and assets in the ordinary course of its business but so that the Company shall not (except as herein expressly provided) have power to create any mortgage or charge upon any of its property or assets ranking in priority to or *pari passu* with the charge thereon created hereby or pursuant hereto.

13. It is hereby expressly declared that the company may from time to time issue and may secure by means of mortgages or trust instruments creating re-creating or continuing mortgages charges or liens upon all or any part of the Company's future lines of railway hereby charged and containing such terms covenants powers and conditions

as to realisation or otherwise as the company may think necessary any bonds debenture stock or other securities of the company which are guaranteed as to principal and interest by the Dominion of Canada or any of the provinces thereof. And that all bonds debenture stock and securities so issued and all mortgages charges or liens whether fixed or floating so created for securing the same shall whatever the date of issue of the same have priority over the Stock hereby constituted and secured and the mortgage charge or lien of these presents and that these presents and all the provisions herein contained shall have effect subject to and to the provisions of any such mortgages or trust instruments as aforesaid.

14. The company shall at all times when so required by the trustees or the Canadian Northern execute sign and do all deeds documents and things required by the trustees or the Canadian Northern for perfecting the security intended to be hereby created and rendering the same valid and effective in every respect. And in particular if and so often as the company shall hereafter acquire or become entitled to any immoveable property or other property of such a description that it might under the provisions hereof form part of the specifically mortgaged premises hereunder the company shall forthwith without any request by the trustees or the Canadian Northern execute sign and do all deeds documents and things necessary or desirable for giving to the trustees a valid fixed and specific mortgage charge or security over the same according to the laws of the Province of Quebec or other the place where the same is situate for all principal moneys interest and other moneys intended to be hereby secured and for conferring upon the trustees such powers of sale and other powers over the same premises as are hereby expressed to be conferred upon them with regard to the specifically mortgaged premises.

15. Every such further assurance mortgage charge or security as aforesaid shall as the trustees require either take the form of a conveyance or assurance upon trust for sale or of a mortgage or charge and shall generally be in such form and contain such provisions as the trustees shall reasonably require. And in particular (but without limiting the generality of the foregoing provision) the trustees may require any security upon leasehold property to be in the form of a sub-demise thereof for the term for which the same is held less a nominal reversion with a declaration of trust of the nominal reversion and such other provisions as the trustees think desirable and the trustees shall not be bound to accept an assignment of or otherwise have vested in them any leasehold property or other property subject to onerous conditions.

16. Notwithstanding the charges upon the mortgaged premises hereinbefore contained or any further assurances of or mortgages or charges upon such premises or any part thereof which may be executed by the company in pursuance of any covenant on its part herein contained or implied the trustees shall permit the company to hold, manage and enjoy the specifically mortgaged premises and to carry on its business thereon and therewith and receive retain and deal with the rents profits income and revenues thereof until the happening of some or one of the events, upon the happening of which the security hereby constituted becomes enforceable as hereinafter provided and upon the happening of any such event the trustees may (but subject to the provision hereinafter contained as to notice when such provision is applicable,) in their discretion and shall upon the request in writing of the registered holder or holders of one-tenth part in value of the stock for the time being outstanding or upon the request of the stockholders by an ordinary resolution passed in accordance with the provisions contained in the third schedule hereto (but in any case without any further consent on the part of the company) enter upon and take possession of the mortgaged premises or any part thereof and may as aforesaid at their discretion and shall upon the like request sell call in collect and convert into money the same or any part thereof with full power to sell any of the said premises either together or in parcels and either by public auction or private contract and either for a lump sum or for a sum payable by instalments or for a sum on account and a mortgage or charge for the balance and with full power upon any such sale to make any special or other stipulations as to title or evidence or commencement of title or otherwise which the trustees shall deem proper and with full power to buy in or rescind or vary any contract for sale of the said premises or any part thereof and to re-sell the same without being responsible for any loss which may be occasioned thereby and with full power to compromise and effect compositions and for the purposes aforesaid or any of them to execute and do all such assurances and things as they shall think fit. The trustees are hereby further authorised and empowered either in their own name or in the name of the company to make execute acknowledge and deliver to the purchaser or purchasers of any of the mortgaged premises good and sufficient deeds of assignment transfer or conveyance of the subject matter of the sale and any sale made as aforesaid shall be a perpetual bar both in law and equity against the company and all other persons claiming by through or under it from claiming the subject matter of the sale or any interest therein. The trustees or either of them on behalf and for the benefit of the stockholders or any one or more of the stockholders or any person on their behalf may become purchasers

at any sale of the mortgaged premises whether made under the power of sale hereinbefore contained or pursuant to judicial proceedings and the receipt of the trustees shall be a sufficient discharge to the purchaser or purchasers for his or their purchase money.

17. The security hereby constituted shall become enforceable in each and every of the events following:—

(a) If the company makes default for a period of three calendar months in the payment of any interest owing upon the stock.

(b) If an order is made or an effective resolution passed for winding up the company.

(c) If an encumbrancer takes possession or a receiver is appointed of the mortgaged premises or any part thereof and such taking of possession or appointment of a receiver is in the opinion of the trustees detrimental to the interests of the stockholders.

(d) If a distress or execution be levied or enforced upon or against any of the chattels or property of the company.

(e) If the company ceases to carry on its business.

(f) If the company at any time commits any breach of any covenant condition or provision herein contained and on its part to be observed or performed.

Provided always that the company may and power is hereby expressly reserved to it to amalgamate with any other company and for the purpose of such amalgamation to wind up voluntarily or compulsorily and transfer the mortgaged premises subject to the lien of these presents to any other company and provided that such transferee company shall covenant with the trustees to perform and observe all the obligations of the company hereunder and that the same shall be binding upon it as though it had originally been a party hereto in the place of the company such winding up of the company shall not render the security hereby created enforceable.

18. Before making any such entry as aforesaid or any sale calling in collection or conversion under the trust or power in that behalf hereinbefore contained (hereinafter referred to as "the primary trust for conversion") the trustees (unless they shall certify that in their opinion further delay would imperil the interests of the stockholders or except in the case of such order or resolution as aforesaid having been made or passed) shall give written notice of their intention to the company and shall not execute the primary trust for conversion if in the case of such trust arising by reason of any default in payment of any interest the company shall prove to the trustees the payment of the interest so in arrear within twenty-one days next after such notice shall have been given or if

in the case of such trust arising by reason of any such breach of obligation as aforesaid the company shall forthwith upon receipt of such notice make good the breach thereof to the satisfaction of the trustees.

19. Upon the security becoming enforceable the trustees may and they shall upon being requested in writing by the registered holders of not less than one-tenth of the stock or upon the request of the stockholders by an ordinary resolution passed in accordance with the provisions contained in the third schedule hereto or upon the request of the Canadian Northern under its common seal declare the principal of the stock then outstanding to be due and payable and the same shall upon such declaration become due and payable accordingly. Provided always that no act or omission either of the trustees or of the stockholders or the Canadian Northern in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom. And provided also that in the event of any sale by the trustees of any of the mortgaged premises under the primary trust for conversion the principal of the stock shall *ipso facto* and immediately become payable.

20. The trustees may at any time upon the application and at the cost of the company and with the consent in writing of the Canadian Northern but without any consent by the stockholders (but only if and so far as in their opinion the interests of the stockholders shall not be prejudiced thereby) do or concur with the company in doing all or any of the things following viz:—

(a) Sell all or any of the specifically mortgaged premises on such terms as they may think expedient with power to sell for shares stock debentures debenture stock or other securities or obligations of any company or for a sum on account and a mortgage or other security for the balance.

(b) Let any of the specifically mortgaged premises for any term and either in possession or reversion or on any conditions and either with or without a premium.

(c) Exchange any of the specifically mortgaged premises for any other property real or personal and either with or without payment or receipt of any money for equality of exchange.

(d) Surrender all or any of the specifically mortgaged premises on any terms which may seem expedient.

(e) Set out appropriate dedicate and grant land forming part of the specifically mortgaged premises for the purpose of roads ways canals water-courses gardens places of amusement sites for churches chapels schools and other purposes public or private which may seem expedient.

(f) Assent to the modification of any contracts or arrangements which may be subsisting in respect of any of the specifically mortgaged premises and in particular the terms of any leases or covenants contained therein.

(g) Exercise or permit the Company or any nominee of the company to exercise any powers or rights incident to the ownership of any of the specifically mortgaged premises in such manner as the trustees think fit and in particular (as regards shares stocks and securities) any voting rights conferred by the same and (as regards securities) any rights of enforcing the same by foreclosure sale or otherwise.

(h) Permit the company or any nominee of the company to receive any of the specifically mortgaged premises on an undertaking to deal with the same in a specified manner.

(i) Release any of the specifically mortgaged premises which in the opinion of the trustees are unprofitable or a source of loss or danger to the company.

(j) Settle adjust refer to arbitration compromise and arrange all accounts reckonings controversies questions claims and demands whatsoever in relation to any of the specifically mortgaged premises.

(k) Execute and do all such contracts deeds documents and things and bring defend and abandon all such actions suits and proceedings in relation to any of the specifically mortgaged premises as may seem expedient.

(l) Generally act in relation to the specifically mortgaged premises in such manner and on such terms as to the trustees may seem expedient in the interests of the stockholders.

Provided that all property of any description (other than money) arising from or receivable upon any dealing effected under this clause shall be and become part of the specifically mortgaged premises and shall be assured to or otherwise effectually vested in the trustees accordingly and held by them upon the trusts and with and subject to the powers and provisions (including those contained in this present clause) by and in these presents declared and contained concerning the specifically mortgaged premises. And provided also that all net capital moneys arising from or receivable upon any such dealing as aforesaid and remaining after payment thereof of the costs and expenses of and incidental to such dealing shall be and become part of the specifically mortgaged premises and be received by the trustees and shall at the discretion of the trustees either (a) be applied in the purchase of hereditaments of any tenure in any part of the world which shall be vested in or mortgaged or charged in favour of the trustees so as to become part of the specifically mortgaged premises or (b) be applied in or towards the improvement development or betterment of the specifically mortgaged premises in any

manner or the erection of fixed machinery or plant on any part thereof or (c) be applied in recouping to the company any sums expended by it out of its moneys or assets not forming part of the specifically mortgaged premises upon or for any of the purposes specified in the two last preceding sub-paragraphs of this clause or (d) be applied in the purchase in the market at any price not above par and cancellation of any of the stock (and so that any stock so purchased shall not be re-issued nor shall any other stock be issued in the place thereof) or (e) be invested in the names of the trustees as part of the specifically mortgaged premises with power to the trustees from time to time to vary and realise any such investments and employ the proceeds of realisation as if they arose from a dealing effected under this clause and such investments until realised shall be held by the trustees upon trust until the primary trust for conversion shall arise to pay the income thereof to the company.

21. At any time after the trustees shall have made such entry as aforesaid and until the whole of the mortgaged premises shall be realized the trustees shall have power at their discretion to do each and every of the following things:—

(a) Carry on the business of the company in and with the mortgaged premises and manage and conduct the same as they shall think fit without being responsible for loss or damage with power to appoint and dismiss managers agents attorneys workmen. servants and others as they think proper.

(b) Make and effect all repairs and insurances and do all other acts which the company might do in the ordinary conduct of its business as well for the protection as for the improvement of the mortgaged premises.

(c) From time to time borrow with the consent in writing of the Canadian Northern such sum or sums of money as may be required for the purposes of the business and undertaking of the company and secure the same by mortgage or otherwise upon the mortgaged premises in priority to the stock as they shall with such consent think fit but the amount for the time being so borrowed and outstanding shall not exceed the sum of £10,000 without the sanction of an ordinary resolution passed by the stockholders in accordance with the provisions contained in the third schedule hereto.

(d) Do with the consent in writing of the Canadian Northern but without the application or consent of the company and as regards not only the specifically mortgaged premises but also the residue of the mortgaged premises any act or thing which the trustees are hereinbefore authorized to do as regards the specifically mortgaged premises upon the application of the company.

22. At any time after the security hereby constituted shall

have become enforceable the trustees may in their discretion and shall upon the request in writing of the registered holders of one-tenth part in value of the stock for the time being outstanding or upon the request of the stockholders by an ordinary resolution passed in accordance with the provisions contained in the third schedule hereto and without further notice appoint in writing one or more persons to be a receiver or receivers of all or any part of the mortgaged premises with power from time to time to remove any receiver so appointed and appoint another in his place. And every receiver so appointed shall have power to take immediate possession of the mortgaged premises or any part thereof and to exercise all or any of the powers hereby conferred upon the trustees.

23. The trustees shall have power from time to time to fix the remuneration of any receiver appointed by them and direct payment thereof out of the mortgaged premises.

24. The trustees shall not nor shall any such receiver as aforesaid by reason of any entry into possession of the mortgaged premises or any part thereof be liable to account as mortgagees or mortgagee in possession or for anything except actual receipts or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable but every receiver duly appointed under these presents shall be deemed to be the agent of the company and the company and not the trustees shall alone be responsible for all the acts and defaults of any such receiver and liable on all contracts and engagements entered into by him.

25. No person dealing with the trustees or any receiver appointed by them or their or his agents shall be concerned to enquire whether the security hereby constituted has become enforceable or whether the power which the trustees or the receiver is purporting to exercise has become exercisable or whether any money remains due upon the security of these presents or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made or otherwise as to the propriety or regularity of any sale or any other dealing by the trustees or such receiver with the mortgaged premises or to see to the application of any money paid to the trustees or to any receiver and in the absence of fraud on the part of such person such dealing shall be deemed so far as regards the safety and protection of such person to be within the powers hereby conferred and to be valid and effectual accordingly.

26. All moneys to arise under the primary trust for conversion and all moneys received under any of the powers hereby conferred upon the trustees or upon the receiver after the

security hereby constituted has become enforceable shall be held by the trustees or by the receiver receiving the same (subject to the repayment of any advances having priority to the stock) upon trust to apply the same for the following purposes and in the following order of priority:—

(a) In payment of all costs charges and expenses incurred and payments made by the trustees or the receiver under any of the provisions herein contained and of all remuneration payable to the trustees or any receiver hereunder with interest thereon as hereinafter provided.

(b) In payment of the interest owing upon the stock *pari passu* and not already paid by the Canadian Northern under its guarantee.

(c) In payment of the principal moneys owing upon the stock *pari passu* and not already paid by the Canadian Northern under its guarantee.

(d) In re-payment to the Canadian Northern of all sums paid by it under its guarantee with interest thereon from the date of payment at five per cent. per annum.

And the surplus (if any) shall be paid to the company. Provided always that if at the time when any moneys become distributable as aforesaid the principal of the stock shall not have become or been declared payable any such moneys as aforesaid remaining after payment of all arrears of interest upon the stock not paid by the Canadian Northern under its guarantee shall be applied in repayment to the Canadian Northern of any sums already paid by it under its guarantee on account of the interest on the stock and the balance if any of such moneys shall be retained by the trustees to meet subsequent interest or principal becoming payable and in the meantime may be invested by them and the income on such investments accumulated and added to the moneys retained. Provided that in the event of possession of the mortgaged premises being subsequently restored to the company as hereinafter provided any such balance of the said moneys shall be paid over to the company.

27. Provided always that if the amount of the moneys at any time apportionable on account of the principal moneys owing upon the stock under the last preceding clause hereof shall be less than ten per cent, on the amount of the outstanding stock the trustees may at their discretion invest such moneys upon some or one of the investments hereinafter authorized with power from time to time at the like discretion to vary such investments and such investments with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the trustees and applicable for the purpose shall amount to a sum sufficient to pay ten per cent. upon the amount

of the outstanding stock and then such accumulation and funds shall be applied in manner aforesaid.

28. The trustees or the receiver shall give not less than seven days' notice to the stockholders of the day fixed for any payment to them on account of the principal moneys owing upon the stock under the provisions herein contained and after the day so fixed the stockholders shall be entitled to interest on the balance only (if any) of the principal moneys owing on the stock held by them after deducting the amount (if any) payable in respect thereof on the day so fixed.

29. The receipt of the registered holder of any stock for the principal money and interest thereby secured or any part thereof shall be a good discharge to the trustees or to any receiver.

30. Upon any payment under the provisions herein contained on account of the principal moneys owing upon the stock the certificates of the stock in respect of which such payments shall be made shall be produced to the trustees making such payment who shall cause the same to be cancelled and a new certificate to be issued for any balance outstanding thereon but the trustees may in any particular case dispense with the production of a stock certificate upon such indemnity being given as they shall think sufficient.

31. Any moneys which under the trusts herein contained ought to be invested may be invested in the names of the trustees or either of them in any of the investments for the time being authorized by law in England or Canada for the investment by trustees of trust moneys or may be placed on deposit in the names or name of the trustees or either of them at such bank or banks or they or it may think fit.

32. If at any time after the trustees shall have made such entry or appointed such receiver as aforesaid and before any part of the mortgaged premises shall have been sold under the primary trust for conversion or the principal of the stock shall have been declared immediately payable all arrears of interest (if any) on the stock (including the repayment to the Canadian Northern of any such interest paid by it under its guarantee) and all costs charges and expenses incurred by the trustees and any receiver and interest thereon as herein provided shall be paid and discharged either by the company or by the trustees or the receiver out of the income and revenue of the mortgaged premises and the company shall also make good to the satisfaction of the trustees any other matter in which it is in default the trustees may and if so directed by such proportion of or by such resolution of the stockholders as hereinbefore mentioned and by the Canadian Northern under its common seal shall restore possession of the mortgaged premises to the company and thereupon the

company and all persons concerned shall be restored to their original rights as if the event of default in respect whereof such entry or appointment of a receiver was made had not occurred without prejudice to the rights of the trustees or any other persons in the event of any subsequent event or default.

33. After the security hereby constituted shall have become enforceable the company shall from time to time and at all times execute and do all such assurances and things as the trustees may reasonably require for facilitating the realisation of the mortgaged premises and for exercising all the powers authorities and discretions hereby conferred on the trustees and in particular the company shall execute all transfers conveyances assignments and assurances of the mortgaged premises whether to the trustees or to their nominees and shall give all notices orders and directions which the trustees may think expedient and for the purposes of this clause a certificate in writing signed by the trustees to the effect that any particular assurance or thing required by them is reasonably required by them shall be conclusive evidence of the fact.

34. The company hereby irrevocably appoints the trustees to be the attorneys of the company and in the name and on behalf of the company to execute and do any assurances and things which the company ought to execute and do under the covenants herein contained and generally to use the name of the company in the exercise of all or any of the powers hereby conferred on the trustees or any receiver appointed by them.

35. The company hereby covenants with the trustees that it will at all times during the continuance of this security:—

(a) Carry on and conduct its business in a proper and efficient manner.

(b) Keep proper books of account and allow each of the trustees or any receiver or any person appointed by any of them free access to the same at all reasonable times during business hours.

(c) Give to the trustees or either of them or any such person as aforesaid any reasonable information which they or he may require relating to the affairs of the company.

(d) Keep all railway bridges trestles and buildings forming part of the specifically mortgaged premises and all plant machinery works fixtures fittings implements utensils and other effects thereon or therein in a good state of repair and in good working order and condition and permit the trustees at all reasonable times to enter upon the mortgaged premises and view the state of the same.

(e) Insure and keep insured against loss or damage by fire all bridges trestles buildings structures plant machinery and

rolling stock of the company and all such of the chattels of the company as are of a nature usually insured by railway companies to an amount which will reasonably protect the same in a manner satisfactory to the trustees and duly pay all premiums or other sums payable for that purpose and produce to the trustees when and if required all policies or other necessary evidence of such insurance and the receipts for all premiums or other sums payable in respect thereof. All moneys received under any such policy shall be applied to the satisfaction of the trustees in restoring the mortgaged premises if so required by the trustees. Neglect or failure on the part of the company to effect or maintain any such insurance shall entail no liability upon the trustees and shall cast no duty upon the trustees to insure or keep insured.

(f) Pay all taxes rates levies assessments impositions and outgoings government municipal or otherwise imposed upon or payable in respect of the mortgaged premises or any part thereof as and when the same shall become payable and also punctually pay and discharge all debts and obligations to labourers mechanics clerks and others which may by the laws of the Dominion or any of the Provinces of Canada or other places where the mortgage premises are respectively situate have priority over the security hereby created.

36. The company shall at all times keep at an office in Canada an accurate register showing the amount of the stock for the time being issued to persons resident in Canada or which has been transferred to the Canadian register by request of the stockholders as hereinafter mentioned and the date of issue and all subsequent transfers or changes of ownership thereof and the names addresses and descriptions of the stockholders and the persons deriving title under them. The company shall also at all times keep in London England an office and shall there keep to the satisfaction of the trustees a similar register showing the amount of and similar particulars relating to the stock for the time being issued to persons resident in England or which has been transferred to the English register by request of the stockholders as hereinafter mentioned. The company shall also provide a competent local secretary and registrar at the said office in London who shall take charge of the said register and perform such duties with respect thereto as the company shall from time to time prescribe. Each such register shall also show the total amount of all stock outstanding whether registered in the English or Canadian register. The trustees and any receiver and the stockholders or any of them and any person authorised in writing by any of such persons shall be at liberty at all reasonable times during office hours to inspect the said register and to take copies of and extracts from the same or any part thereof. Stock

registered upon either one of the said registers shall be transferable to the other in amounts of one pound or multiples thereof as provided by the conditions to be endorsed upon the stock certificates.

37. The company will during the continuance of this security pay to each of the trustees for the time being of these presents reasonable remuneration and compensation for all services rendered by such trustee in connection with the trusts hereof and the company will also pay all costs charges and expenses properly incurred by the trustees in relation hereto and interest thereon as hereinafter mentioned. The trustees or either of them may enter into any agreements with the company relating to the payment of any remuneration for services rendered or to be rendered hereunder and shall not be accountable to their co-trustee or the stockholders therefor. The company will also (in addition to any right of indemnity by law given to the trustees) at all times keep indemnified the trustees against all actions proceedings costs claims and demands in respect of any matter or thing done or omitted by them in anywise relating to these presents. Provided always that the trustees may retain and pay to themselves out of any moneys in their hands upon the trusts of these presents the amount of the remuneration for the time being owing to them and of such costs, charges and expenses as aforesaid and of all interest payable as hereinafter provided.

38. All costs charges and expenses incurred and all payments made by the trustees or any receiver or their agents attorneys or servants in the lawful exercise of the powers hereby conferred upon them or him including all remuneration payable to the trustees or to any receiver shall be payable by the company on demand and shall carry interest at five per cent. per annum from the date of the same being incurred or becoming due and all such costs charges and expenses and payments and all interest thereon and all remuneration payable to the trustees or any receiver hereunder shall be an additional charge on the mortgaged premises and shall be satisfied before any payment is made thereout to the stockholders.

39. The trustees shall not be bound to take any step to enforce the performance of any of the covenants on the part of the company in these presents contained unless when requested to do so in writing by the registered holder or holders of one-tenth part in value of the stock for the time being outstanding or by an ordinary resolution of the stockholders passed in accordance with the provisions contained in the third schedule hereto and then only if they shall be indemnified to their satisfaction against all actions proceedings claims and demands to which they may render themselves liable and against all

costs charges damages and expenses which they may incur by so doing.

40. The trustees may if they so elect enforce the primary trust for conversion by judicial proceedings in any court of competent jurisdiction and after the primary trust for conversion shall have arisen the trustees shall be entitled to have the mortgaged premises sold by judicial sale under the decree or order of any such court.

41. By way of supplement to the provisions of any act respecting trustees it is expressly declared as follows—

(1) That the trustees or either of them may in relation to these presents act on the opinion or advice of any lawyer valuer surveyor broker auctioneer or other expert whether obtained by the trustees or either of them or by the company or otherwise and shall not be responsible for any loss occasioned by so acting.

(2) That any such advice or opinion may be sent or obtained by letter telegram or cablegram and that no trustee hereof shall be liable for acting on any advice or information purporting to be conveyed by any such letter telegram or cablegram although the same shall contain some error or shall not be authentic.

(3) That the trustees or either of them shall be at liberty to accept a certificate signed by the president or any vice-president of the company or any two directors of the company to the effect that any particular dealing or transaction or step or thing is in the opinion of the person or persons so certifying expedient as sufficient evidence that it is expedient and no trustees hereof shall be in anywise bound to call for further evidence or be responsible for any loss that may be occasioned by the failure to do so.

(4) That the trustees or either of them are to be at liberty to place these presents and all deeds and other documents of title relating to any of the mortgaged premises with any banker or banking company or solicitor or firm of good repute (whether in England or Canada) and no trustees hereof shall be responsible for any loss incurred in connection with any such deposit and the trustees or either of them may pay out of the mortgaged premises all sums required to be paid on account or in respect of any such deposit.

(5) That no trustee hereof shall be liable for anything whatever except a breach of trust knowingly and intentionally committed by himself.

(6) That the trustees shall not be responsible for the money subscribed by applicants for the stock or be bound to see to the application thereof.

(7) That the trustees shall not be bound or concerned to

examine or enquire into nor be liable for any defect or failure in the title of the company to the mortgaged premises or any part thereof.

(8) That no trustee shall be responsible for any misconduct on the part of any attorney banker receiver solicitor agent or other person appointed by him hereunder and reasonably considered to be of good repute or be bound to supervise the proceedings of any such appointee.

(9) That the trustees shall not be bound to give notice to any person or persons of the execution hereof or in any way to interfere with the conduct of the company's business unless and until the security hereby constituted shall have become enforceable and the trustees shall have received express notice thereof and shall have determined or become bound to enforce the same.

(10) That the trustees and each of them shall as regards all the trusts powers authorities and discretions hereby vested in them have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of fraud they shall be in nowise responsible for any loss costs damages or inconvenience that may result from the exercise or non-exercise thereof.

(11) That the trustees shall not be bound and nothing herein contained shall cast any obligation upon them to require or take any steps to compel the company to execute any mortgages or other assurances by way of further assurance of the mortgaged premises or to see to the registration filing or renewal of these presents or any mortgages by way of further assurance and that they shall not be in anywise responsible for any loss occasioned to the stockholders by their omission so to do.

(12) That the trustees shall not be bound to ascertain whether any event has happened upon the happening of which the security hereby constituted becomes enforceable.

42. The trustees or either of them may whenever they think it expedient in the interests of the stockholders delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a trustee hereof or not) all or any of the trusts powers and discretions vested in them or either of them by these presents (including any trusts power or discretion as to the receipt of or payment out of money) and any such delegation may be made upon such terms and conditions and subject to such regulations including power to sub-delegate as the trustees or either of them may in the interests of the stockholders think fit.

43. Inasmuch as The British Empire Trust Company

Limited one of the trustees hereof is domiciled in England while the mortgaged premises are situate in the continent of America it is hereby expressly provided and declared (but without limiting in any way the generality of the last preceding or next following clause hereof) that the National Trust Company Limited (hereinafter called "the National Company") may alone but only with the consent or concurrence of and after communicating with The British Empire Trust Company Limited exercise all the powers authorities and discretions hereby conferred upon the trustees so far as the same relate to any sales transfers or leases of or other dealings with the mortgaged premises or any part thereof and give any consents required to be given by the trustees in connection with any of the matters aforesaid and such consent or concurrence of and such communication with The British Empire Trust Company Limited may be given or made by letter telegram, cablegram or wireless telegraphy and no person dealing with the National Company in connection in any way with the mortgaged premises shall be concerned or entitled to inquire whether any such letter, telegram, cablegram or wireless telegraphic message is in fact genuine and the receipt of the National Company for any money payable to the Trustees in respect of any sale or other dealing with the whole or any part of the mortgaged premises shall be a good and valid discharge therefor. Any further assurance of or mortgage or charge upon the mortgaged premises or any of them hereafter executed by the company to or in favour of the trustees pursuant to any covenant on its part herein contained shall if so required by the company contain a similar provision to this present provision or such other provisions as may be necessary to ensure that the provisions of this present clause shall be effective notwithstanding the execution of such further assurance mortgage or charge as aforesaid.

44. Notwithstanding anything herein to the contrary contained any payment to be made to the trustees either by the company or by any other person may whenever there is more than one trustee hereof be made to any one of the trustees and the receipt of any one trustee shall be a good and sufficient discharge to the company or person making any such payment who shall not be bound to see to the application of the moneys so paid or be liable or responsible for the misapplication or non-application thereof.

45. No trustee hereof shall be precluded from underwriting guaranteeing the subscription of or subscribing for the whole or any part of the stock for a commission or other remuneration or from purchasing holding dealing in and disposing of the stock or any part thereof or from otherwise at any time contracting or entering into any financial or other transactions

with the company or being interested in any such contract or transaction and no trustee hereof shall be in anywise liable to account either to the company or to the stockholders for any profits made by such trustee thereby or in connection therewith.

46. The trustees may at any time concur with the company in making any modification in these presents which in the opinion of the trustees it may be expedient to make with a view to obtaining a quotation of the stock upon the London or any other stock Exchange provided that the trustees shall be of opinion that such modification will not be prejudicial to the interests of the stockholders.

47. The trustees may from time to time and at any time with the consent in writing of the Canadian Northern waive on such terms and conditions as to them shall seem expedient any breach by the company of any of the covenants and provisions herein contained without prejudice to the rights of the trustees in respect of any subsequent breach thereof.

48. Upon proof being given to the reasonable satisfaction of the trustees that all the stock has been paid off and satisfied or otherwise duly and effectually provided for and upon payment of all costs charges and expenses properly incurred by the trustees or by any receiver in relation to these presents and the remuneration of the trustees and of any receiver and all interest thereon the trustees shall at the request and cost of the company subject to the rights (if any) of the Canadian Northern release and return to the company the mortgaged premises freed and discharged from the trusts and provisions herein contained.

49. Any trustee hereof may at any time resign office hereunder by three calendar month's notice in writing to the company. The company may at any time appoint a new trustee hereof in the place of any trustee resigning going into liquidation dying or otherwise vacating office but no person shall be appointed who shall not previously have been approved by a resolution of the stockholders passed at a meeting held in accordance with the provisions contained in the third schedule hereto. A corporation or company limited or unlimited may be appointed trustee.

50. The provisions contained in the third schedule hereto shall have effect in the same manner as if such provisions were herein set forth and all the powers authorities and discretions thereby conferred upon the trustees shall be exercisable (in the case of a meeting to be held in London) by The British Empire Trust Company Limited alone and (in the case of a meeting to be held in Quebec) by the National

Trust Company Limited alone without the concurrence in either case of any other Trustee hereof for the time being.

51. The powers hereby conferred upon the trustees shall be in addition to any powers which may from time to time be vested in them by general law or as holders of any of the stock.

52. Any payment by the Canadian Northern of principal or interest on the stock under its guarantee aforesaid shall not in any event be taken to affect the liability of the company for payment thereof under the stock certificates or these presents but such liability shall remain unimpaired and enforceable by the Canadian Northern against the company and the Canadian Northern shall to the extent of any such payments made by it be deemed the holder of stock hereunder and in addition to all other remedies shall (to the extent of the principal or interest so paid by it) be subrogated as against the company to all the rights privileges and powers to which the holders of the stock so paid were entitled prior to payment by the Canadian Northern under its guarantee and shall with respect to the stock so paid (in so far as paid by the Canadian Northern) be in the same position as a holder of stock upon which the company has made default provided nevertheless that the Canadian Northern shall not in any event be entitled to rank for payment against the mortgaged premises in competition with the holders of stock not paid by it under its guarantee and (except as hereinbefore expressly provided) shall not unless and until it shall have paid the whole of the principal and interest for the time being owing on the stock be entitled to any rights or remedies whatsoever of a stockholder hereunder.

53. The Canadian Northern may at any time become the holder of any of the stock otherwise than by payments under its guarantee and shall in respect of all stock so acquired be entitled to all the rights of a holder and may transfer any stock held by it without prejudice to its guarantee of the payment thereof which shall remain in full force unless cancelled by the Canadian Northern before transfer and notified to the transferee and by endorsement on the certificates for such stock.

In witness whereof these presents have been executed the day and year first above written.

THE FIRST SCHEDULE.

THE QUEBEC AND LAKE ST. JOHN RAILWAY COMPANY

Incorporated by act of the Legislature of the Province of Quebec, Canada.

CAPITAL.....\$

Divided Shares of \$ each.

Issue of 4 per cent. first mortgage debenture stock unconditionally guaranteed as to principal and interest by the Canadian Northern Railway Company.

Issued pursuant to acts of the Parliaments of the Dominion of Canada and of the Province of Quebec, George V., c. and George V., c. respectively, and to resolutions of the shareholders and directors of the company dated respectively the day of and the day of 19 .

The principal amount of the stock to be issued and at any one time outstanding is limited as provided by the trust deed below mentioned.

CERTIFICATE.

This is to certify that of is the holder of £ of the above mentioned stock. The holders of the said stock are and will be entitled pari passu and rateably to the benefit of and are and will be subject to the provisions contained in a trust deed dated the and made between The Quebec and Lake St. John Railway Company of the first part National Trust Company, Limited, of Toronto, Canada, and The British Empire Trust Company, Limited, of London, England, of the second part and the Canadian Northern Railway Company of the third part. The stock is also issued subject to the conditions endorsed hereon. Interest is payable on the stock half yearly on the 1st day of January and the 1st of July in each year.

This certificate is not obligatory or binding and does not entitle the holder to the benefit of the above mentioned trust deed unless certified by or on behalf of one of the trustees for the time being of the said trust deed.

A copy of the original general guarantee by the Canadian Northern Railway Company of the principal and interest of the stock (which is deposited with the trustees of the said trust deed) is endorsed hereon.

..... Local registrar.
..... Local secretary.

NOTE.—This certificate must be surrendered before any transfer of the whole or any part of the stock comprised in it can be registered and no fraction of one pound of stock can be transferred.

TRUSTEE'S CERTIFICATE.

Certified to be a certificate for 4 per cent. first mortgage debenture stock constituted and secured by the above mentioned trust deed dated day of 19.

For

..... Director.
..... Manager.....

FORM OF GENERAL GUARANTEE.

By virtue of the powers conferred by an act of the Parliament of the Dominion of Canada passed in the fourth year of the reign of His Majesty King Edward VII, and by virtue of an order of His Excellency the Governor-General of the Dominion of Canada in Council and pursuant to the provisions of a deed of trust dated and made between The Quebec and Lake St. John Railway Company, National Trust Company Limited and The British Empire Trust Company Limited Trustees and Canadian Northern Railway Company the said Canadian Northern Railway

6. All instruments of transfer which shall be registered will be retained by the company.

7. A fee not exceeding 2 s. 6. d. will be charged for the registration of each transfer and for registration of probates proofs of death in joint holdings marriage settlements powers of attorney and other documents.

8. No transfer will be registered during the 21 days immediately preceding the days on which interest is payable on the stock.

9. The executors and administrators of a deceased holder of registered stock (not being one of several joint holders) and in the case of the decease of one or more of several joint holders the survivor or survivors of such joint holders shall be the only persons recognized by the company as having any title to such stock.

10. All amounts due and payable upon or in respect of the stock may be paid by cheque sent through the post to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque shall be made payable to the order of the person to whom it is sent and shall be at such person's risk and payment of the cheque if purporting to be duly endorsed shall be a satisfaction of the amount in respect whereof such cheque was sent.

11. If several persons are entered in the register as joint holders of any stock then without prejudice to the last preceding clause the receipt of any one of such persons for any amount from time to time payable upon or in respect of such stock shall be as effective a discharge to the company as if the person signing such receipt were the sole registered holder of such stock.

12. Any notice may be given to the holders of the stock by sending the same by post in a prepaid letter addressed to such holders at their addresses as they appear in the register of stockholders and every notice sent by post shall be deemed to have been given (as regards stockholders whose registered addresses are situate outside the continent of America) at the time when the letter containing the notice is posted in London, England and (as regards stockholders whose registered addresses are situate within the continent of America) at the time when the letter containing the notice is posted in Quebec, Canada.

13. If any stock certificate be worn out or defaced then upon production thereof to the directors or other officers of the company authorised to deal with transfers they may cancel the same and may issue a new certificate in lieu thereof and if any such certificate be lost or destroyed then upon proof

thereof to the satisfaction of the directors or such officers as aforesaid or in default of proof on such indemnity as the directors or such officers aforesaid and the trustees or either of them deem adequate being given the company may issue and the trustees or either of them may certify a new certificate in lieu thereof which shall be given to the person entitled to such lost or destroyed certificate. An entry as to the issue of the new certificate will be made in the register. There shall be paid to the company in respect of any new certificate issued under this clause such sum as the directors or officers aforesaid shall determine not exceeding the sum of one shilling.

14. Stock registered upon the register in London England may at any time at the option of the holder be transferred to the register of the stock kept in Canada. Provided that only sums of one pound of stock or multiples thereof can be so transferred. Stockholders desiring to effect such transfer must give notice in writing of their desire to the company at its office in London England accompanied by delivery up of the certificate for the stock required to be transferred and such other evidence (if any) as the officers of the company authorised to deal with transfers may require to prove the title of the person giving the notice and in due course a certificate for an equivalent amount of stock registered in the Canadian register and in the form set forth in the second schedule to the said trust deed will be issued.

THE SECOND SCHEDULE.

THE QUEBEC AND LAKE ST. JOHN RAILWAY COMPANY.

Incorporated by act of the Legislature of the Province of
Quebec, Canada.

CAPITAL - - - - -	\$	
Divided into	Shares of \$	each.

Issue of 4 per cent. first mortgage Debenture stock unconditionally guaranteed as to principal and interest by the Canadian Northern Railway Company.

Issued pursuant to Acts of the Parliaments of the Dominion

it can be registered and no fraction of one pound can be transferred.

TRUSTEES' CERTIFICATE.

Certified to be a certificate for 4 per cent. first mortgage debenture stock constituted and secured by the above-mentioned trust deed dated day of 19.

For

.....Director.

.....Manager.

FORM OF GENERAL GUARANTEE.

[This will be the same as that set forth in the first schedule]

THE CONDITIONS WITHIN REFERRED TO.

1. The stock is repayable only in the event of the security constituted by the within-mentioned trust deed becoming enforceable and of the principal of the stock being thereafter declared or becoming payable as provided by the said trust deed.

2. The company will recognise the registered holder of any stock as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express implied or constructive to which any stock may be subject and the receipt of the registered holder for the time being of any stock for the interest from time to time accruing due in respect thereof or for any other moneys payable in respect thereof shall be a good discharge to the company notwithstanding any notice it may have whether express or otherwise of the right title interest or claim of any other person to or in such stock interest or moneys.

3. The stock may be transferred in sums of one pound or multiples of one pound, under the hand of the registered holder or his duly authorized attorney duly noted and entered on the register of the stock to be kept in Canada.

Provided that before any stock can be so transferred the certificate of the stock to be transferred must be delivered up to the company at its office in Canada accompanied by such other evidence as the directors of the company or other officers authorised to deal with transfers may require to prove the title of the transferor or his right to transfer the stock. The transferor of any stock shall be deemed to remain the owner thereof until the name of the transferee is entered in the register in respect thereof.

4. A fee not exceeding 60 cents will be charged for the registration of each transfer and for registration of probates proofs of death in joint holdings marriage settlements powers of attorney and other documents.

5. No transfer will be registered during the 21 days immediately preceding the days on which interest is payable on the stock.

6. The executors and administrators of a deceased holder of registered stock (not being one of several joint holders) and in the case of the decease of one or more of several joint holders the survivor or survivors of such joint holders shall be the only persons recognized by the company as having any title to such stock.

7. All amounts due and payable upon or in respect of the stock may be paid by cheque sent through the post to the registered address of the holder or in case of joint holders to the registered address of that one of the joint holders who is first named on the register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque shall be made payable to the order of the person to whom it is sent and shall be at such person's risk and payment of the cheque if purporting to be duly endorsed shall be a satisfaction of the amount in respect whereof such cheque was sent.

8. If several persons are entered in the register as joint holders of any stock then without prejudice to the last preceding clause the receipt of any one of such persons for any amount from time to time due and payable in respect of such stock shall be as effective a discharge to the company as if the person signing such receipt were the sole registered holder of such stock.

9. Any notice may be given to the holders of the stock by sending the same by post in a prepaid letter addressed to such holders at their addresses as they appear in the register of stockholders and every notice sent by post shall be deemed to have been given (as regards stockholders whose registered addresses are situate outside the continent of America) at the time when the letter containing the notice is posted in London England and (as regards stockholders whose registered

addresses are situate within the continent of America) at the time when the letter containing the notice is posted in Quebec Canada.

10. If any stock certificate be worn out or defaced then upon production thereof to the directors or other officers of the Company authorised to deal with transfers they may cancel the same and may issue a new certificate in lieu thereof and if any such certificate be lost or destroyed then upon proof to the satisfaction of the directors or such officers as aforesaid or in default of proof on such indemnity as the directors or such officers as aforesaid and the trustees or one of them deem adequate being given the company may issue and the trustees or either of them may certify a new certificate in lieu thereof which shall be given to the person entitled to such lost or destroyed certificate. An entry as to the issue of the new certificate will be made in the register. There shall be paid to the company in respect of any new certificate issued under this clause such sum as the directors aforesaid shall determine not exceeding the sum of twenty-five cents.

11. Stock registered upon the register in Canada may at any time at the option of the holder be transferred to the register of the stock kept at the office of the company in London England. Provided that only sums of one pound of stock or multiples thereof can be so transferred. Stockholders desiring to effect such transfer must give notice in writing of their desire to the company at its office in Canada aforesaid accompanied by delivery up of the certificates for the stock required to be transferred and such other evidence if any as the directors or other officers of the company aforesaid may require to prove the title of the person giving the notice and in due course a certificate for an equivalent amount of stock registered in the London register and in the form set forth in the first schedule to the said trust deed will be issued.

THE THIRD SCHEDULE.

1. The trustees or the company may respectively and the trustees shall at the request in writing of persons holding not less than one-twentieth of the nominal amount of the stock for the time being outstanding at any time convene a meeting of the stockholders. Such meeting shall be held at such place in London or Quebec as the trustees shall determine.

2. Twenty-one clear days' notice at the least specifying

the place day and hour of meeting and the general nature of the business to be transacted shall be given previously to any meeting of the stockholders but it shall not be necessary to specify in such notice the terms of the resolutions to be proposed. A copy of such notice shall be sent by post to the trustees unless the meeting shall be convened by them and also to the registered address of each stockholder but the accidental omission to give notice to or the non-receipt of notice by any of the stockholders shall not invalidate any resolution passed at any such meeting.

3. At any such meeting persons holding or representing by proxy one-fifth of the nominal amount of the stock for the time being outstanding shall form a quorum for the transaction of business. If within half-an-hour from the time appointed for any meeting a quorum is not present the meeting if summoned upon the requisition of the stockholders shall be dissolved but in any other case the meeting shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned meeting a quorum is not present the stockholders present shall form a quorum. No business shall be transacted at any meeting unless the requisite quorum be present at the commencement of the business.

4. The person nominated in writing by the trustees shall be entitled to take the chair at every such meeting and if no such person is nominated or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the stockholders present shall choose one of their number to be chairman.

5. Every question submitted to any meeting shall be decided in the first instance by a show of hands and in case of an equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes if any to which he may be entitled as a stockholder.

6. At any such meeting unless a poll is demanded by the chairman or in writing by five stockholders present in person or by proxy or by one or more of the stockholders holding or representing by proxy not less than one-fortieth of the nominal amount of the stock for the time being outstanding a declaration by the chairman that a resolution has been carried or carried unanimously or by any particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

7. If at any meeting a poll is demanded as aforesaid on the election of a chairman or on a question of adjournment it shall be taken forthwith. If at any meeting a poll is so demanded on any other question it shall be taken in such manner and

either at once or after an adjournment as the chairman directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

8. The chairman may with the consent of any such meeting adjourn the same from time to time and from place to place.

9. At any such meeting on a show of hands each stockholder present in person shall have one vote and on a poll each stockholder present in person or by proxy shall have one vote in respect of each one pound of stock of which he is the registered holder. For the purpose of this provision a corporation which is a stockholder and is present at any meeting by a proxy who is not himself a stockholder shall be deemed to be present at such meeting in person.

10. Upon a poll votes may be given either personally or by proxy.

11. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. Such instrument may be in the form following:—

THE QUEBEC AND LAKE ST. JOHN RAILWAY COMPANY.

I
 being a holder of 4 per cent. first mortgage debenture stock of the above named company hereby appoint
 of
 as my proxy to vote for me and on my behalf at the meeting of the 4 per cent. first mortgage debenture stockholders of the said company to be held on the
 and at any adjournment thereof.

Dated the day of 19 .

12. No person shall act as a proxy who is not either one of the trustees or a stockholder or an officer of a corporation which is a stockholder or a trustee.

13. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the trustees may in the notice convening the meeting direct or in case there is no such place appointed then (if the meeting is held in America) at the office of the company in Quebec Canada or (if the meeting is held in England) at the office of the company for the time being in London England not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to

vote and in default the instrument of proxy shall not be treated as valid.

14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the stock in respect of which the proxy is given provided that no intimation in writing of such death insanity revocation or transfer shall have been received at the office of the company in Quebec Canada or the office of the company in London England (according to where the meeting is to be held) before the commencement of the meeting or adjourned meeting at which the proxy is used.

15. Where there are joint registered holders of any stock any one of such persons may vote at any such meeting either personally or by proxy in respect of such stock as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy that one of such persons so present whose name stands first on the register in respect of such stock shall alone be entitled to vote in respect thereof.

16. A general meeting of the stockholders shall in addition to all other powers have the following powers exercisable by extraordinary resolution only viz. :—

(a) Power to sanction any scheme for the reconstruction of the company or for the amalgamation of the company with any other company.

(b) Power to authorise the trustees to accept in satisfaction or part satisfaction for the sale or transfer of all or any part of the mortgaged premises any shares of any class or kind or any debentures debenture stock or other securities of the company or any other company formed or to be formed.

(c) Power to sanction the exchange of the stock for or the conversion of the stock into shares stock debentures debenture stock or other securities of the company or any other company formed or to be formed.

(d) Power to authorise the distribution in specie of any shares stock or securities received under the provisions of the two last preceding sub-sections of this clause.

(e) Power to sanction the release of the company and of the whole or any part of the mortgaged premises from the whole or any part of the principal and interest owing upon the stock.

(f) Power to sanction any modification or compromise of the rights of the stockholders against the company or against its property whether such rights shall arise under the trust deed or the stock certificates or otherwise.

(g) Power to assent to any modification of the provisions contained in the trust deed which shall be agreed to by the company and to authorise the trustees to concur in and execute any deed supplemental to the trust deed embodying any such modification.

(h) Power to authorise the trustees or any receiver or receivers appointed by them where they or he shall have entered into possession of the mortgaged premises to give up possession of such premises to the company either unconditionally or upon any conditions.

(i) Power to require the trustees to enforce any of the covenants on the part of the company contained in the trust deed.

Provided that no extraordinary resolution of the stockholders shall be of any force or effect unless and until the same is approved in writing by the Canadian Northern.

17. An extraordinary resolution passed at a general meeting of the stockholders duly convened and held in accordance with these presents shall be binding upon all the stockholders whether present or not present at such meeting and each of the stockholders and the trustees (subject to the provisions for their indemnity in the trust deed contained) shall be bound to give effect thereto accordingly subject nevertheless to the proviso contained in the last preceding clause of this schedule.

18. The expression "extraordinary resolution" when used in this schedule means a resolution passed at a meeting of the stockholders duly convened and held in accordance with the provisions herein contained and carried by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes given on such poll.

19. The quorum of any such last mentioned meeting shall be a clear majority in value of the whole of the holders of the stock for the time being outstanding present in person or by proxy but so that if within one hour from the time appointed for the meeting holders of a clear majority in value of the stock for the time being outstanding are not present in person or by proxy so as to form a quorum the meeting shall stand adjourned for twenty-one days and shall accordingly be held on the corresponding day of the week and at the same time and place as that originally fixed by the notice convening the meeting and notice of such adjourned meeting shall be given in the manner provided by the conditions endorsed upon the stock certificates and shall state that the stockholders present at the adjourned meeting will form a quorum and if at such adjourned meeting a quorum as above defined in this clause is not present then those

stockholders who are present in person or by proxy shall be a quorum and may transact the business for which the meeting was originally convened and a resolution passed thereat by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than three-fourths of the votes given on such poll shall be considered as an extraordinary resolution within the meaning of this schedule.

20. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the trustees at the expense of the company and any such minute as aforesaid if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings had shall be conclusive evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings had to have been duly passed and had.

C H A P . 8 4

An Act to amend the charter of the "Montreal Tramways Company"

[Assented to 3rd April, 1912.]

Preamble.

WHEREAS the Montreal Tramways Company has, by its petition prayed that certain amendments be made to the act incorporating it and that certain deeds respecting the company be ratified and confirmed, and it is expedient to grant the prayer of the said petition;

Therefore, His Majesty, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1 Geo. V (1911), c. 77, act 1 George V., (second session), chapter 77:

Certain agreements ratified.

"25a. The agreement between the Montreal Tramways Company and the Montreal Street Railway Company, dated November 16th, 1911; deed of sale from the Montreal Street Railway Company to the Montreal Tramways Company, passed on November 18th, 1911; deed of sale from the Public Service Corporation to the Montreal Tramways Company,