

18 V., c. 61,  
amended and  
name changed.

**1.** The name of the said corporation, created by the act of the Parliament of the late Province of Canada, 18 Victoria, chapter 61, and intituled "An Act to incorporate the University Lying-in-Hospital in the city of Montreal" is hereby amended as follows, the words, "The University Lying-in-Hospital," in the first section of the said act, are hereby struck out, and the following substituted therefor "The University Maternity Hospital."

Corporation  
vested with  
certain powers.

**2.** The said corporation, after the passing of this act to be known as the University Maternity Hospital, is vested with all the rights, powers, property and obligations of the University Lying-in-Hospital.

Coming into  
force.

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

## C A P. L X I I .

An Act to further amend the charter of the *Crédit Foncier Franco-Canadien*.

[Assented to 10th June, 1884.]

Preamble.

**W**HEREAS the corporation of the *Crédit Foncier Franco-Canadien* has, by petition, prayed for certain amendments to its charter, in order to facilitate the management of its affairs and the issue of its obligations, and whereas it is expedient to grant its prayer; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

43-44 V., c. 60,  
s. 3 and 45 V.,  
c. 84, s. 2,  
amended.

**1.** Section 3 of the act incorporating the company, 43-44 Victoria, chapter 60, as replaced by the act 45 Victoria, chapter 84, section 2, is amended by striking out in the sixth line the words "at least," and substituting therefor the word "however."

43-44 V., c. 60,  
s. 4, amended.

**2.** Section 4 is amended by adding at the end thereof the words "saving the case of dissolution or continuance hereinafter provided for."

Id. section 9  
amended.

**3.** Section 9 is amended by adding before the word "Quebec," in the last line the words "the province of."

Id. section 11  
amended.

**4.** Section 11 is amended by adding before the word "Quebec," at the end of the first clause, the words "the province of."

5. Section 20 is amended by striking out the words "by-laws or," in the fifth line thereof. Id. section 20 amended.

6. Section 23 is amended by striking out the words "or regulation," in the sixth line. Id. section 23 amended.

7. Section 27 is amended by adding at the end of the first paragraph the words "or by the manager when the persons above-mentioned cannot act." Id. section 27 amended.

8. Section 28 is amended by adding at the end of the last paragraph the words "or by the director who replaces them." Id. section 28 amended.

9. Section 29 is amended by striking out in the sixth line the words "managers," and substituting therefor the words "manager," and subsections 11 and 13 of the same section 29 are repealed and the following are substituted therefor: Id. section 29 amended. Id. section 29, §§ 11 and 13, replaced.

"11. The propositions to be submitted to the general meeting with respect to the increase of the capital and the adopting of by-laws for the government of the corporation and for the direction and management of its affairs, subject to confirmation by the general meeting"

Propositions to be submitted to general meeting.

"13. The rules under which the manager shall in general administer the affairs of the corporation." Rules governing manager.

10. Section 34 is amended by striking out in the third line of the eighth paragraph thereof the words "a three-fourths," and substituting therefor the words "the absolute." Id. section 34 amended.

11. Section 44 of the act incorporating the company, as amended by the act 45 Victoria, chapter 84, section 13, is amended by adding after the words "in concert with the president, vice-president or director who replaces them," the words "or the general secretary when the persons above-mentioned cannot act." Id. s. 44 and 45 V., c. 84, s. 13, amended.

12. Section 49 is amended by adding between the third and fourth paragraphs the following paragraph: 43-44 V., c. 60, section 49, amended.

"Each shareholder shall have a vote for every twenty-five shares he holds, but no such shareholder shall, either in his own name or as proxy, hold more than twenty votes." Number of votes to be held by shareholders.

13. Section 57 is amended by adding after the words "capital of the corporation" in the tenth and eleventh lines the words "or the amendments to this act to be submitted to the Legislature," and by striking out in the

Id. section 57 amended.

eleventh line the words "rules and regulations" and by substituting therefor the words "by-laws," and by adding the following paragraph:

Contents of notice to be given when meeting is for certain purposes.

"When the general meeting is called upon to vote on an increase of the capital or upon amendments to this act, the notice convening such meeting shall contain a summary mention thereof, and no proceedings there adopted shall be valid unless concurred in by two-thirds of the votes representing at least one-third of the shares issued."

Id. section 60 amended.

**19.** Section 60 is amended by adding at the end thereof the words "or by the director who replaces them."

Id. section 68 amended.

**17.** Section 68 is amended by adding thereto at the end of the second paragraph the words "and may also include."

Id. section 92 replaced.

Power to issue obligations.

**16.** Section 92 is repealed and replaced by the following :  
"92. The corporation may create and issue obligations representing its operations."

Id. section 101 amended.

**17.** Section 101 is amended by adding thereto the words "or one hundred dollars, Canadian currency."

Id. secs. 105, 106, 107, 108, 109 and 110, repealed

**18.** Sections 105, 106, 107, 108, 109 and 110 are repealed.

Id. section 118 replaced.

**18.** Section 118 is repealed and replaced by the following :

Certain by-laws of board require confirmation of special general meeting.

"118. The by-laws, adopted by the board of management for the government of the corporation and for the direction and management of its affairs and the amendments or modifications which it may make thereto, unless they be in the meanwhile confirmed by a special general meeting, shall only remain in force until the general meeting which shall follow their adoption ; and if they be not confirmed by the general meeting they shall thereupon cease to be in force."

Id. section 119 amended.

**20.** Section 119 is amended by striking out the words "rules or regulations" in the first line and substituting therefor the word "by-laws."

Id. section 120 replaced.

**21.** Section 120 is repealed and replaced by the following :

By-laws to be submitted to Lieutenant-Governor for approval. Effect of non-approval.

"120. The by-laws shall be submitted to the Lieutenant-Governor in council for approval, and, in default of such approval within six months after their confirmation by the general meeting, they shall cease to be in force. These by-laws, after their approval, shall be published, under

the attestation of the Provincial Secretary, in the Quebec Official Gazette." Publication of by-laws.

23. Section 121 is amended by replacing the figures "118" in the fourth line by the figures "57." Id. section 121 amended.

23. Schedule A annexed to this act is a reproduction of the charter of the *Crédit Foncier Franco-Canadien*, as amended by the act 45 Victoria, chapter 84, and by the present act. Schedule A declared to be reproduction of charter as amended.

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

## SCHEDULE A.

### CHARTER OF THE "CRÉDIT FONCIER FRANCO-CANADIEN."

An Act to incorporate the "*Crédit Foncier Franco-Canadien*"

**W**HEREAS, Count Raphael Maximilien Cahens d'Anvers, Knight of the Legion of Honor, banker, 59 *rue de la Victoire*, Paris, in France; Edmond Jean Joubert, officer of the Legion of Honor, vice-president of the board of management of *La Banque de Paris et des Pays-Bas*, 3 *rue d'Antin*, Paris, in France; Charles Louis Sautter, Knight of the Legion of Honor, manager of *La Banque de Paris et des Pays-Bas*, 3 *rue d'Antin*, Paris, in France; Etienne Moranges, 7 *rue de la Bibliothèque*, Versailles, France; the Honorable Joseph Adolphe Chapleau, of the city of Montreal, in the Province of Quebec, Dominion of Canada; the Honorable Etienne Théodore Pâquet, of the city of Quebec; Jonathan S. C. Würtele, of the city of Montreal, Queen's Counsel, officer of Public Instruction of France, and Louis Napoléon Carrier, of the town of Lévis, notary, registrar of the county of Levis, have, by their petition, prayed for an act of incorporation, for the establishment, by means of capital to be subscribed in France, and in the Province of Quebec, of an institution of landed credit, having for its object to supply real estate owners, who may desire to borrow upon hypothecary securities, with the means of paying their indebtedness by long term annuities, and with the right to issue and negotiate obligations or bonds bearing interest yearly and repayable at par or with

prizes or premiums ; and whereas it is expedient to grant the prayer of their petition ; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows :

## TITLE FIRST.

### INCORPORATION OF THE INSTITUTION.

Corporation constituted.

1. A corporation is hereby created and constituted under the name of "*Crédit Foncier Franco-Canadien.*"

## TITLE SECOND.

### OBJECTS OF THE CORPORATION.

Objects of the corporation.

2. The objects of the corporation shall be :

Loan upon hypothec.

1. To loan, upon hypothec, sums of money, repayable either at long date, by annuities, or at short date, with or without a sinking fund ;

Loan upon hypothecary security.

2. To loan, upon the security of hypothecary or privileged claims, sums of money, payable either at long date, by annuities, or at short date, with or without a sinking fund ;

Loan to corporations, &c., with or without hypothec.

3. To loan, upon hypothec or otherwise, to municipal and school corporations, to *Fabriques* and trustees for the construction or repair of churches, such sums of money as they may be authorized to borrow, and repayable either at long date, by annuities, or at short date, with or without a sinking fund ;

Acquisition by transfer, &c., hypothecary claims.

4. To acquire, by subrogation or transfer, hypothecary or privileged claims ;

5. In a word, to perform all operations intended for the development of loans upon immovables ;

Generally to develop loans upon real estate.

6. To purchase bonds or debentures issued by municipal and school corporations and by incorporated companies, and to resell the same, if deemed advisable ;

Purchase of bonds of corporations, &c. Loans to Government.

7. To make loans to the government of the Province of Quebec, and purchase public securities, and to resell the same, if deemed advisable ;

Creation and negotiation of obligations, &c.

8. To create and negotiate, as representing its operations, obligations or bonds, to an amount which shall not exceed that of the sums of money due by its borrowers, and the value of the bonds or debentures and public securities in the possession of the corporation.

## TITLE THIRD.

## HEAD OFFICE AND DURATION OF THE CORPORATION.

3. The seat or chief office of the corporation shall be in Head office. such of the cities of the Province of Quebec as shall be designated by the board of management.

Branch offices may be established in such cities of the Branch offices. Dominion of Canada as the board of management may think proper, but there shall be however one branch office both in Montreal and Quebec.

4. The duration of the corporation shall be limited to Duration of society. ninety-nine years, dating from the 24th July, 1880, saving the case of dissolution or continuance hereinafter provided for.

## TITLE FOURTH.

## CAPITAL STOCK—SHARES—INSTALMENTS.

5. The capital stock shall be twenty-five million francs, Capital stock. French currency, divided into fifty thousand shares of five hundred francs each. It may be increased by a resolution Increase. adopted at a special general meeting.

6. The capital stock of twenty-five million francs shall Shares, their issue. be composed of issues of five thousand shares each, of which the first shall be issued at once.

On the five thousand shares, composing the first issue, Payment of first issue. fifty francs shall be paid on subscription, and seventy-five francs in the month following.

The dates of the issues of the remaining forty-five Issue of remaining shares. thousand shares shall be determined by the board of management. Holders of shares previously issued shall, within the delay fixed by the board of management, be entitled, by privilege and in proportion to the stock they hold, to subscribe for the forty-five thousand shares.

The new shares must be paid up in the same propor- Proportion of payment. tion as the shares previously issued.

The new shares shall not be allotted below par.

The board of management shall determine the amount Price of new shares. Calls. of the calls, as well as the manner and the delay, in which they shall be paid up.

7. The subscribers to the capital stock, to the extent of Rights of founders of the corporation. the fifty thousand shares mentioned in section 5, shall be the founders of the corporation, and shall, as such, be entitled to the benefits mentioned in sections 8 and 110, of the present act.

Stock-certificates.

Stock-certificates shall be given to the founders to establish their rights, under the first paragraph of section 8, and to facilitate their obtaining their share of the profits specified in section 110.

Form thereof.  
Transfer.

The board of management shall determine the form of such certificates, and the method of their transfer shall be the same as in the case of shares.

Percentage of founders and shareholders in certain cases.

8. In the event of the capital stock being increased beyond twenty-five million francs, the founders and the holders of shares, previously issued, shall have a right, by preference, to subscribe for the shares to be issued, in the ratio of thirty per cent for the founders or their representatives, and seventy per cent for the shareholders.

Allotment of proportion of shares.

The allotment of such seventy per cent shall be in proportion to the number of stock-certificates held by each shareholder.

Union of shares.

Such of the shareholders as do not hold sufficient stock to entitle them to at least one share in the new issue may unite together to form the number and to exercise their rights.

Regulations respecting above provisions.

A regulation, drawn up and passed by the board of management, shall determine the delays and the manner in which the benefit of the above provisions may be claimed.

Shares in what currency payable and when.

9. The amount of the shares shall be payable in francs, French currency, at Paris, or in Canada, at such dates as may be fixed by the board of management.

Interim stock-certificates.

After the first call shall be paid up, there shall be delivered to each shareholder an interim stock-certificate, bearing one of a series of numbers, upon which all subsequent payments shall be inscribed.

Calls how notified.

The calls ordered by the board of management shall be made known to the shareholders by means of advertisements inserted, a month beforehand, in one of the daily newspapers published in Paris and in the Province of Quebec.

Interest on monies overdue.

10. Every sum of money, of which the payment is delayed, shall of right bear interest, and without a suit at law being necessary, for the benefit of the corporation, at the rate of six per cent *per annum* from the date at which such payment became due.

Interim stock-certificates may be advertised in certain cases.

11. If the instalments upon any of the calls on stock are not paid when due, the numbers of the interim stock-certificates of those who are in arrear shall be published in one of the daily newspapers of Paris and in the Province of Quebec.

Fifteen days after such publication, the corporation shall have the right to sell such shares on account of and at the risk and peril of the parties in arrear, on the Stock-Exchange, in Paris, through a stock-broker, if they are quoted on the Stock-Exchange, and if not, through any other public officer in France.

Sale of shares in arrear for for calls.

Such sale may be made in a lump or in detail, either on the same day or at successive periods, without any putting in default or any legal formalities being necessary.

How such sale shall be made.

The interim-certificates of the stock so sold shall, of right, become void; and new ones shall be delivered to the purchasers under the same numbers.

Such certificate so sold shall be cancelled.

Every interim-certificate, which does not contain a mention of the payment of the calls due thereon, shall cease to be negotiable. This condition shall be stated in the interim-certificates.

Condition requisite to negotiability of certificates.

The steps hereinabove authorized to be taken shall not prevent the corporation from having recourse, at the same time, to the ordinary proceedings at law.

Other proceedings may be taken.

The proceeds of the sale, after deducting the costs, shall be imputed upon the amount due by the expropriated shareholders, who shall still be liable for the difference, if there be a deficiency, but who shall be entitled to receive the surplus, if there be any.

Proceeds of sale, to whom paid.

12. The corporation may, in pursuance of a resolution of a general meeting, deliver certificates to bearer, for shares on which fifty per cent is paid up, that is, two hundred and fifty francs.

Certificates to bearer.

Certificates to bearer shall be taken from a register with counter-foil; they shall be numbered consecutively and bear the signature of two directors, and the seal of the corporation.

Whence taken. Number, &c.

13. Stock-certificates to order shall be negotiable by transfer, granted by the seller and accepted by the buyer.

Transfer of stock-certificates to order.

When the parties act through an agent, the power of attorney shall be delivered to the corporation.

Power of attorney in certain cases.

The corporation may require that the signature of the parties and their capacity to act be certified by a stock-broker, and in no case shall it be responsible for the validity of the transfer.

Formalities required.

14. Certificates to bearer shall be transferred by simple delivery.

Transfer of stock-certificates to bearer.

15. Any shareholder may claim, in exchange for certificates made payable to bearer, a certificate to his order. The board of management shall determine the conditions,

Exchange of certificates.

Conditions.

the manner, and the cost of effecting such exchange of certificates.

Ownership of several shares.

16. The ownership of more than one share, in the name of the bearer, shall be established by a collective certificate.

Right of shareholders.

17. Every share shall give its holder a right in the ownership of the assets of the corporation and to a share in the profits, in proportion to the number of shares issued.

Payment to holders of certificates.

Payment of the dividends upon any share, either to order or to bearer, shall be valid, if made to the holder of the certificate.

Liability of shareholders.

18. The shareholders shall be liable only for the amount of each share; no call shall be permitted beyond such amount.

Shares are indivisible.

19. Every share shall be indivisible and the corporation shall recognize but one owner for each share.

Representation of co-proprietors.

Co-proprietors of a share shall be required to be represented by one and the same person.

Rights to follow certificates.

20. The rights and obligations appertaining to shares shall follow the certificate into whatsoever hands it may pass.

Shareholders to comply with by-laws, &c.

The possession of a share shall of right entail compliance with the by-laws or regulations of the corporation and the decisions of general meetings.

Loss of stock-certificate to bearer.

21. In the event of any stock-certificate to bearer being lost, the corporation shall not be obliged to replace them or to pay the interest or dividends due thereon, until it has been furnished with satisfactory proof of the loss of such certificates and of the rights of the claimants, and also until all legal formalities have been fulfilled.

Loss of certificates to order.

The board of management shall determine the conditions on which certificates to order, which have been lost or mislaid, shall be replaced.

Seals, &c., can not be affixed upon corporation property by heirs, &c., of shareholders. Their rights.

22. The heirs or creditors of a shareholder cannot, under any pretext whatsoever, require the affixing of seals upon the property and securities of the corporation, nor interfere in any way with the management thereof. They shall, for the exercise of their rights, abide by the financial statements of the corporation and the proceedings of general meetings.

## TITLE FIFTH.

## MANAGEMENT OF THE CORPORATION.

## SECTION I.—BOARD OF MANAGEMENT.

**23.** The corporation shall be managed by a board of management, composed of from nine to fifteen directors, who shall annually elect, from amongst their number, a president and a vice-president.

Management of the corporation.  
President and vice-president.

The number of directors, from nine to fifteen, shall, from time to time, be fixed by by-law.

Number of directors ;

Until otherwise provided, the board shall be composed of fifteen directors.

Until otherwise provided.

**24.** The directors shall be appointed at the general meeting of the shareholders.

Directors how and when appointed.

Nevertheless the first board of management shall be appointed by the persons mentioned in the preamble. This latter board shall remain in office for three years.

First board and term of office.

Before entering into office, each of them shall establish that he is possessed of fifty shares. These shares shall remain affected by privilege, as security for his good management and shall not be transferable, while he remains in office.

Qualifications of directors.

**25.** One third in number of the directors shall go out of office every year, after the third year.

Retirey of directors ;

It shall be decided by lot which of the directors shall retire during the three years next after the first three, and, afterwards, they shall retire by seniority. They may always be re elected.

By lot.

May be re-elected.

Any vacancy, occurring among the directors, shall be temporarily filled up by the board ; and the next ensuing general meeting shall definitively elect a successor.

Vacancy in board.

The director, who shall be appointed in the place of another, shall remain in office only during the remainder of his predecessor's term of office.

Term of office of replacing director.

**26.** The directors shall, for every time they are present, receive a counter or check, of which the value shall be determined by the general meeting.

Certificate of presence at directors' meetings.

**27** The board of management shall meet as often as the interests of the corporation may require, and at least once a month. Its meetings shall be called by the president, or vice-president, or by the director who shall fill their place, or by the manager when the persons above mentioned cannot act.

Meeting of board of management. How called.

Resolution how adopted.	No resolution can be adopted, unless at least three of the directors, residing in Canada, are present or represented.
Representation of absent directors.	Directors residing in foreign parts, or those who are absent, may be represented at the meetings of the board by special mandate given to one of their colleagues.
Absent directors.	Directors who are absent may also give their vote in writing.
Paris committee may take part in voting.	The Directors composing the Paris Committee, hereinafter mentioned, may, without waiting until the decisions of the board are communicated to them, take part in the voting by correspondence, either by mail or telegraph.
Decisions how taken.	Decisions shall be taken by an absolute majority of the votes.
Casting vote.	When the votes are equal, the president shall have a casting vote.
Minutes how kept.	<b>28.</b> The proceedings shall be recorded by minutes entered in a register and signed by the president, the vice-president or the director who shall fill their place, and the secretary.
Certified copies authentic.	Copies or extracts of such minutes, which are required to be produced in court or elsewhere, shall be certified by the president or vice-president, or by the director who replaces them.
General powers of the board of management.	<b>29.</b> The board of management shall, in concert with the committee in Paris, have the most extensive powers for the management of the affairs of the corporation.
By-laws.	It shall pass by-laws for its internal management and determine the amount of the cost thereof.
Appoint and remove officers &c.	It shall appoint and remove the managers, officers, and employes of the corporation, shall determine their powers and fix their fees, salaries and gratuities; it shall also determine the amount of the security which they shall give and, if necessary, authorize it to be repaid.
Authorize purchase of property.	It shall, if need be, authorize the purchase of immovable property for the purpose of establishing its offices therein, and the sale of such immovables and of those acquired in payment or for the protection of their claims.
Other powers.	It shall decide upon : <ol style="list-style-type: none"> <li>1. The general conditions on which loans shall be granted;</li> <li>2. The preliminaries, forms and conditions of loans intended for the working of the corporation or the management thereof, with or without hypothec;</li> <li>3. Calls upon shares issued, and the issue of new shares;</li> <li>4. The general rules to be followed in the investment of funds;</li> </ol>

5. The annual statement of accounts to be submitted to the general meeting;

6. The determining the amount of the dividend and of the sums to be advanced on account thereof;

7. The amounts to be credited yearly to the reserve fund and to the provident fund and the method of investing them;

8. The establishment or closing of branch offices or agencies;

9. The amalgamation of the corporation with other companies;

10. Its anticipated dissolution;

11. The propositions to be submitted to the general meeting with respect to the increase of the capital, and the adopting of by-laws for the government of the corporation, and for the direction and management of its affairs, subject to confirmation by the general meeting;

12. All amendments to be made to the present act which shall previously be submitted to the general meeting;

13. The rules under which the manager shall in general administer the affairs of the corporation;

14. The creation and issue of obligations or bonds; the date of their issue; the rate of interest, which shall not exceed that authorized by law; the date of the repayment thereof; the number of drawings (*tirages au sort*) and the amount of the prizes or premiums;

15. The agreements, transactions, compromises, investments, transfers of State securities (*rentes sur l'Etat*) and others; cancellation of hypothecary or privileged claims without payment being established; the abandonment of all real or personal rights; discontinuance of oppositions and cancellation of the registration of hypothecs, without previous repayment.

It shall submit, each year, to the meeting a report upon the accounts and the financial position of the corporation, which report shall be printed and distributed to the members at the meeting.

It shall, in a word, decide upon all questions which relate to the management of the corporation.

20. The board of management shall decide upon applications for loans and other transactions, and grant or refuse them; but it shall refer to the Paris Committee all those, the amount whereof exceeds twenty thousand dollars, Canadian currency.

Applications for loans, &c.  
Provide as to loans over a certain amount.

21. The board of management may appoint and remove, when it sees fit, at each of the branches, of which it may

Appointment, &c., of local board.

authorize the establishment, a local board, composed of two or more shareholders, and may delegate to such local board the powers they may deem expedient with respect to applications for loans, the amount whereof does not exceed ten thousand dollars. Such local boards shall be called "Divisional Boards." Every member of such local boards shall be the holder of at least twenty-five shares, which shall remain affected by privilege as security for his good management and shall not be transferable while he remains in office.

The fact of a person being a director shall not disqualify him from being a member of a local board.

Quorum.

In order that the proceedings of the local board be valid, it is necessary that an absolute majority of its members be present.

Delegation of powers in certain cases.

The board of management may also delegate a portion of its powers, to be exercised both in the Dominion of Canada or in France, to one or more persons, by special mandate, but only for a determined object and for a limited time.

Responsibility of members of board of management.

**32.** The members of the board of management shall not incur any personal, or joint and several liability, in the performance of their duties; they shall be responsible only for the proper execution of their trust.

#### SECTION II.—PARIS COMMITTEE.

Representation of the corporation in Europe.

**33.** The members of the board of management, residing in France, shall be the delegates or representatives of the corporation, for all its business which may be transacted in Europe.

Name of such representatives.  
Office at Paris.

Such delegates and representatives shall act under the name of the "Paris Committee."

They shall establish an office in the city of Paris at such place as they may deem advisable.

Appointment of chairman.

**34.** The said committee shall appoint its chairman and make rules for its internal management.

Rules.

The same rules, established for the validity of the proceedings of the board, shall apply to those of the committee. Nevertheless, no resolution can be voted unless at least five of its members are present or represented by proxy.

Meeting of committee.

The Paris Committee shall meet as often as it may think advisable.

Communication to the board of management and committee.  
Paris board.

The board of management in Canada shall communicate to the said committee, by the first mail, after each of its meetings, the minutes of the proceedings of such meeting.

The Paris Committee shall be under the same obligations with respect to the board of management in Canada.

The board shall obtain the advice of the Paris Committee upon all the questions set forth in sections 29 and 31, and in addition upon all loans and transactions, of which the amount shall exceed twenty thousand dollars.

Advice to be obtained by board from committee.

All loans granted to one and the same person, and of which the aggregate shall amount to twenty thousand dollars, shall be considered as a single loan to the like amount.

In the event of the board of management in Canada differing in opinion with the Paris committee, the decision to be valid shall be carried by the absolute majority of the entire board of management.

In the event of difference of opinion.

The Paris Committee shall give its opinion, within a delay of six weeks at the most, from the date on which the notice was mailed; if the committee does not reply, within such delay, the decision of the board shall be considered as having been approved.

Delay to give opinion by committee. If not received, decision to be considered as approved.

The Paris Committee is specially charged with the sale and investment of the bonds of the corporation in Europe.

Sale, &c., of bonds in Europe.

**35.** The Paris Committee shall have a register for the transfer of the shares of the corporation, and shall forward a list of transfers effected therein to the office of the corporation, in order that a complete register may be preserved there of all the shares to order in the said corporation.

Register of committee.

### SECTION III.—CENSORS.

**36.** Three Censors shall be appointed by the general meeting. They shall remain in office for the space of three years, and one-third in number shall go out of office; they may always be re-elected.

Appointment of censors.

Term of office.

In case of the death, absence, illness or retirement of one of the censors, steps shall at once be taken by the remaining censors to replace him.

Death of censors.

Before entering into office, each of them must prove that he is the holder of twenty-five shares. Such shares shall remain affected by privilege, as security for his good conduct and shall not be transferable while he remains in office.

Duties before entering office.

The provisions of section 26 of this act shall apply to the censors as well as to the directors.

Application of section 26.

**37.** The duty of the censors shall be to see to the strict observance of the provisions of this act.

Duty of censors.

They shall be entitled to be present at the meetings of

the board and of the Paris Committee and to give their opinion.

They shall control the creation and issue of obligations or bonds.

They shall examine the yearly accounts and inventories and certify to their correctness.

The books and accounts, and generally all documents of the corporation, shall be submitted for their examination, at their request. They may, at any time, examine the cash, securities and vouchers of the corporation.

Annual return to be made.

**38.** They shall make an annual return to the general meeting, which return shall be printed and distributed to the members at the meeting.

May call special general meeting.

**39.** The censors shall have the right, when they unanimously decide upon it, to have a special general meeting called.

#### SECTION IV.—MANAGEMENT.

Province divided into divisions.  
"Quebec Division."  
"Montreal Division."

**40.** For the management of business, the Province shall be divided into two divisions. One shall be designated by the name of the "Quebec Division," and its place of business or office shall be in the city of Quebec; the other shall be designated under the name of the "Montreal Division," and its place of business or office shall be in the city of Montreal.

Territory comprised.

The first of such divisions shall include the territory to the east of the Rivers St. Maurice and Nicolet, and the other, the territory to the west of such rivers.

Subdivision of these divisions.

**41.** Nevertheless, the board of management may, if it deem proper, subdivide such divisions and form others, and establish offices in the new divisions; it may likewise alter the limits of such divisions or suppress them.

Management of such divisions.

**42.** The affairs shall be administered by a manager who may also be a director.

Qualifications of manager.

**43.** Before entering into office, the manager must prove that he holds one hundred shares. Such shares remain affected by privilege, as security for his good management and shall not be transferable while he remains in office.

Security for management.

Powers and duties of manager.

**44.** The manager shall make rules for the internal discipline of the offices and shall see to their observance.

He shall carry out the decisions of the board of management, relating to the administration of affairs.

He shall be the representative of the corporation, as regards third parties, in all matters which come under his management.

He shall sign, in concert with the president, vice-president or director who replaces them, or the general secretary when the persons above mentioned cannot act, cheques, drawn upon the banks in which the funds of the corporation are deposited; endorse securities made payable to order; pay sums due by the corporation; take the necessary steps to recover sums due to it; give instructions for the institution of suits and proceedings which the affairs of the corporation may render necessary; sign, in the name of the corporation and on its behalf, contracts of loan, subrogation, transfers and deeds of purchase and sale; give and receive discharges for sums received or paid out, execute and sign, in the name and on behalf of the corporation, all discontinuances and cancellations authorized by the board of management; and shall, in a word, perform all and every the acts of administration required by the affairs of the corporation.

45. The manager may, with the permission of the board of management, require the assistance of and be represented by a deputy at the head office of the corporation, and also at each branch office; but he shall be responsible for all his acts and the consequences thereof.

All powers delegated by him shall be special and temporary.

46. The manager may suspend the employees, but he shall refer the matter to the board of management.

He shall temporarily replace any employees who may be suspended.

In case of the death, absence or inability to act of any of the employees, he shall provide a temporary substitute.

47. On the first day of January of each year, the manager shall prepare a detailed statement of the operations of the corporation during the preceding year. This document shall be submitted to the board of management who, after having examined it, shall forward it, with its observations thereupon, to the censors.

48. The president shall, after the appointment of a manager by the board of management, execute in duplicate a procuration, countersigned by the secretary, authorizing him to act, within the limits of his powers, for and in the name of the corporation.

Deposit of such  
and notice in  
Gazette.

A duplicate of the procuration shall be deposited in the office of the Provincial Secretary, and the latter shall give notice, in the Quebec Official Gazette, of such appointment and of the deposit of the procuration.

Effects of  
notices, &c.

All registrars and all courts in the Province, shall be held, after such notice, to receive all deeds passed by the manager, within the limits of his powers, and before the publication, in the Gazette, of a notice of a revocation of the procuration, as sufficient, without requiring any proof of his power to act.

## TITLE SIXTH.

### GENERAL MEETINGS.

General meet-  
ing, what it is.

49. The general meeting, regularly constituted, shall represent the whole body of the shareholders

Who may  
compose.

It shall be composed of all the shareholders holding at least twenty-five shares.

Who may take  
part in meet-  
ing.

In order to be entitled to take part in the proceedings of the general meeting, the shareholders must have held such twenty-five shares, at least thirty days before the day appointed for the depositing of the shares.

Each shareholder shall have a vote for every twenty-five shares he holds, but no such shareholder shall, either in his own name or as proxy, hold more than twenty votes.

List of those  
having right  
to vote.

The list of shareholders, having a right to take part in the general meeting, shall be prepared by the board of management. It shall show, opposite the name of each shareholder, the number of shares which he holds.

This list shall be open to the examination of such shareholders as wish to examine it, at least ten days before the day fixed for the meeting, at the head office of the corporation, and at the office of the Paris Committee.

Who may be  
proxies.

50. No one can be represented, except by a proxy who is a member of the meeting.

Annual meet-  
ings.

51. The general meeting shall be held before the thirty-first of May in each year, either at the head office or at Paris, in France, according as there may be more shares to order held and stock certificates to bearer deposited in the Province of Quebec or in France, thirty days before the date of the meeting.

Special meet-  
ings.

52. Special meetings shall, moreover, be held whenever the board of management deems it necessary, or the censors unanimously require the same.

53. The meetings shall be called at least sixty days beforehand, by a notice inserted in a daily newspaper in Paris, and in one in the Province of Quebec. Notice of calling meetings.

Such notice shall specify the date of the meeting, as well as the place where holders of shares, payable to bearer, are to deposit their certificates, at least thirty days before the date of the meeting. What notice must contain.

Shares to order shall be counted in one of the two above categories, according as the holder shall reside in the Province of Quebec or in France.

Every shareholder, who is not a resident of either of these two countries, shall be considered as residing in France.

When the number of shares deposited shall have once been ascertained, the board of management shall, by a notice inserted in one of the daily newspapers of Paris, and in one published in the Province of Quebec, at least fifteen days before the date of the meeting, indicate the place at which such meeting shall be held.

54. The meeting shall be regularly constituted when one-fourth of the shares forming the capital stock is represented thereat. When meeting re-constituted.

55. If the condition provided for in the preceding section is not fulfilled, the board of management shall, a second time, call a general meeting, within an interval of at least one month. In default of first, a second meeting may be called.

In such case the delay between the calling of the meeting, and that on which it shall be held, may be reduced to fifteen days. Delay in such case.

All the proceedings of members, present, at the second meeting, shall be valid, whatever may be the number of the shares which they represent, but only with respect to the subjects mentioned on the orders of the day drawn up for the first meeting. Proceedings at second meeting.

56. The officers of the meeting shall be the chairman, two scrutineers and a secretary. Officers of meeting.

The president of the board of management shall be, *ex-officio*, the chairman of the meeting; in his default, the meeting shall be presided over by the vice-president or, in the absence of both, by the director designated by the board. Chairman.

The duties of scrutineer shall be performed by the two shareholders who shall represent, either in their own name or as proxies, the greatest number of shares, and if they refuse, then by the two shareholders next in order, and so on until two have accepted. Scrutineers.

Secretary.

The chairman and the two scrutineers shall appoint the secretary.

Report of board to be read.  
That of censors.

**57.** The report of the board of management, on the position of the affairs of the corporation, shall be read to the meeting, as also, if necessary, the observations of the censors.

General powers of meeting.

It shall approve or reject the annual accounts and shall definitely fix the amount of the dividends.

It shall appoint the directors and censors, whenever it is necessary to replace them.

It shall take into consideration, when the proposition is submitted to it, the advisability of increasing the capital of the corporation, or the amendments to this act to be submitted to the Legislature, and also the by-laws for the government of the corporation, and for the administration and management of its affairs, and also the amendments or additions to be made to them.

Finally, it shall definitely decide upon all things touching the interest of the corporation, and by its resolutions confer upon the board of management the necessary powers for such cases as have not been provided for.

When the general meeting is called upon to vote on an increase of the capital or upon amendments to this act, the notices convening such meeting shall contain a summary mention thereof and no proceedings there adopted shall be valid unless concurred in by two-thirds of the votes representing at least one-third of the shares issued.

Decision binding.

**58.** The decisions of the meeting shall bind all shareholders, even those who are absent or who differ in opinion.

Minutes to be kept.

**59.** The proceedings shall be recorded by minutes, entered in a special register and signed by the officers of the meeting.

Proof of proceedings.

**60.** The proof of the proceedings of the general meeting, shall, as far as third parties are concerned, be derived from true copies or extracts, certified as such, by the president or vice-president or by the director who replaces them.

## TITLE SEVENTH.

### LOANS AND OTHER TRANSACTIONS.

Loans by corporation.

**61.** The corporation shall effect hypothecary loans of two kinds.

The first shall be repayable at long date, by annuities, calculated so as to extinguish the debt in a space of ten years at the least, and fifty years at the most.

The second shall be repayable, at short date, within a period less than ten years, with or without a sinking fund.

**62.** The corporation shall lend to proprietors of immovables only on first hypothec, constituted seigniorial rents and equivalent ground rents being alone excepted. Conditions of loans.

Loans, by which debts already registered are to be repaid, shall be considered as made on first hypothec, when, by the fact of such payment or the subrogation made in favor of the corporation, the hypothec so created shall be the first and without concurrence.

In such cases, the corporation shall keep in its possession sufficient funds to meet such payment.

**63.** Loans cannot be effected by the corporation on the following : Loans cannot be effected on certain property, &c.

1. Theatres ;
2. Mines and quarries ;
3. Woodlands ;

4. Undivided immovables, if the hypothec be not established on the whole of such immovables, with the consent of all the co-proprietors ;

5. Immovables of which the usufruct and the mere ownership are not vested in the same person, unless all those having any rights in the property consent to the creation of the hypothec.

This provision relates to the management only, and shall not affect the validity of the hypothec.

**64.** The corporation shall accept, as security, only those immovables of which the revenues are deemed sufficient. Security required.

**65.** The amount of the loan shall not exceed one-half of the estimated value of the immovable hypothecated. Amount of loan.

**66.** The annuity, which the borrower may oblige himself to pay, shall not exceed the apparent net revenue of the property. Annual revenue to equal annuity.

**67.** The rate of interest, to be charged on all sums loaned, shall be determined by the board of management ; it shall not exceed the rate authorized by the laws in force in the Province of Quebec. Interest not to exceed legal rate.

(For convenience of reference, 46 Victoria, chapter 85, section 2,—Canada.)

2. It shall be lawful for the said corporation (Crédit Foncier Franco-Canadien) at all times, in exercising the powers of lending and advancing money, at any time given it by any act of any one of the Legislatures of the Provinces composing the Dominion of Canada, to receive and take any such rate of interest whatever, for the money to be lent or advanced, as may be lawfully taken by individuals, (or in the Province of Quebec, by incorporated companies under like circumstances) not exceeding eight per cent. per annum, including the annual allowance for costs of management.

What annuity shall include.

68. The annuity, as well of long as of short date loans, stipulated in the contract of loan, shall include :

1. Interest ;
2. The sinking fund, determined by the rate of interest and the duration of the loan ; and may also include :
3. An annual allowance for cost of management, which cannot exceed one per cent per annum of the principal loaned.

Payment of annuities.

69. The annuities shall be payable, half-yearly, at the dates fixed by the board of management, but when the first instalment is due the borrower shall only pay the interest for such part of the six months which shall have elapsed, from the time of the effecting of the loan until the payment of such first instalment.

Interest to run if not paid when due.

70. Every half-yearly instalment of an annuity, if not paid when due, shall of right, and without any putting in default being necessary, bear interest, for the benefit of the corporation, at the same rate as the loan itself.

Costs.

The same shall apply to all costs of suits, from the day upon which they have been paid, whether settled by consent or taxed, incurred by the corporation, in order to obtain payment of its claim.

Balance may be required in case of non-payment.

The non-payment of the sums due half-yearly on such annuity shall give the right to exact the balance of the loan, without any putting in default being necessary.

Anticipated payment.

71. Debtors shall have the right to discharge their debts before they become due, whether in whole or in part only.

Indemnity in such case.

Anticipated payments shall give rise to an indemnity in favor of the corporation, which shall not exceed three months interest on the capital repaid before coming due, at the rate stipulated for the loans.

(For convenience of reference, 46 Victoria, chapter 85, section 3,—Canada.)

3. In case any person liable to pay or entitled to redeem any mortgage heretofore executed to the said corporation tenders or pays to the corporation at any time before the period at which the same is payable any part of the principal money and interest to the time of payment on such part, together with three months further interest in lieu of notice, no further interest shall be chargeable, payable or recoverable, at any time thereafter, on the principal money or interest so paid or tendered.

**72.** The borrower shall be obliged to inform the corporation, within a delay of one month, of any total or partial conveyances which he may have made. Conveyance to be notified to corporation.

In default of his informing the corporation of such facts, within the above mentioned delay, the corporation shall have the right to exact the repayment of the balance of the loan; moreover, it shall have a right to the indemnity fixed by the last paragraph of section 71. Effect of default.

**73.** The borrower shall, likewise, inform the corporation, within the delay above mentioned, of any deterioration which the immoveable hypothecated may have suffered. Deteriorations to be notified.

If the deterioration seriously affect the interests of the corporation, it may exact the repayment of the balance of the loan. In default of such notice, the repayment shall carry with it a right to the indemnity authorized by the last paragraph of section 71; when the borrower shall have given notice of the deterioration, the repayment shall be exacted without indemnity. If serious. Default of such notice.

**74.** Properties liable to destruction by fire shall be insured against fire, at the expense of the borrower. Insurance against fire.

The contract of loan shall contain a transfer of the amount of the policy, in case of loss. Contents of deed of loans, &c.

The insurance must be kept up during the entire continuance of the loan. Property to be kept insured.

The corporation may require that the policy of insurance be made out in its name, and that the amount of the annual premiums be paid by it. In such case, the amount of the annuity shall be increased to that extent. Policy to be in name of corporation.

In case of loss, the amount of the policy shall be paid over directly to the corporation. Loss, to whom payable.

Anticipated payments, arising from fires, shall not carry with them any right to the indemnity authorized by the last paragraph of section 71. Anticipated payments in case of loss.

If the corporation consider that its security is endangered from the effects of the fire, it may exact the payment of the balance of the loan, but without indemnity. Repayment if security diminished.

**75.** The corporation shall not grant any loan for an amount of less than two hundred and fifty dollars, currency of Canada.

**76.** Loans shall be effected and be repayable at the current rate of exchange in, or in currency of, Canada.

**77.** The rules laid down in this title shall apply to loans made upon the security of hypothecary or privileged claims; and those which relate to the rank of the hypothec, and to the nature and value of the immovable offered as security, shall also apply in cases of acquisition by means of subrogation or transfer of such claims.

**78.** Loans to municipal and school corporations, *fabriques*, and church trustees may be made, either in cash or in bonds.

## TITLE EIGHTH.

### PROCEEDINGS UPON APPLICATIONS FOR LOANS.

**79.** Every person who applies for a loan, and every person who proposes to transfer an hypothecary or privileged claim, shall produce:

1. The title deeds of the real estate offered as security and a statement showing, as far as practicable, how the property has been held for thirty years past;

2. The deeds of lease, if any there be, together with a statement of the rents paid in advance;

3. A declaration of the revenues from and charges upon the property;

4. A certificate of the secretary-treasurer, shewing the assessed value and the amount, if any, due for municipal and school taxes;

5. The memorial of registrations or registrar's certificate showing its position with reference to incumbrances; and

6. A declaration of his civil status, or of that of the owner of the property hypothecated; and the marriage contracts if any there be.

**80.** The manager shall cause a valuation of the property, offered as security or hypothecated for the claim, to be made by a valuator, who shall examine the property and take all necessary steps to establish the value thereof.

The valuation shall be made on the double basis of the net revenue and of the price which it would bring, if sold.

The valuator shall report upon the value of the security offered, and give his opinion as to the advisability of granting the application for a loan. Report of valuator.

**81.** Applications for loans upon hypothec, and proposals for transfer of hypothecary or privileged claims, shall be submitted, together with the documents in support thereof, and the valuator's report, to the board of management. Proceedings upon certain applications.

The board shall examine the value and soundness of the security, and shall grant or refuse the application or proposal. If it grant it, it shall determine the amount and the conditions of the loan and the dates of repayment, or the price and conditions of the transfer.

**82.** If the board of management grant the application or accept the proposal, it, together with the title-deeds, the memorial of registration, or registrar's certificate, showing the position with reference to incumbrances and the other vouchers produced, shall be referred to the solicitor of the corporation. Proceedings if application granted.

The solicitor shall verify the title-deeds, the position of the property with reference to incumbrances, and the civil status of the borrower or of the person who has given the hypothec, and shall report the result of his examination, and give his advice as to the acceptance of the application for a loan, or the proposal for a transfer.

**83.** The board of management shall examine the solicitor's report. If the title be valid, the board shall authorize the manager to make such loan or complete such transfer. Same after solicitor's report.

Nevertheless, when the application for a loan or the proposal exceeds twenty thousand dollars, Canadian currency, the board shall refer the matter, together with the report of the valuator and that of the solicitor to the Paris Committee; it shall, at the same time, submit its observations thereon, if it think proper. If amount exceeds a certain sum.

**84.** The contract of loan shall be signed by the manager and by the borrower, and the transfer shall be signed by the manager and the assignor, and as far as practicable, it shall be accepted by the debtor. Contracts of loan how signed.

The contract of loan shall contain an obligation in favor of the corporation for the amount of the sum borrowed; a description of the property hypothecated and of how the ownership was acquired; a transfer, in favor of the corporation, of the policy of insurance against fire, in cases where there are, amongst the properties hypothecated, some which are liable to destruction by fire; a declaration Contents of contract of loan.

of the position of the property with reference to incumbrances and of the civil status of the borrower. If the loan be effected for the purpose of paying off debts, there shall be an undertaking to that effect; if there be any dower, there shall be a renunciation of the same by the wife or children; a deposit of the sum borrowed, until the position of the property, with reference to incumbrances, has been verified and a delay for the final completion of the loan.

**Registration.**

**85.** Registration shall be effected in favor of the corporation against the property hypothecated, and the hypothec shall rank from the day on which the registration was made, although the amount may have been paid over afterwards; and a certificate of the registrations, effected since the date of the one which was filed with the application, shall be obtained.

**Duty of solicitor.**

The solicitor shall afterwards ascertain the position of the property, with reference to incumbrances, and also the borrower's rights of ownership, at the date when the registration was effected, and shall report thereon to the manager. If, at the date when the registration is effected the borrower's rights of ownership have not changed, and if no obligation has been registered subsequent to the date of the certificate of registration filed, or if the incumbrances subsequently registered are to be repaid by means of the loan, the monies to the amount of the loan shall be paid over.

**If further registrations appear.**

In cases where registrations or real rights appear which alter the situation of things, as declared and accepted, then the application shall not be followed up; the contract of loan shall be resiliated and the registration in favor of the corporation cancelled.

**Transfer of claims.**

**86.** In the case of a transfer of hypothecary or privileged claims the transfer shall be registered; and when it has not been accepted by the debtor, it shall be served upon him, the price shall be paid only after the solicitor has reported that everything is in order; otherwise, the claims shall be re-assigned.

**Who shall pay costs, etc.**

**87.** All costs and expenses rendered necessary by the application for a loan or proposal for a transfer shall be defrayed by the person making such application, or proposing such transfer, even when the loan is not effected or the transfer does not take place.

**Applications by certain corporations.**

**88.** Applications for loans by municipal and school corporations, *fabriques* and church trustees, and proposals

for the sale of bonds or debentures of municipal or school corporations, or of incorporated companies, shall likewise be subject to examination and approval by the board of management.

Such applications and proposals shall, in the first place, be referred to the valuator, in order that he may ascertain the value of the securities, either hypothecary or personal, as the case may be. To whom referred.

They shall afterwards, if the board accept them, be referred to the solicitor, in order that he may examine into and verify the powers of the corporation, *fubrique*, trustees or company and the validity of the bonds or debentures; and when there is an offer of hypothecary security, he shall examine into the right of ownership to the property offered as security, and its position with respect to incumbrances. Further proceedings on such applications.

The provision contained in the last paragraph of section 83 shall apply to such applications and proposals.

89. Applications made by the government for loans and proposals for the sale of public securities shall likewise be subject to examination and approval by the board of management. Applications by government.

If the board accept them, they shall be referred to the solicitor in order that he may examine into and verify the powers of the government, or the validity of the public securities. To whom referred.

The provision contained in the last paragraph of section 83 shall also apply to such applications and proposals. Application of section 83.

90. When the board of management has appointed a local board, the latter shall be vested with all the powers of the board with respect to applications for loans and proposals for the transfer of hypothecary or privileged claims, the amount whereof does not exceed ten thousand dollars, Canadian currency, save and except the limitations which shall be imposed by the board in conformity with section 31. a Power of local board in certain cases.

91. A general meeting of the shareholders may, at the suggestion of the board of management, modify or even cancel the whole or part of the provisions contained in the present Title VIII. Power of general meeting with respect to provisions of Title 8.

## TITLE NINTII.

### OBLIGATIONS OR BONDS.

92. The corporation may create and issue obligations representing its operations. Issue of bonds.

Categories of  
bonds.

**93.** The obligations created by the corporation shall be subdivided into six categories :

1. Those redeemable at par, with a fixed term for redemption, without prizes ;

2. Those redeemable with premiums at a fixed term for redemption, without prizes ;

3. Those redeemable at par, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers without prizes ;

4. Those redeemable at par, with a right to participate in prizes, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers ;

5. Those redeemable with a premium, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers, without prizes ;

6. Those redeemable at par, with a premium and a right to participate in prizes, within a definite delay, without a period being fixed for their redemption before such delay, and by means of a drawing of numbers.

Drawings, &c.

The board of management shall determine the duration of the delay and the date of the drawings.

Prizes, &c.

**94.** The prizes and premiums attached to such obligations and payable when they shall be withdrawn from circulation, shall not exceed two per cent per annum on the capital, represented by the series of such obligations ;

The board of management shall determine the importance and the method of apportionment thereof.

Drawing how  
effected.

**95.** The drawing of the obligations which are to be repaid, shall be effected by lot, in presence of the censors or of one of them.

Publishing  
numbers.

**96.** Within eight days from such drawing, the numbers drawn shall be posted up in the office of the Paris Committee, and published in one of the daily newspapers of Paris.

Redemption of  
bonds.

**97.** The obligations, designated by lot, shall be redeemed on the day indicated in the notice published.

Interest to  
cease.

From and after such day, the interest upon such redeemable obligations shall cease to run.

Cancellation of  
bonds.

**98.** The obligations redeemed by such drawing of numbers shall be, at once, cancelled by means of a stamp.

They shall be destroyed, in the presence of the president, or of his representative, and one of the censors.

Destruction of  
bonds.

A minute of such operation shall be kept of record.

Minute to be  
kept.

**99.** The obligations redeemed by the corporation by anticipated payments shall, at once, be stamped with a special stamp, and they can be replaced in circulation only by a resolution of the board of management.

Cancellation  
of obligation:  
redeemed by  
anticipation.

In all cases, they shall participate in the drawing of numbers, and if they be drawn, the corporation shall benefit by the repayment, with or without premium, or by the lots.

**100.** The obligations shall be payable, either to order or to bearer.

Obligations  
how payable.

The obligations payable to order shall be transferable in the same manner as that indicated for the transfer of shares to order, in accordance with the provisions of section 13.

Transfer of  
obligations to  
order.

The corporation shall not, in any case, be responsible for the validity of transfers.

Corporation  
not respon-  
sible.

Obligations payable to bearer shall be transferable by simple delivery.

Transfer of  
obligations to  
bearer.

**101.** No obligation shall be issued for an amount less than five hundred francs, French currency, or one hundred dollars, Canadian currency.

Amount of  
obligations.

**102.** The obligations shall bear interest, the rate and the date and manner of payment whereof shall be determined by the board of management, but such interest shall not exceed the rate authorized by the laws in force.

Interest there-  
on.

Whatever may be the form of the obligations, the payment of the interest thereon to the holder of the certificate shall be lawful.

Payment to  
holder of cer-  
tificate.

**103.** The obligations shall be represented by documents of evidence taken from a register with a counter-foil.

Obligations  
how repre-  
sented.

They shall be signed by two directors and shall bear the seal of the corporation.

Seal upon.

**104.** The interest upon obligations, the premiums or prizes, and the sinking fund shall all be set forth upon the document of evidence.

Interest, to be  
mentioned.

## TITLE TENTH.

### ACQUISITION OF REAL ESTATE.

**105.** The corporation may acquire and possess such real estate, as may be necessary for its offices for the adminis-

Corporation  
may acquire  
real estate.

tration of its affairs, but the value of such real estate, acquired in each division, for such purpose, shall not exceed, at the time of such acquisition, the sum of fifty thousand dollars, Canadian Currency.

Lease, &c.,  
same.

It may lease, hypothecate and sell such real estate; it may also, for the protection of its investments, purchase the immovables hypothecated in its favor; but it shall sell such immovables, so acquired in payment or for the security of its claims, within seven years from the acquisition thereof. In the interval it shall enjoy such real estate so acquired and may, from time to time, hypothecate or lease the same. (Section 111 of 43-44 Vict., chap. 60)

Shall sell same  
within certain  
time.

## TITLE ELEVENTH.

### INVENTORIES AND ANNUAL STATEMENTS OF ACCOUNT.

Financial  
year.

**106.** The corporation's financial year shall commence on the 1st of January, and end on the 31st of December.

First term  
what to in-  
clude.

The first term shall include, in addition to the year current when the corporation commences its operations, the whole of the following year also. (Section 112 of 43-44 Vict., chap. 60.)

Statement at  
end of year.

**107.** At the end of the financial year, a detailed general statement of the assets and liabilities shall be prepared, under the supervision of the board of management. And further a summary statement of the assets and liabilities shall also be prepared every six months.

Assets and  
liabilities.

Accounts by  
whom pre-  
pared.  
To whom sub-  
mitted.

The accounts shall be prepared by the board of management.

They shall be submitted to the general meeting of the shareholders, which shall approve or reject the same, and shall determine the dividend to be paid, after having heard the report of the board and that of the censors. (Section 113 of 43-44 Vict., chap. 60.)

## TITLE TWELFTH.

### DIVISION OF PROFITS, RESERVE FUND AND PROVIDENT FUND.

Profits.

**108.** The net proceeds, after deducting all charges, shall constitute the profits of the corporation. (Section 114 of 43-44 Vict., chap. 60.)

Disposal of  
profits.

**109.** From and out of such profits there shall be taken :

1. Five per cent from the total amount, to form a reserve fund ;

2. The sum necessary to allow the shareholders five per cent. upon the amount of their paid up instalments :

3. If deemed advisable, a sum which shall not exceed twenty per cent. of the net profits for the formation of a provident fund. (Section 115 of 43-44 Vict., chap. 60.)

**110.** The surplus profit, after deducting the above, shall be distributed as follows : Surplus profit.

1. Six per cent. to the directors ;
2. Six per cent. to the founders ;
3. And the balance to the shareholders, namely, eighty-eight per cent. of such surplus. (Section 116 of 43-44 Vict., chap. 60.)

**111.** When the reserve fund shall amount to one-fourth of the capital stock, the percentage, of which it is formed, shall cease to be set aside. If such reserve be encroached upon, such percentage shall again be set aside. If reserve reach certain figure.

The reserve fund is destined to provide for unforeseen circumstances. (Section 117 of 43-44 Vict., chap. 60). Reserve fund and for what used.

## TITLE THIRTEENTH.

### BY-LAWS.

**112.** The by-laws, adopted by the board of management for the government of the corporation and for the direction and management of its affairs and the amendments or modifications which it may make thereto, unless they be in the meanwhile confirmed by a special general meeting, shall only remain in force until the general meeting which shall follow their adoption ; and if they be not confirmed by the general meeting they shall thereupon cease to be in force. (Section 118 of 43-44 Vict., chap. 60, as replaced by section 19 of this act) Certain by-laws of board require confirmation of special general meeting.

**113.** The by-laws must not be contrary to the laws of the Province of Quebec, nor to the provisions of this act ; and those to take effect and be executed in France must not be in conflict with the laws of that country. (Section 119 of 43-44 Vict., chap. 60.) By-laws not to be contrary to law.

**114.** The by-laws shall be submitted to the Lieutenant-Governor in council for approval, and, in default of such approval within six months after their confirmation by the general meeting, they shall cease to be in force. These by-laws after their approval shall be published, under the attestation of the Provincial Secretary, in the Quebec Official Gazette (Section 120 of 43-44 Vict., chap. 60 as replaced by section 21 of this act.) By-laws to be submitted to Lieut.-Gov. for approval. Effect of non approval. Publication of by-laws.

## TITLE FOURTEENTH.

## DISSOLUTION AND LIQUIDATION OF THE CORPORATION.

**Dissolution of corporation.** **115.** The corporation shall be dissolved at the expiration of the time fixed by section 4, unless by resolution of the general meeting, voting in the manner prescribed in the last paragraph of section 57, its continuance be authorized. (Section 121 of 43-44 Vict., chap. 60.)

**Continuance of corporation.** **116.** The continuance of the corporation shall be submitted, at the latest, to the general meeting of the shareholders during the course of the year preceding that in which it would otherwise cease to exist. (Section 122 of 43-44 Vict., chap. 60.)

**If certain portion of capital lost, corporation to be dissolved.** **117.** In the event of the corporation having lost, in addition to its reserve fund, one-third of its capital stock, the dissolution and liquidation of the corporation shall be proceeded with, unless the shareholders consent to pay up the lost capital. (Section 123 of 43-44 Vict., chap. 60.)

**Proceedings for dissolution and appointment of liquidators.** **118.** When the dissolution and liquidation of the corporation shall have been decided upon, the general meeting of the shareholders shall determine the method of liquidation to be followed ; it shall also appoint liquidators.

**Laws under which dissolution shall take place.** If the general meeting do not come to any decision on this point, the dissolution and liquidation shall be proceeded with under the law. (Section 124 of 43-44 Vict., chap. 60.)

**Powers during liquidation.** **119.** The general meeting shall retain its powers during the liquidation of the corporation.

The board of management shall cease to have any powers as soon as the liquidators are appointed. (Section 125 of 43-44 Victoria, chap. 60.)

## TITLE FIFTEENTH.

## ORGANIZATION AND FINAL CONSTITUTION OF THE CORPORATION.

**Stock subscription book.** **120.** The persons mentioned in the preamble shall open, in Paris and in Quebec, subscription-books for the first issue of shares in the capital stock, at such place and for such time, as they may deem advisable ; after the closing of the books, they shall allot the five thousand shares, forming the first issue, in such manner as they may deem proper.

Each subscriber shall, when he subscribes his name, <sup>Election of domicile.</sup> make an election of domicile in France.

Notice shall be given to each subscriber of his allotment <sup>Notice of allotment.</sup> by a letter addressed to the domicile indicated and sent by post.

Within five days from the date at which such letter was <sup>Payment by subscriber.</sup> sent to his address, each subscriber shall pay, into the hands of the person or banking institution designated for that purpose, ten per cent. upon the amount of the shares allotted to him.

The subscribers who shall pay ten per cent. shall become <sup>Shareholders.</sup> shareholders.

As soon as the first issue of shares shall have been <sup>General meeting, to be called after certain payments.</sup> placed and ten per cent. upon the amount issued shall have been paid up, the person, specially selected for such purpose among those mentioned in the preamble, shall call a general meeting in Paris of the shareholders, by notice inserted in one of the daily newspapers in Paris, at least ten days before the date of such meeting.

At such meeting the persons, mentioned in the preamble, <sup>Who shall elect directors at first meeting, and censors.</sup> shall elect the first directors, and the meeting itself shall elect the censors, and thereupon the corporation shall be duly organized and may commence its operations. (Section 126 of 43-44 Vict., chap. 60.)

## TITLE SIXTEENH.

### COMING INTO FORCE.

**121.** This act shall come into force on the day of its <sup>Coming into force.</sup> sanction. (Section 128 of 43-44 Vict., chap. 60.)

*For convenience of reference 46 Victoria, chapter 85,  
section 4—Canada.*

4. The corporation shall transmit, on or before the first day of March in each year, to the Minister of Finance, a statement in duplicate to the thirty-first day of December, inclusive, of the previous year, verified by the oath of the president, vice-president or the managing director, setting out the capital stock of the corporation and the proportion thereof paid up, the number of shares to order and the number to bearer, the assets and liabilities of the corporation, the amount and nature of the investments, and the average rate of interest derived therefrom, the extent and value of the real estate held, the amount and nature of the obligations or bonds or debentures issued and the rate of interest payable thereon, respectively, and such other details as to the nature and extent of its business as may be required by the Minister of Finance, and in such form and with such details as

he may, from time to time, require and prescribe; but the corporation shall in no case be bound to disclose the names or private affairs of any persons who may have dealings with it.

CAP. LXIII.

An Act to reduce the capital stock of the Montreal Loan and Mortgage Company.

[Assented to 10th June, 1884.]

Preamble.

**W**HEREAS the Montreal Loan and Mortgage Company, by their petition, have prayed for authority to reduce the capital stock of the said company, and it is expedient to grant the prayer of their petition; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

Capital reduced.

1. The capital stock of the said company now issued, amounting to one million dollars, in twenty thousand shares of the par value of fifty dollars each, is hereby reduced to the sum of five hundred thousand dollars, and each paid up share thereof to the sum of twenty-five dollars. Provided always that the said reduction applies to the shares of the said company now or hereafter paid up, and that nothing herein shall extend to relieve the present holders of unpaid or partially paid shares from their obligation to pay all calls thereon until the full amount of fifty dollars per share has been paid up, but that if the amount of calls on any shares cannot be collected and the same are forfeited to the company, they may be re-issued at the reduced rate of twenty-five dollars per share.

Proviso.

46 V., c. 72, s. 2, replaced.

2. Section 2 of the act 46 Victoria, chapter 72, is hereby repealed and the following substituted therefor:

Company may receive money on deposit, and issue debentures.

2. It shall be lawful for the Montreal Loan and Mortgage Company to receive money on deposit; and also for the board of directors of the company to issue debentures of the company for such sums, not being less than one hundred dollars, and in such currency as they may deem advisable, and payable in the Dominion of Canada, or elsewhere, not less than one year from the issue thereof; provided always that the aggregate amount of money deposits in the hands of the company, together with the amount of debentures which may be issued and remain at any time unpaid, shall not exceed double the amount of capitalized, fixed, and permanent stock of the company. The debentures of the

Proviso.

Form of debentures.