

deemed to be valid in law, and shall have, as respects rights of ownership, any servitude, mortgage and other real rights, the same effects as the registration prescribed by the Civil Code. Effect of such registration.

26. The present act of incorporation is granted under the following express conditions : Conditions of present act.

1. That the works authorized by this act shall be commenced in good faith within the delay of two years from the sanctioning of this act, such commencement to be evidenced by the construction at least of ten miles of road ; Delay to commence works.

2. That the whole road be constructed within the delay of five years from the sanctioning of this act ; Delay to complete works.

3. That in default of the accomplishment of either of these two conditions, such default shall *pleno-jure* occasion the forfeiture of all the rights, powers and privileges granted by this act. Default of complying with conditions.

27. This act shall come into force by proclamation of his Honour the Lieutenant-Governor, after the company shall have given positive and clear proof to the Executive Council that it possesses the necessary resources to construct the said railway. Coming into force.

CHAP. 64

An Act to incorporate The Wolfe, Megantic and Lotbinière Railway Company

[Assented to 28th March, 1901]

WHEREAS a petition has been presented by the persons hereinafter mentioned representing: that the construction of a railway as hereinafter provided would be of great advantage to the region through which it would pass and to the local trade thereof, and praying for the incorporation of a company to construct and operate a railway as hereinafter set forth, and it is expedient to grant the prayer of the said petition ; Préambule.

Therefore, His Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

1. Robert Stewart merchant ; Samuel Jamieson, farmer ; Donald McMillan, farmer ; Finlay Wark, miller ; John W. Mooney, farmer ; James A. Wallace, warden of the county of Megantic ; Major Thomas McKenzie, all of the township of Inverness ; François Xavier Fréchette, farmer, Persons incorporated.

of Wolfestown ; Louis I. Fréchette, merchant ; Jean Siméon Larochelle, mayor of Bernierville ; O. Noël, physician, all of St. Ferdinand ; François Théodore Savoie, manufacturer ; and the Honorable N. C. Cormier, merchant, of Plessisville, all said places being in the county of Megantic, in the Province of Quebec, together with such other persons as become shareholders in the company hereby incorporated, are hereby constituted a body corporate under the name of "The Wolfe, Megantic and Lotbinière Railway Company," hereinafter called the company.

Name.

Head office and change thereof.

2. The head office of the company shall be in the village of Inverness, or in such other place in the Province of Quebec as may be determined upon by a resolution of the board of directors, and notice of such change shall be given in the *Quebec Official Gazette*.

Power to construct, &c., certain line of railway.

3. (1) The company may lay out, construct and operate a railway, of the gauge of four feet eight and one half inches, from Lime Ridge, in the township of Dudswell, in the county of Wolfe, by any practicable route, through the counties of Wolfe, Megantic, Lotbinière and Levis, by way of the valley of the river Thames, at or near the southern extremity of the bridge now in course of construction by the Quebec Bridge Company, to connect with the line or lines of railway of such company, at or near the Grand Trunk Railway, south-east of the said proposed bridge, to the site of the proposed bridge on the river St. Lawrence at or near Quebec.

Traffic arrangements, &c., authorized.

2. In order to reach a deep water terminus at the town of Levis or at the city of Quebec, and to avoid the expense of constructing an independent line of railway into the town of Levis or the city of Quebec, the company may make all necessary arrangements, leases and contracts with the Government of Canada, and any railway company or companies, to cross the Intercolonial Railway and the railway of any other company, or for any other purpose not inconsistent with articles 5128 to 5181, inclusively, of the Revised Statutes of the Province of Quebec.

Rights, &c., under 62-63 V., (C.) c. 51, not to be affected.

3. The rights and privileges granted to the Arthabaska Railway Company by the act 62-63 Victoria, chapter 51, shall not be affected by this act.

Provisional directors and their powers.

4. Robert Stewart, Donald McMillan, James A. Wallace, Jean Siméon Larochelle, and the Honorable N. C. Cormier are hereby constituted provisional directors of the company, with power to act as directors until the first annual meeting of the company, and particularly to open stock books

for subscription to the share capital of the company, to call for instalments on the subscribed stock, and cause the same to be paid up, to issue obligations or debentures as hereunder authorized, and to commence and continue the construction and working of the said railway.

5. The capital stock of the company shall be one million dollars, divided into shares of fifty dollars each, which may be called up by the directors, from time to time as they deem necessary ; but no one call shall exceed ten per cent. on the shares subscribed.

Capital stock.
Shares.
Calls.

6. The annual meeting of the shareholders shall be held on the first Monday of July, in each year, the first meeting to be held on the first Monday of July, 1901, and shall be called by inserting the notice thereof for two weeks in one English and one French newspaper published in the city of Quebec, and in the *Megantic Gazette* or in any other newspaper published in the district of Arthabaska.

Annual meeting.
First meeting and calling thereof.

7. At any such meeting, the subscribers for the capital stock assembled, or represented by proxy, who have paid all calls due on their shares, shall choose nine persons, or such other number as may be fixed by by-law, adopted and approved by the shareholders, to be directors of the company, one or more of whom may be paid director or directors of the company.

Election of directors at meeting.

Paid directors.

8. The directors of the company, under the authority of the shareholders to them given at any special general meeting called for the purpose, at which meeting shareholders representing at least two thirds in value of the subscribed stock of the company, and who have paid all calls due thereon, are present in person or represented by proxy, may borrow money, to an amount not exceeding twenty thousand dollars per mile of railway and branches, and may issue bonds, debentures or other securities therefor, which shall be signed by the president or other presiding officer and countersigned by the secretary, and said countersignature and the signature to the coupons attached to the same may be engraved. The directors may issue, and sell or pledge all or any of the said bonds, debentures, or other securities, at the best prices and upon the best terms and conditions which at the time they may be able to obtain, for the purpose of raising money for prosecuting the said undertaking.

Power to borrow money and issue bonds.

Disposal of bonds.

The power of issuing bonds, hereby conferred upon the company, shall not be construed as being exhausted by such issue ; but such power may be exercised, from time to time,

Declaratory as to issuing bonds.

upon the bonds constituting such issue being withdrawn or paid off and duly cancelled, or until the limit to the amount of bonds, debentures or other securities fixed by this act shall be reached.

Power to
secure bonds
by trust deed
hypotheca-
ting property
of company.

9. The company may secure such bonds, debentures or other securities by a mortgage deed creating in favor of a trustee or trustees for the bondholders appointed by the directors for the purpose, such mortgages, charges and incumbrances upon the whole of such property, assets, rents and revenues of the company, present or future, or both, as are described in the said deed ; but such rents and revenues shall be subject to the payment of the working expenditure of the railway.

Bonds to be
first charge
on property.

10. (1) The bonds, debentures or other securities, hereby authorized to be issued, shall be taken and considered to be the first preferential claim and charge upon the company, and the franchise, undertaking, tolls and income, rents and revenues, and real and personal property thereof, at any time acquired, subject as aforesaid to the payment of the working expenditure of the railway, save and except as as provided for in the next preceding section.

Bondholders
to rank as
mortgagees.

2. Each holder of the said bonds, debentures, or other securities, shall be deemed to be a mortgagee or incumbrancer upon the said securities *pro rata* with all the other bondholders.

In event of
default of
company to
pay principal
or interest of
bonds, bond-
holders to
have all
powers of
shareholders.

11. (1) If the company makes default in paying the principal of or interest on any of the bonds, debentures or other securities, hereby authorized, at the time when the same, by the terms of the bond, debenture or other security, becomes due and payable, then, at the next general annual meeting of the company, and at all subsequent meetings, all holders of bonds, debentures or other securities, so being and remaining in default, shall, in respect thereof, have and possess the same rights and privileges and qualifications for being elected directors and for voting at general meetings as would attach to them as shareholders, if they held fully paid up shares of the company to a corresponding amount.

Rights not to
be so exer-
cised unless
provided in
mortgage.

2. The rights given by this section shall not be exercised by any such holder unless it is so provided by the mortgage deed, nor unless the bond, debenture or other security, in respect of which he claims to exercise such rights has been registered in his name, in the same manner as the shares of the company are registered, at least ten days before he attempts to exercise the right of voting thereon ; and the com-

pany shall be bound, on demand, to register such bonds, debentures or other securities, and thereafter any transfers, thereof, in the same manner as shares or transfers of shares.

3. The exercise of the rights given by this section shall not take away, limit or restrain any other of the rights or remedies to which the holders of the said bonds, debentures or other securities are entitled under the provisions of such mortgage deed. Other remedies of bond-holders not interfered with.

12. All bonds, debentures or other securities, hereby authorized, may be made payable to bearer, and shall in that case be transferable by delivery until registration thereof, and, while so registered, they shall be transferable by written transfers, registered in the same manner as in the case of the transfer of shares. Form and transfer of bonds.

13. In order to preserve the priority, lien, charge, mortgage, or privilege purporting to appertain to, or created by any bond issued under the provisions of this act, it shall not be necessary that such bond shall be registered according to the provisions of the Civil Code or any other law ; but it will be sufficient to have registered, in each of the registry offices of the counties traversed by the said railway, a copy of the mortgage deed to the trustee or trustees together with a certificate signed by the secretary or treasurer of the company stating the date of the issue, and the number and amount of the bonds issued and the rate of interest. What is sufficient registration for bonds to preserve priority.

14. The said bonds may be issued and sold as soon as a definite location of the line has been adopted by a resolution passed by the board of directors, and after a copy of the plan and location so adopted has been deposited in the office of the Commissioner of Public Works of the Province of Quebec. When bonds may be issued and sold.

15. The company may, in accordance with the authorization to be given it by the board of directors, in the transaction of its affairs, become party to promissory notes and bills of exchange for sums not less than one hundred dollars ; and every such note or bill made, drawn, accepted or endorsed by the president or vice-president of the company or other authorized officer, and countersigned by the secretary, shall be binding on the company ; and every such note or bill of exchange so made, drawn, accepted or endorsed shall be presumed to have been made, drawn, accepted or endorsed with proper authority until the contrary is shown ; and in no case shall it be necessary to have the seal of the company affixed to such promissory note or bill of exchange ; nor shall the president or vice-president, Company may become party to promissory notes, &c.

secretary or other officer, so authorized, be individually responsible for the same, unless such promissory note or bill has been issued without proper authority; but nothing in this section shall be construed to authorize the company to issue any bill or note payable to bearer or intended to be circulated as money or as the note or bill of a Bank.

Issue of paid
up stock in
payment of
right of way,
&c.

16. The directors of the company may make and issue, as paid up stock, shares in the share capital of the company, whether subscribed for or not, and may allot and hand over such stock as paid up stock in payment of right of way, plant, rolling stock, or material of any kind and also for the services of contractors and engineers; and such allotment of stock shall be binding on the company, and the paid up stock so allotted shall be unassessable thereafter for calls.

Form of deeds
of land.

17. All deeds or conveyances of land to the company for the purposes of this act, in so far as circumstances may permit, shall be in the form of Schedule A to this act annexed, or in any other form of a similar tenor.

Registration
of such deeds.

18. For the registration of all deeds of conveyance, the registrars in their respective counties shall be furnished, by and at the expense of the company, with books containing copies of the form given in the said schedule A or other form of similar tenor, one copy to be printed on each page, leaving the necessary blanks to suit the circumstances upon each separate conveyance.

How register-
ed.

Upon the production of any conveyance, the registrar shall enter the same in the said book, without any memorial, and minute the enregistration or entry on the deed.

Fee for regis-
tration.

The registrar may charge for all fees on such registration and entry on the deed a sum not exceeding fifty cents.

Effect of
registration.

Such registration shall be valid in law, any statute or provision of law to the contrary notwithstanding, and it shall have, with respect to rights of ownership, servitudes, hypothec and real rights, the same effects as the registration prescribed by the Civil Code.

Power to sell
or lease line,
&c.

19. The company may sell or lease its line and all its franchises and property, either before or after the completion of its railway, to any person or company or railway company whatever, provided that all agreements entered into between the companies for the purchase or lease of the railway hereby authorized, have been first sanctioned by two thirds of the votes of shareholders of this company at a special meeting called for the purpose of considering the same, at which meeting shareholders representing at least two thirds of the subscribed stock are present or represented by proxy.

20. When the construction of the proposed bridge across the St. Lawrence river at or near Quebec is completed, the company is authorized to lay out and construct a railway connecting its main line with the line crossing the said bridge and to make all necessary contracts and arrangements with the Quebec Bridge Company, which is hereby authorized to make such contracts and arrangements, for running powers over the said bridge and into the city of Quebec.

Power to lay out, &c., line to connect with bridge over St. Lawrence near Quebec.

21. The company is hereby authorized, after obtaining the sanction of its shareholders at a special meeting called for the purpose, to take stock or otherwise assist in the construction of the said bridge across the river St. Lawrence.

Power to assist building such bridge.

22. The railway hereby authorized shall be commenced within three years and shall be completed within six years from the passing of this act.

Commencement and completion of road.

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

Coming into force.

SCHEDULE A

FORM OF DEED OF SALE OF LANDS

Know all men by these presents that I, A. B., of _____ in the county of _____ for and in consideration of the sum of _____ dollars to me paid by the Wolfe, Megantic and Lotbinière Railway Company, which I acknowledge to have received, hereby grant, bargain, sell and convey unto the said the Wolfe, Megantic and Lotbinière Railway Company, all that tract or parcel of land known and described as follows, to wit :
 (description) the same having been selected and laid out by the said company for the purposes of its railway, to have and to hold the said land and premises unto the said company, its successors and assigns for ever.

Witness

hand and seal at

this _____ day of _____
 one thousand nine hundred and _____

A. B.

(L. S.)

Signed, sealed and
 delivered in presence of

C. D.

E. F.