

C H A P . 71

An Act to amend the act incorporating The Quebec and Lake St. John Railway Company and the acts amending the same

[Assented to 2nd June, 1904]

Preamble.

WHEREAS the Quebec and Lake St. John Railway Company has by its petition represented, that it is desirable that the said company should be authorized to issue additional prior lien bonds for the purposes hereinafter mentioned, and that the act of incorporation of the said railway company should be amended in consequence;

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 :

Power to issue additional prior lien bonds.

1. The company is authorized to create and issue, in addition to the prior lien bonds, the issue whereof was authorized by the act 1 Edward VII, chapter 61, section 1, bonds not exceeding on the whole three hundred thousand pounds sterling, making with the bonds previously authorized and issued a total issue of prior lien bonds amounting to five hundred thousand pounds. The bonds by this act authorized shall mature on the same date as the bonds issued under the authority of the said act 1 Edward VII, chapter 61, section 1, and shall bear interest at the same rate not exceeding four per cent. per annum as the interest on the last mentioned bonds, payable half yearly on the same days as the interest on those bonds.

When to mature.

Interest thereon.

Ranking of bonds so issued and security therefor.

*** 2.** The bonds issued under the authority of this act shall rank *pari passu* with the bonds issued under the said act 1 Edward VII, chapter 61, section 1, and shall be entitled to the same mortgage, charge and privilege upon the whole of the railway of the company, extending from the city of Quebec to Roberval and Chicoutimi, and other property, as the last mentioned bonds; and the total issue of prior lien bonds amounting to five hundred thousand pounds, shall also be a first mortgage, charge and privilege upon the branch to La Tuque hereinafter mentioned (and all other branches that may hereafter be constructed) and upon the whole of the property, moveable and immoveable, belonging to the said railway and used in connection therewith, and upon the tolls, revenues, franchises and equipment of the said railway.

* Replaced by 4 Ed. VII, c. 72, s. 1, *post*.

3. After the provisions of this act shall have been adopted as hereinafter provided, the bonds by this act authorized may be created and issued, from time to time, as the directors may determine; and all bonds so created and issued, whatever the date thereof may be, shall rank equally among themselves and equally with the prior lien bonds previously issued. When bonds may be issued.

4. The proceeds of sale of the prior lien bonds by this act authorized shall be applied by the directors to capital purposes only, that is to say, to improving the company's terminal property or to purchasing additional terminal property, building new trackage, constructing new branches, acquiring additional rolling stock, laying heavier rails, reducing grades, improving alignment, building new bridges, stations and other buildings, and to any other capital purpose or purposes authorized by the charter of the company, but no part thereof shall be applied to the payment of working expenses or interest on any of the bonds of the company. Application proceeds of sale of bonds.

5. The company is hereby authorized to construct a branch line from any point on its main line between Rivière-à-Pierre and Lake Edouard to La Tuque on the river St. Maurice, a distance not exceeding forty miles. Power to construct certain branch line.

6. No prior lien bonds authorized by this act shall be issued unless and until extraordinary resolutions, as defined by the several deeds of trust executed by the company to secure the prior lien bonds, the first mortgage bonds and the income bonds of the company, to adopt the provisions of this act, shall have been duly passed by the holders of each of the said three classes of bonds issued by the company and outstanding. Resolutions to be passed previous to issue of bonds.

7. Meetings of each class of bondholders shall be held separately and shall be called and held in accordance with the provisions of the said several deeds of trust respectively. How and when meeting of bondholders to be held.

8. The prior lien, first mortgage and income bonds issued by the company in 1901 and secured respectively by the several deeds of trust, dated respectively 12th March, 1901, 23rd May, 1901, and 23rd May, 1901, are hereby ratified and confirmed and declared binding upon the company according to the tenor and effect of each thereof respectively. Certain bonds ratified, &c.

9. The directors may, by supplemental deeds of trust or otherwise, give effect to the said extraordinary resolutions and to the provisions of this act and may thereby secure in due order of priority the prior lien bonds, including those How effect to be given to resolutions.

by this act authorized, the first mortgage bonds, and the income bonds upon the said branch to La Tuque, as well as upon the railways and other property in the second section of this act mentioned.

Time for constructing certain branches extended, &c.

10. The time for the commencement of the construction of the branch lines and extensions of the railway authorized by section 1 of the act 51-52 Victoria, chapter 94, and section 3 of the act 56 Victoria, chapter 64, is hereby extended to three years, and for the completion to seven years, from the date of the passing of this act.

2 Ed. VII, c. 59, s. 3, amended.

11. Section 3 of the act 2 Edward VII, chapter 59, is amended by adding thereto the following words: "or it may subscribe for stock in any company or companies incorporated for the purpose of building such hotel or hotels, provided the total amount of stock so subscribed shall not exceed seventy-five thousand dollars.

Security may be given by mortgage for certain purposes.

12. For the purpose of securing any subsidies, guarantees, moneys or other aid to be obtained from the Government of the Dominion of Canada or of the Province of Quebec, or others for additional extensions of the railway, the directors of the company, if specially authorized by a vote of the majority of the shareholders present at a special general meeting called for the purpose of granting such authority, may grant a mortgage or charge upon the whole or any part of the existing railway and other property of the company ranking next after the bonds of the company already issued or to be hereafter issued in virtue of this act, to wit: the prior lien, first mortgage and income bonds referred to in this act.

Coming into force

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