



63 VICTORIA

CHAP. 67

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

[Assented to 23rd March, 1900]

WHEREAS the Quebec and Lake St. John Railway Com- Preamble.
pany has by its petition prayed for an act amending its act of incorporation, 38 Victoria, chapter 46, (1875) and the acts amending the same, so as, among other things, to authorize the company to issue prior lien bonds taking precedence of the bonds already issued; to issue income bonds for the purpose of redeeming in whole or in part the outstanding bonds of the company; and for other purposes:

Whereas it is expedient to grant the prayer of the said petition;

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

1. The company is authorized to issue bonds, secured upon the first division of the said railway, extending from the city of Quebec to Roberval, to an amount of £170,000 sterling, upon which interest not exceeding four per cent. per annum may be paid by the company, which bonds shall be known and designated as "prior lien bonds" and shall be the first mortgage, charge and privilege upon the whole of the first division of the said railway extending from the city

Power to issue bonds to certain amount, &c.
Name of bonds.
To be first mortgage on certain property.

of Quebec to Roberval, aforesaid, and upon the property, moveable and immoveable, belonging to the said railway and used in connection with the said division, and upon the tolls, revenues, franchise and equipment, save existing liens and rights, if any, and save also the first mortgage now existing upon the terminal property at Quebec and Hedleyville and amounting to the sum of \$124,057.

Application of proceeds of sale of such bonds.

The proceeds of sale of the said prior lien bonds shall be applied to the purpose of improving the first division of the said railway, including the terminus at the city of Quebec and the road-bed, track and bridges thereof, and in purchasing rolling stock for the said division and paying the said terminal mortgage of \$124,057 and certain other debts now outstanding not exceeding \$75,000.

Issue of first mortgage bonds to replace certain other bonds.

2. For the purpose of redeeming and replacing the first mortgage bonds of the said railway company now issued and secured upon the said first division of the railway, amounting in the whole to £780,000 sterling, which bonds are in default by reason of the non-payment of the interest payable thereon which fell due on the 1st day of July, 1899, and thereafter up to the present time, the said company is authorized to issue first mortgage bonds to an amount not exceeding £400,000 sterling, secured upon the said first division of the railway from Quebec to Roberval, and ranking after the prior lien bonds by this act authorized, which bonds may bear interest as follows, viz : For the first three years after the issue of the said bonds at the rate of three per cent. per annum, for the two years following the three years aforesaid at four per cent. per annum, and thereafter at the rate of five per cent. per annum.

Rank of such bonds.

Interest thereon.

Issue of income bonds to certain amount for certain purpose.

3. The company is further authorized, for the purpose of redeeming and replacing the balance viz : £380,000 of said £780,000, the outstanding first mortgage bonds secured upon the first division of the railway aforesaid, together with the unpaid interest thereon, and to cover the difference in interest between the original and the new securities, to issue bonds secured upon the said first division of the railway and ranking immediately after the first mortgage bonds previously authorized, which bonds shall be known and designated as "income bonds", to an amount not exceeding in the whole £500,000 sterling, bearing interest at a rate not exceeding six per cent. per annum, such interest payable only to the extent of the surplus net revenues, year by year, of the company, after payment of working expenses and interest in full upon the prior lien bonds and first mort-

Interest thereon and how and when payable.

gage bonds respectively, the amount of such interest, not exceeding six per cent, per annum, to be determined, year by year, by the directors of the company, after making provision for the existing and contingent floating liabilities of the company, and to that extent the accruing interest of the prior lien and first mortgage bonds, year by year, shall be a first and second charge and lien, respectively, upon the surplus net revenue, but the interest upon the income bonds shall not be cumulative, and any portion for which no provision shall be made in any one year by the directors out of the surplus net revenue of that year, shall *ipso facto* be and become discharged in so far as the company or its future revenues is or are concerned; but the capital of the income bonds shall be and remain, until paid, a mortgage, charge, lien and privilege upon the first division of the railway extending from Quebec to Roberval and upon the property, moveable and immoveable, and upon the rolling stock, equipment, tolls, revenues and franchise of the company used in connection with the said division, ranking after the said prior lien bonds and the first mortgage bonds.

To be mortgage upon certain property.

4. All the bonds, the issue whereof is authorized by the present act, may be made for such term or terms, respectively, not exceeding thirty years, as the directors may determine, and the said bonds may be issued either in currency or sterling, or part in currency and part in sterling, and the coupons and interest thereon may be made payable in Canada or England, or partly in Canada and partly in England, or such other place as the directors may decide.

Form of bonds and when payable, &c.

5. The first mortgage and income bonds, the issue whereof is authorized by the present act, shall be exclusively applied to the redemption of the outstanding first mortgage bonds of the railway company and to no other purpose.

Application of proceeds of first mortgage and income bonds.

6. The directors may secure the several issues of prior lien, first mortgage and income bonds, authorized by the present act, by means of one or more trust deeds and conveyances of the said first division of the railway and of the property, moveable and immoveable, and of the tolls, revenues and franchises appertaining thereto.

Bonds may be secured by trust deeds.

7. The powers hereby granted to the company to issue prior lien, first mortgage and income bonds shall not be exercised unless and until the holders of three-fourths in value of the outstanding issue of first mortgage bonds shall

When bonds to be issued.

Cancellation of present bonds upon issue of bonds under this act, by resolution.

When resolution to be passed.

Subrogation in rights of present holders, &c.

Provisions as to amalgamation of bonds, &c.

consent thereto in writing, and as soon as such consent shall have been obtained, the directors of the company may, by resolution, declare the present bonds of the company, amounting to £780,000 sterling, including all unpaid interest thereon whether accrued or to accrue, and the deed of trust and mortgage, dated 2nd May 1889, between the railway company and the Railway Share Trust and Agency Company to be cancelled and revoked, and thereupon such deed and the said bonds and each thereof shall be absolutely null and void, except as evidence of the amount of first mortgage and income bonds to which the holders of such cancelled bonds are entitled, and the company shall, on demand, and surrender of the cancelled bonds, deliver to each holder of mortgage bonds the proportion of the total issues of first mortgage and income bonds, respectively, to which he is entitled; provided always that the directors of the company shall not pass the resolution authorized by the present section until they shall be prepared to immediately issue and deliver the said first mortgage and income bonds, respectively, and to secure the same by a deed or deeds of trust and mortgage, as provided by the sixth section of the present act, in such manner that the substituted first mortgage and income bonds shall immediately replace the said cancelled bonds, respectively, and the holders of the said first mortgage and income bonds, respectively, if and when issued, shall be subrogated in all the rights, privileges, mortgages, liens and rank of the holders of the now existing issue of first mortgage bonds, saving and except the prior lien, charge and privilege of the holders of the prior lien bonds, as provided by the present act.

S. The directors of the company may,—provided the holders of three-fourths in value of the first mortgage bonds of the company, secured on the first division of the road from Quebec to Roberval on the one part, and three-fourths in value of the holders of bonds of the railway, secured upon the Chicoutimi branch of the railway, extending from Chambord Junction to Chicoutimi, of the other part, agree in writing to an amalgamation of their interest in the said railway,—issue, upon the whole railway system of the company, for the purpose of replacing the outstanding bonds of the railway issued upon both divisions thereof, an additional amount of first mortgage and income bonds respectively, beyond those authorized by the 2nd and 3rd sections of this act in the following proportions, to wit: Additional first mortgage bonds to the amount which shall bear the same proportion to the 51 miles of railway of which the

Chicoutimi branch consists, as the £400,000 of first mortgage bonds bear to the length of railway mileage in the first division of the railway from Quebec to Roberval, and additional income bonds to an amount which shall bear the same proportion to the said 51 miles of railway in the Chicoutimi branch as the £500,000 of income bonds bear to the mileage of the first section of the railway.

9. In the event of the amalgamation of interest among the holders of bonds authorized by the eighth section of this act taking place, the whole of the first mortgage and income bonds may rank *pari passu* upon the whole system of railway of the company, and the prior lien bonds issued under the first section of this act shall, in such case, be a first privilege upon the whole railway system.

Ranking of first mortgage and income bonds in case of such amalgamation.

10. It shall be lawful for the holders of Chicoutimi branch bonds, amounting to three-fourths in value of the total issue thereof, to agree to accept bonds less in amount than authorized by the eighth section of this Act.

Holders of Chicoutimi branch bonds may agree to accept less.

11. Any agreement authorized by the eighth and tenth sections of this Act, which shall be assented to by the holders of three-fourths in value of the Chicoutimi branch bonds, shall be binding upon the whole of the holders of such Chicoutimi bonds, and the powers conferred upon the directors by the seventh section of this Act, shall apply, *mutatis mutandis*, to the Chicoutimi branch, the Chicoutimi branch bonds, and the deed or deeds of trust and mortgage executed for the purpose of securing such bonds.

Agreements assented to by three-fourths of holders of Chicoutimi branch bonds binding on all.

12. In the event of an agreement being reached between the bondholders of the main line and those of the Chicoutimi branch, the directors may appropriate such portions of the proceeds of the prior lien bonds reserved for improvements on the main line, for improvements and additional equipment on the Chicoutimi branch, as they may consider necessary.

Appropriation for improvements of Chicoutimi branch in certain event.

13. Pending the acceptance of the provisions of this act by three-fourths in value of the bondholders, and the issue of the new bonds herein provided for, Messrs. Frank Ross and Gaspard LeMoine, of the city of Quebec, and William Hanson, of the city of Montreal, shall act as receivers of the main line and of the Chicoutimi branch of the railway, and

Interim receivers named.

Their powers and duties. shall receive all revenues, pay all operating expenses and hand over any surplus at the expiration of twelve months to the trustees for the respective issues of bonds at present outstanding.

Term of such receivership. **14.** The receivership provided for by the foregoing section shall not last beyond one year from the date of this act.

Coming into force. **15.** The present act shall come into force on the day of its sanction.

QUEBEC : Printed by CHARLES PAGEAU, Printer to the Queen's
Most Excellent Majesty.