

tioned in the last preceding section, shall be obtained; but that these presents shall become null and void unless the said legislation, confirming these presents and vesting the said property in the company free and clear of all charges thereon, shall be obtained from the said Legislature during its present session, and also unless an act of the said Legislature, confirming the sale to the said Canadian Pacific Railway Company of the said portion of the Quebec, Montreal, Ottawa and Occidental Railway, be passed during the said session thereof.

And also ratification of sale of Western section of Q., M., O. & O. R. to company.

In testimony whereof, the said parties hereto have executed these presents at Montreal the day and year first above mentioned.

In the presence of

"A. C. WÜRTELE"

St. Eustache R. R. Co.

by

"J. B. RENAUD,"

President.

The Canadian Pacific Railway Company, by

"D. McINTYRE,"

Vice-President.

"R. B. ANGUS,

Vice-President.

[L. S.]

"C. DRINKWATER,"

Secretary C. P. R. Co.

C A P . X X .

An Act to order and confirm the sale of that portion of the Quebec, Montreal, Ottawa and Occidental Railway, known as the Eastern Section, and extending from St. Martin's junction to the city of Quebec.

[Assented to 27th May, 1882.]

Preamble.

WHEREAS the government of the province of Quebec has entered into a contract for the sale and permanent working of that portion of the Quebec, Montreal, Ottawa and Occidental Railway, known under the name of the Eastern Section, extending from St. Martin's junction to the city of Quebec inclusively, which contract, bearing date the fourth day of March one thousand eight hundred and eighty two, as well as the appendix thereto, have been submitted to the Legislature to be ratified, and whereas it is expedient to approve and ratify the said contract and to make provisions for the carrying out of

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

1. The said contract, a copy of which, with its appendix, is hereto annexed, is hereby approved and ratified, and the government is authorized to perform and carry out the conditions thereof, according to their purport and tenor. Contract approved and ratified.

2. For the purpose of incorporating the persons mentioned in the said contract and those who shall be associated with them in the undertaking and of granting to them the powers necessary to enable them to carry out the said contract, according to the terms and conditions thereof, the lieutenant-governor may grant to them in conformity with the said contract, under the corporate name of the: "North Shore Railway Company," a charter conferring upon them the franchises, privileges and powers embodied in the appendix to the said contract and to this act annexed, and such charter being published in the *Quebec Official Gazette*, with any Order or Orders in Council relating to it, shall have force and effect as if it were an act of the Legislature of Quebec and shall be held to be an act of incorporation within the meaning and tenor of the said contract. Name of the corporation.

3. Upon the organization of the said company and the deposit by them, with the government, of five hundred thousand dollars in cash, on account of the price of sale, and in consideration of the completion and perpetual and efficient operation of the railway and its branches by the said company, as stipulated in the said contract, the government may transfer to the said company the possession of and right of working that portion of the railway, known under the name of the Eastern section, and extending from St. Martin's Junction to the city of Quebec inclusively, as well as of the branches, as described in the said contract; and the said portion of the road and its branches, as well as all the lands and properties mentioned in the contract, notwithstanding that such lands and properties are not described by meets and bounds or under their cadastral numbers, in accordance with the civil code, shall become and afterwards remain the exclusive property of the company, the whole nevertheless upon the terms and conditions and subject to the restrictions and reservations stipulated in the said contract. Possession and right of working certain part of the Q., M., O. & O. Railway transferred to the Company upon the execution of certain conditions.

4. The privilege of *bailleur de fonds*, for securing the payment of the balance of the price of the sale, in capital Privilege of bailleur de fonds for pay-

ment of the balance of the price of sale and special hypothec for \$500,000 declared valid and binding, &c.

and interest, and the special hypothec for five hundred thousand dollars created in favor of the Government of the Province of Quebec by clause 20 of the said contract, are, hereby, declared valid and binding on the said company with the same effect and to the same extent, with regard to the property thus hypothecated and charged, as if the same had been described in the said deed by meets and bounds, or by the cadastral numbers thereof, in conformity with the provisions of the Civil Code of Lower Canada; and the rank and priority of the Government of the said Province, as privileged and hypothecary creditor of the said railway and its appurtenances, and of the said immovable property conveyed to the said railway, shall be preserved with the same effect and in the same manner as if the said agreement had been duly registered, upon the day of the passing of this act, against the said railway and other immovable property, in each of the Registry Offices of the several registration divisions, wherein the said railway and property or any portion thereof are situated, in conformity with the provisions of the Civil Code of Lower Canada, at the date of the said agreement.

Discharge of mortgage for \$500,000 given upon execution of certain works.

5. Whenever the company shall, in execution of the said contract, have constructed works to the amount of two hundred thousand dollars to the satisfaction of the lieutenant-governor in council, a discharge of the mortgage for five hundred thousand dollars, mentioned in the said contract, shall be given on the part of the government, by notice to that effect in the *Quebec Official Gazette*, and such notice shall have the effect of cancelling such hypothec.

Similar discharge whenever a payment is made on account of the price of sale.

Whenever a payment shall be made on account of the price of the sale by the said company, the provincial treasurer shall give notice in the *Quebec Official Gazette*, which shall also have the effect of partially or totally cancelling the hypothec as the case may be, for all lawful purposes.

Additional preamble.

6. And whereas, by clauses 16 and 17 of the contract, the government cedes to the company all its rights against the cities of Three Rivers and Quebec, arising from their respective subscriptions of one hundred thousand dollars and one million dollars, and it is expedient to establish certain provisions on the subject, it is further enacted as follows:

When the debentures of the city of Three Rivers shall become exigible.

The debentures of the city of Three Rivers shall be exigible by the company only after the execution of the works mentioned in clause 16 of the contract; but it shall

be lawful for the city of Three Rivers and the company to agree upon the amount of the debentures to be delivered, after fulfilment of any of the three obligations mentioned in the said clause 16.

7. Notwithstanding clause 17 of the contract, it shall be lawful for the government to enter into agreements with the city of Quebec, respecting its subscription to the North Shore Railroad, and, in such case, the company shall not be held to the obligations nor benefit by the advantages mentioned in the said clause 17, and shall also be relieved from the performance of the works for the completion of St. Andrew street, the extension of the line to deep water on the "Louise Embankment," and the changing of the line on Prince Edward street. But such agreements shall be entered into within the three months next after the passing of this act, and at the expiration of such delay, if no agreements have been entered into, the said clause 17 shall have its full effect.

Power of the government to enter into agreements with the city of Quebec respecting its subscription.

Limitation of time to enter into such agreements.

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

Act in force.

CONTRACT BETWEEN THE PROVINCE OF QUEBEC AND THE NORTH SHORE RAILWAY SYNDICATE.

On the fourth day of the month of March, one thousand eight hundred and eighty-two, in the city of Montreal, by the present document signed in duplicate,—

Her Majesty the Queen, acting for and on behalf of the Province of Quebec, by the Hon. J. A. Chapleau, Premier and Commissioner of Railways of this Province, hereinafter styled the Government, and the Hon. Thomas McGreevy, of the city of Quebec, Alphonse Desjardins, of the city of Montreal, Alderic Ouimet, of the city of Montreal, all three Members of the House of Commons of Canada, and Louis Adélarde Sénécal, of the city of Montreal, gentleman, hereinafter styled the Syndicate, have entered into the following agreements, subject to their being ratified by the Legislature of the Province of Quebec, as hereinafter provided.

1.—The Government sells, with warranty against all troubles, hypothecs, evictions and hindrances whatsoever, unto the Syndicate, thereof accepting :

Sale of Eastern section of Q., M., O. & O. railway with certain branches.

That portion of the Railway now known as the Eastern Section of the Quebec, Montreal, Ottawa and Occidental Railway, from the Junction at St. Martin of such Eastern

Section with the Western Section of the said road, sold by the Government to the Canada Pacific Railway, by contract passed this day (the fourth of March, one thousand eight hundred and eighty-two,) to the terminus of such Eastern Section in the City of Quebec;

The branches of the said road, known under the names of the "Piles," "Joliette" and "Berthier" branches and the "Three Rivers Loop Line;" the first of these branches, the Piles Branch, extending from its junction with the Railway so sold, at about two miles from the City of Three Rivers to its terminus at the place called Grandes Piles; the second, that of Joliette, from the Village of Lanoraie, in the District of Joliette, to its terminus at St. Félix de Valois; the third, that of Berthier, from the Railway Station at Berthier, in the District of Richelieu, to its terminus in the Town of Berthier; the fourth, namely, the Three Rivers Loop Line, including the two lines which run from the Railway to the Port of Three Rivers.

Property in-
cluded therein

2.—In the present sale are included:—

a. The old Government Fuel Yard at Quebec, designated on the Cadastre of Saint Peter's Ward, as number 1950;

b. The land which now belongs to the Government at the place known as Hare Point, in or near the City of Quebec, designated on the Cadastre of St. Roch's Ward, as numbers 1, 2, 3 and 4;

c. The land, situated in the City of Montreal, known as the "Bellerive property," designated on the Cadastre of St. Mary's Ward, of the City of Montreal, as number 1593;

d. The south half of the property, situated in Montreal, known under the name of the "McDonald property," designated on the Cadastre of St. Mary's Ward, of the City of Montreal, as number 615;

e. A lot of land, situate at Hochelaga, four arpents in superficies, which the Canada Pacific Railway Company is to hand over to the Government in virtue of the contract aforesaid;

f. All the grounds, stations, buildings, wharves, telegraph lines, &c., &c., appertaining to the railways hereby sold;

g. The plant now in use, and the rolling stock appertaining to the Quebec, Montreal, Ottawa and Occidental Railway and its branches, less such portion of the plant and rolling stock as is to be delivered to the Canada Pacific Railway Company, in virtue of the deed of sale to it by the Government;

h. All the property and effects belonging to the Government now in the store-houses, on the line and on the grounds of the Quebec, Montreal, Ottawa and Occidental Railway, less what may belong to the Canada Pacific Railway Company, in virtue of the aforesaid deed of sale.

3.—The above enumeration is not limitary, the intention of the parties being to include in this contract everything appertaining to the Quebec, Montreal, Ottawa and Occidental Railway, and accessory thereto, less what has been sold to the Canada Pacific Railway Company. Description not limitary.

4.—The Government transfers and makes over to the Syndicate, by the present sale, all the rights and privileges hereby sold and transferred, vested in it by law and its other titles of whatsoever nature they may be, and especially all the rights and privileges which the Government has acquired and which are reserved to it by the aforesaid deed of sale in favor of the Canada Pacific Railway Company, the Government hereby subrogating the Syndicate in all such rights and privileges. Transfers of certain rights and privileges.

5.—The Government further binds itself to make every effort to secure for the Syndicate, from the Government of the Dominion, a traffic arrangement for the carriage of goods over the Intercolonial Railway, and also the construction of a branch of the said Intercolonial Railway from the Parish of St. Charles to Point Levis, and also the construction by the Federal Government, at Levis, of the wharves, engines, machinery and other works necessary for the establishment of a steam ferry service from Quebec (at the terminus of the Railway hereby sold) to Levis (at the terminus of the aforesaid St. Charles Branch) for the transfer of cars without breaking bulk, and also its contribution to the amount of one half of the cost and expenses of the required ferry steamers. Obligation of the Government as to St. Charles branch.

6.—On the other hand the Syndicate binds itself to fulfil and carry out, in the place and stead of the Government, and at its own cost, each and every of the obligations, to the performance of which the Government is now held, in virtue of the contract made with the Canada Pacific Railway Company, and especially to carry out the works and constructions, in the City of Montreal and its neighborhood, which the Government has, by the aforesaid contract, bound itself to complete, and the Syndicate shall pay the share of the Government in the branch extending from Hochelaga to the Macdonald property and the Gaol property, and in consideration of the Syndicate undertaking this, the Government hereby transfers to it the two hundred and forty thousand dollars, which the Canada Pacific Railway Company is to pay it for such works. Obligation of the Syndicate as to certain works in Montreal,

Obligation as to certain works in Quebec.

7. The Syndicate binds itself to make and complete the extensions necessary to directly connect the road, which it hereby acquires, with the Intercolonial Railway and to make and construct, at the Quebec terminus, the wharves, engines, machinery and other works required for establishing the above mentioned Ferry, and, moreover, to contribute one-half of the cost and expenses of the necessary Ferry steamers. Amongst the works which the Syndicate undertakes to perform, are those described and enumerated in schedule A hereunto annexed.

Obligation as to certain works.

8.—The Syndicate takes over the roads, which it hereby acquires, in the state in which they actually are; it binds itself, under the conditions hereinafter set forth, to perform all the works mentioned in schedule B, for repairing and completing the roads, and it further binds itself to constantly keep the said roads in good order.

Number of trains to be run.

9.—The Syndicate binds itself to run on the railways, hereby sold, as many trains as may be necessary to meet the requirements of the traffic, and at least one passenger train over the whole length of the road, in each direction, every day, except Sundays.

Existing traffic contracts, &c., to be carried out by Syndicate.

10.—The Syndicate undertakes to carry out all the contracts, relating to the traffic on the roads hereby sold, which bind the Government; and the profits accruing therefrom, from and after the handing over of the roads, shall belong to the Syndicate.

Existing passes, &c., to be valid.

11.—The Syndicate shall recognize all passes and tickets, which may have been issued by the Government for the current year.

Workshops, &c., to be in Quebec.

12.—The locomotive department, the engineers' office, and the workshops, for construction and repairs of the road, shall be in the City of Quebec, and the Syndicate shall retain in its service, so far as the same may, in its opinion, be consistent with the proper working of the road, all the employees now in the service of the Gouvernement; and the Syndicate shall not dismiss, without cause, any of the present employees, without giving him at least one month's notice or a reasonable compensation.

Price and conditions of sale.

13.—The sale is made for the price of \$4,000,000, on account of which the Syndicate shall pay, on the road being handed over, a sum of \$500,000 and on the balance of \$3,500,000, the Government may, by giving six months' notice to the Syndicate, exact another payment of \$500,000, after the expiration of the year following the first payment, and, at the expiration of five years, from the time the road is handed over, the Government shall have the right, at

any time, by giving one year's notice to the Syndicate, to exact the entire payment of the balance then remaining due on the aforesaid price of sale, and, in any case, such balance shall be due and payable at the expiration of twenty years.

14.—The Syndicate may at any time pay up the whole price of sale, by previously giving the Government six months' notice.

Price may be paid at any time after certain notice.

15.—Interest shall be payable on the balance of the price of sale, at the rate of five per cent, per annum, from the time the road is handed over, and it shall be payable on the first of March and of September in each year, commencing on the first of September next.

Interest upon balance of price of sale.

16.—The Syndicate binds itself to perform the necessary work to complete the Three Rivers Loop Line, and also to lay steel rails instead of those now on the Piles Branch, as it may become necessary to renew them, and to establish a line of steamboats between Grandes Piles and La Tuque; but the Syndicate shall not be obliged to fulfil any of these three obligations, until it receives the debentures for the amount of one hundred thousand dollars voted by the City of Three Rivers, the Government for that purpose subrogating the Syndicate in all its rights against the City of Three Rivers.

Completion of Three Rivers Loop Line by Syndicate.

17.—The Government transfers and makes over to the Syndicate all its rights against the Corporation of the City of Quebec, in connection with the Quebec, Montreal, Ottawa and Occidental Railway, and undertakes to deliver to it, at the time the roads are handed over, the debentures, which the Corporation of the City of Quebec has given on account of its subscription, to the amount of \$100,000 (every debenture which the Government cannot deliver shall be paid at par). The Government further subrogates the Syndicate in all the rights it may have and claim upon the property, situated in Quebec, commonly called the "Palais property," opposite the property known as the "Government Fuel Yard." In consideration of this transfer, the Syndicate assumes all the obligations of the Government towards the Corporation of the City of Quebec, and further it binds itself to pay to the Government, at the time the roads are handed over, the sum of \$500,000.

Transfer to syndicate of rights of government against city of Quebec.

18.—In the event of the Syndicate not keeping the said roads or any part thereof or their rolling stock in good order, it shall be bound to do so and replace everything in good order within a delay of thirty days, after having received notice from the Government. And if it should happen that there was a difference of opinion as to the

Delay to repair and put road in good order.

Effect of default.

bad state of the said road or roads or of the rolling stock or as to the repairs to be made, such dispute shall be submitted to the arbitration of three disinterested persons, one of whom shall be named by each of the parties to this contract and the third by the Minister of Railways for the Dominion of Canada. And if the Syndicate should refuse or neglect, during thirty days from such notice, or in the case of dispute, after it has been notified of the decision of the arbitrators, to make the repairs required or ordered, then the delay for the payment of the balance due on the capital shall lapse, and, notwithstanding any provision of the present deed, the said balance shall at once become payable in its entirety.

Effect of default to pay interest, &c.

19.—In the event of the Syndicate neglecting or refusing to pay any instalment due on the capital, or any of the interest herein stipulated, when the same becomes due, and if such neglect or refusal extends over thirty days, the entire amount of the capital herein stipulated, which shall not then have been paid, shall at once become due and payable.

Hypothecary claim of government for payment of price of sale.

20.—The roads, sold and handed over, their dependencies and rolling stock as well as all the property above described and included in the present sale, shall be and remain hypothecated as security for the payment of the price of sale and interest, and, in addition, to the amount of \$500,000 for the due execution of the works mentioned in Schedules A and B; but this latter hypothec shall cease to exist as soon as work to the amount of \$200,000 shall have been performed to the satisfaction of the Lieutenant-Governor in Council, who shall thereupon grant a discharge from such hypothec.

Syndicate to be incorporated by Legislature.

21.—The Syndicate shall be constituted an incorporated company at the next session of the Legislature of the Province of Quebec, with all the powers required to enable it to carry out the present contract. This is a condition *sine qua non*. And from and after the incorporation of the company all the rights and privileges, hereby conferred upon the Syndicate, shall belong to the company which shall thenceforward be subject to all the obligations assumed by the Syndicate, and, from that moment, the individual responsibility of its members shall cease to exist.

Contract to be submitted to Legislature.

22.—The Government binds itself to submit the present contract to the Legislature of Quebec, at its next session, for its approval.

And the parties have signed.

SCHEDULE A.

(Approximate Estimates.)

Works required to connect the Q. M. O. & O. Railway with the Intercolonial, and for the Steam Ferry service :—

1. Purchase, lease or construction of wharves (those now in use cost \$6,500 per annum) say a capital of.....	\$ 130,000
2. Works upon wharves, sheds, switches, &c...	30,000
3. One-half the cost of ferry steamers and accessories.....	90,000
	<hr/>
	\$ 250,000
	<hr/>

SCHEDULE B.

(Approximate Estimates.)

WORKS IN MONTREAL.

Extension of the line and erection of buildings on Bellerive property.....	\$ 50,000
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GENERAL WORKS.

Ballast for completing line to Quebec.....	33,000
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WORKS AT THREE RIVERS.

Including Loop Line, replacing iron rails by steel ones on Loop Line and Piles Branch—works on wharves—Navigation of St-Maurice from Grandes Piles to La Tuque.....	140,000
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WORKS AT QUEBEC.

Workshops — finishing St. Andrew Street— extension of line to deep water on “Louise Embankment”—changing the line on Prince Edward Street, either by expropriating one side of the street or completely changing the line and passing on the land known as Hare Point	\$ 225,000
	<hr/>
	\$448,000
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(The latter works are comprised in the obligations between the Government and the City of Quebec, which the Syndicate offers to assume.)

The above Schedules A. and B., are those referred to in the annexed contract.

Montreal, 4th March, 1882.

APPENDIX OF THE PROCEEDING CONTRACT.

Constitution of the Company.

INCORPORATION.

Certain persons incorporated.

1. Honorable Thomas McGreevy, M. P., Messrs. Pierre V. Valin, M. P., James Gibb Ross, ship-owner, Nazaire Turcotte, importer, Wm. J. Withall, merchant, Guillaume Bresse, manufacturer, Charles Samson, merchant, all of the city of Quebec; William E. Carrier, manufacturer, of the town of Levis; Télesphore E. Normand, Esq., of the city of Three-Rivers; Alphonse Desjardins, M. P., Matthew Hamilton Gault, M. P., Louis Adelard Sénécal, railway contractor, John McDougall, manufacturer, Victor Hudon, manufacturer, Alexander Buntin, manufacturer, Wilfrid Prévost, advocate, Jean Baptiste A. Mongenais, merchant, J. Moïse Dufresne, merchant, Jean-Baptiste Renaud, bank director, Guillaume Boivin, manufacturer, David Morrice, merchant, Robert Cowan, manufacturer, all of the city of Montreal; Honorable Bradley Barlow, senator, of the town of St. Albans, Vermont, United States; and R. J. Kimball, banker, and Louis Belloni, mine owner, of the city of New-York, in the State of New-York, United States, with all such other persons and corporations as shall become shareholders in the company hereby incorporated, shall be and are hereby constituted a body corporate and politic, by the name of the "North Shore Railway Company."

Name of corporation.

Capital stock and shares.

2. The capital stock of the Company shall be one million dollars, divided into shares of one hundred dollars each, which shares shall be transferable in such manner and on such conditions as shall be prescribed by the by-laws of the Company.

When contract shall be transferred to company.

3. As soon as the stock of the Company shall have been subscribed, and fifty per centum thereof paid up, and

upon the deposit with the treasurer of the province of Quebec of five hundred thousand dollars for the purpose and upon the conditions in the foregoing contract provided, the said contract shall become and be transferred to the Company, without the execution of any deed or instrument in that behalf; and the Company shall, thereupon, become and be vested with all the rights of the purchasers named in the said contract, and shall be subject to, and liable for all their duties and obligations, to the same extent and in the same manner as if the said contract had been executed by the said Company, instead of by the said purchasers; and thereupon the said purchasers, as individuals, shall cease to have any right or interest in the said contract, and shall not be subject to any liability or responsibility under the terms thereof, otherwise than as members of the corporation hereby created. And upon the performance of the said conditions respecting the subscription of stock, the partial payment thereof, and the deposit of five hundred thousand dollars to the satisfaction of the Lieutenant-Governor in Council, the publication by the Provincial Secretary in the *Quebec Official Gazette*, of a notice that the transfer of the contract to the Company has been affected and completed shall be conclusive proof of the fact.

Company
thereupon in-
vested with
certain rights,
&c.

Effect thereof.

4. All the franchises and powers necessary or useful to the Company to enable them to carry out, perform, enforce, use, and avail themselves of, every condition, stipulation, obligation, duty, right, remedy, privilege, and advantage agreed upon, contained or described in the said contract, are hereby conferred upon the Company. And the enactment of the special provisions hereinafter contained shall not be held to impair or derogate from the generality of the franchises and powers so hereby conferred upon them.

Powers, &c.,
conferred upon
company.

DIRECTORS.

5. Honorable Thomas McGreevy, M. P., Messrs. Pierre V. Valin, M. P., James Gibb Ross, ship-owner, Nazaire Turcotte, importer, Wm. J. Withall, merchant, Guillaume E. Bresse, manufacturer, Charles Samson, merchant, all of the city of Quebec; William E. Carrier, manufacturer, of the town of Levis; Télesphore E. Normand, Esq., of the city of Three Rivers; Alphonse Desjardins, M. P., Mathew Hamilton Gault, M. P., Louis Adélarde Sénécal, railway contractor, John McDougall, manufacturer, Victore Hudon, manufacturer, Alexander Buntin, manufacturer, Wilfrid Prévost, advocate, Jean-Baptiste A. Mongenais, merchant, J. Moise Dufresne, merchant, Jean-Baptiste Renaud, bank director, Guillaume Boivin, manufacturer, David Morrice, merchant, Robert Cowan,

First directors.

- manufacturer, all of the city of Montreal; Honorable Bradley Barlow, senator, of the town of St. Albans, Vermont, United States; and R. J. Kimball, banker, and Louis Belloni, mine owner, of the city of New-York, State of New-York, United States, are hereby constituted the first directors of the Company and the majority of the directors, of whom the president shall be one, shall be British subjects. And the board of directors so constituted shall have all the powers hereby conferred upon the directors of the company, and they shall hold office until the first annual meeting of the shareholders of the company.
- Power of board** 6. Each of the directors of the company, hereby appointed, or hereafter appointed or elected, shall hold at least one hundred shares of the stock of the company. But the number of directors to be hereafter elected by the shareholders shall be such, not exceeding nine, as shall be fixed by by-law of the company. The votes for their election shall be by ballot.
- Qualification of directors.**
- Number of directors.**
- How elected.**
- Executive committee.** 7. The board of directors may appoint, from out of their number, an executive committee, composed of at least three directors, for the transaction of the ordinary business of the company, with such powers and duties as shall be fixed by the by-laws of the company. The president shall be *ex-officio* a member of such committee.
- Its powers and duties.**
- Place of business of company. Proviso.** 8. The place of business of the company shall be at the city of Quebec, but the company may, from time to time, transact its affairs at all such other places as may be necessary, and at which the directors and shareholders may meet, when called, as shall be determined by the by-laws of the company. And the company shall open and keep open at Montreal, continually during office hours, an office where service of process in all judicial or extra-judicial proceedings in connection with all matters arising in the district of Montreal, may be made upon it.
- Office of the company at Montreal.**

SHAREHOLDERS.

- First meeting of shareholders.** 9. The first annual meeting of the shareholders of the company, for the appointment of directors, shall be held on the first Wednesday in June, one thousand eight hundred and eighty-two, at the office of the company, in Quebec; and the annual general meeting of shareholders, for the election of directors and the transaction of business generally, shall be held on the same day in each year thereafter, at the same place. Notice of each of such meetings shall be given by the publication thereof in the *Quebec Official Gazette* for two weeks, and by such further means, as shall, from time to time, be directed by the by-laws of the company.
- Subsequent annual general meetings.**
- Notice thereof.**

10. Special general meetings of the shareholders may be convened in such manner as shall be provided by the by-laws of the company; and notice of such meetings shall be given in the same manner as notices of annual general meetings, the purpose for which such meeting is called being mentioned in the notices thereof. Special general meetings. Notice thereof.

11. The board of directors may employ one or more of their number as paid director or directors, provided always that no person be a director unless he be a holder of at least one hundred shares in the capital stock of the said company, or unless he be not in arrears with respect to any call thereon. Paid directors. Their qualification.

And the said board may also make provision for the remuneration of any executive committee of such directors, for the transfer of stock and of shares, the registration and inscription of the stock, shares and proceedings and the transfer of registered bonds, for the payment of dividends and interest and for all other matters, authorized by the said contract or by this act. But such by-laws of the company shall have no force or effect after the next ensuing general meeting of the shareholders following the passing of such by-laws, unless they are approved at such meeting. Power of remunerating executive committee, &c. Approval of by-law for that purpose.

12. Every municipal council of a municipality which shall, after the passing of this act, grant a bonus, in aid of the said railway or its branches controlled by the company, to an amount of not less than twenty thousand dollars, shall have the right to appoint, every year, a person to be a director of the company in addition to all the other directors authorized by the present act; but such municipality shall not incur any liability by the appointment of such director and shall have no right to vote, on its shares, at the election of directors. Power of municipal council granting aid to company to appoint a director.

13. At the election of directors under this act, and in the transaction of all business at the general meetings of shareholders, every shareholder shall be entitled to as many votes as he has shares, on which all calls are paid, and at every meeting of the shareholders he may vote by proxy, provided the person holding such proxy be a shareholder of the company. Right to vote.

14. After the first instalment provided for by the present Act, no call upon unpaid shares shall be made for more than twenty per cent. Amount of calls after first.

RAILWAY AND TELEGRAPH LINE.

15. The company may lay out, construct, acquire, maintain and work a continuous line of railway of the gauge of Power to acquire, &c., and work a line of railway.

four feet eight and one-half inches, which railway shall extend from the place known as St. Martin's Junction, to within the limits of the city of Quebec, as well as on the branches known as the Joliette, Berthier and Piles branches and the Three Rivers loop-line, and also on other branches to be hereafter constructed by the said company; all of which shall be of the gauge aforesaid and on any extension of the main line of railway which may hereafter be built or acquired by the company, which said lines and branches shall constitute the railway hereafter called the "North Shore Railway."

*Idem a line
of telegraph.*

16. The company may construct, maintain and work a continuous telegraph line and telephone lines throughout and along the whole line of the North Shore Railway, purchase, lease or otherwise acquire any other line or lines of telegraph connecting with the line so to be constructed along the line of the said railway, and may undertake the transmission of messages for the public, by any such line or lines of telegraph or telephone, and collect tolls for so doing; or may lease such line or lines of telegraph or telephone, or any portion thereof; and, if they think proper to undertake the transmission of messages for hire, they shall be subject to the provisions of the fourteenth, fifteenth and sixteenth sections of chapter sixty-seven of the Consolidated Statutes of Canada. And they may use any improvement that may hereafter be invented (subject to the rights of patentees) for telegraphing or telephoning, and any other means of communication that may be deemed expedient by the Company at any time hereafter.

POWERS.

*Application of
43-44 Vic.,
cap. 43.*

17. "The Quebec Consolidated Railway Act, 1880," in so far as the provisions of the same are applicable to the undertaking authorized by this charter, and in so far as they are not inconsistent with or contrary to the provisions hereof, and save and except as hereinafter provided, is hereby incorporated herewith.

*Certain pro-
visions of said
act modified
with respect to
company.*

18. The third and fourth sub-sections of section 22 of the "Quebec Consolidated Railway Act, 1880," shall be subject to the following provisions, namely,—that if, before the completion of the payment of the purchase price of the said railway or for the works under the said contract, any transfer should purport to be made of any stock or share in the company, or any transmission of any share should be effected under the provisions of the said sub section four, to another person, whether or not already a shareholder in the company, and if, in the opinion of the board it should not be expedient that the person to whom such transfer

or transmission shall be made or effected should be accepted as a shareholder, the directors may by resolution veto such transfer or transmission ; and thereafter, and until after the completion of the payment of the purchase price of the said railway and for the works under the said contract, such person shall not be, or be recognized as a holder of the shares so transferred in the company ; and the original shareholder, or his estate, as the case may be, shall remain subject to all the obligations of a shareholder in the company, with all the rights conferred upon a shareholder under this Act. But if the transfer of such shares has been effected with the consent of the board of directors, the liability of the original shareholder shall cease to exist. But any firm holding paid-up shares in the company may transfer the whole or any of such shares to any partner in such firm having already an interest as such partner in such shares, without being subject to such veto. And in the event of such veto being exercised, a note shall be taken of the transfer or transmission so vetoed, in order that it may be recorded in the books of the company after the completion of the payment of the purchase price of the said railway and of the works as aforesaid ; but until such completion, the transfer or transmission so vetoed shall not confer any rights, nor have any effect of any nature or kind whatever as respects the company.

19. The said company shall afford all reasonable facilities to the Lake St. John railway, the Canadian Pacific Railway, the Intercolonial Railway, and to the Quebec Central Railway Companies, for the receiving, forwarding and delivering of traffic upon and from the railways of the said companies, respectively, and for the return of carriages, trucks and other vehicles.

Obligation of company to grant facilities to certain other railways.

20. The company, under the authority of a special general meeting of the shareholders thereof, and as an extension of the railway hereby authorized to be worked, and completed may purchase or acquire by lease or otherwise, and hold and operate a line or lines of railway, extending to the eastward of Quebec, on the North Shore of the St. Lawrence or connecting by side lines with the said road on the North Shore of the St. Lawrence, or may acquire running powers over any of the said railways now constructed or to be hereafter constructed ; and in particular it shall have the right, without any further legislation, to run its engines and trains and exercise the privileges hereby conferred upon it on that portion of the road sold to the Canadian Pacific Railway Company, from St. Martin's junction to the Quebec Gate Barracks, station in the city of Montreal ; and all the engagements and obliga-

Power of company to acquire and work, &c., certain railways on obtaining consent of shareholders.

tions, entered into by the Canadian Pacific Railway Company toward the government of the province of Quebec, are hereby confirmed, ratified and made over, in so far as relates to that portion of the road from Quebec to St. Martin, to the North Shore Railway Company, which may exercise, without any restriction, all the powers conferred by registration upon the government of the province of Quebec, with respect to the line of the said railway between Quebec and Montreal, and amongst others the right of running the railway in a straight line from St. Vincent de Paul to Montreal. And the company shall possess, with regard to any lines of railway so purchased, or acquired, and becoming the property of the company, the same powers as to the issue of bonds thereon, or any of them, as it possesses for its main line, to an amount not exceeding twenty-five thousand dollars per mile. But such issue of bonds shall not affect the right of any holder of mortgages or other charges already existing upon any line of railway so purchased or acquired; and the amounts of bonds hereby authorized to be issued upon such line of railway shall be diminished by the amount of such existing mortgages or charges thereon.

Power of company to issue bonds, &c., respecting such extension railways.

Provide.

Power of company to build, &c., docks, wharves, &c.

Acquire, &c., elevators.

Run ferry steamers, &c.

21. The company shall have power and authority, in so far as the legislature may confer the same, to erect and maintain docks, dockyards, elevators, wharves, slips and piers at any point at which it may acquire, from competent authority, the use or ownership of lands or works used on the line of the North Shore railway, or in connection therewith, and at all the termini thereof on navigable waters, for the convenience and accommodation of vessels and elevators; and also to acquire and work elevators and make arrangements for steam and other vessels for cargo and passengers to any point which the North Shore Railway may reach or connect with, and also to run ferry steamers for passengers and traffic in the said province of Quebec, in connection with the said railway, and to make all contracts and agreements with any person or corporation whatsoever, who are hereby authorized to that effect for the objects above mentioned, or otherwise for the advantage of the company.

BONDS.

Amount of bonds to be issued by company for certain purposes.

22. The company, under the authority of a special general meeting of the shareholders called for the purpose may issue mortgage bonds to the extent of twenty-five thousand dollars per mile of the North Shore Railway for the purposes of the undertaking authorized by the present Act; which issue shall, after the privilege of *bailleur du*

fonds and the special hypothec created by clause twenty of the said contract, constitute a first mortgage and privilege upon the said railway, constructed or acquired, or which shall be hereafter constructed or acquired, and upon its property, real and personal, acquired and to be hereafter acquired, including rolling stock and plant, and upon its tolls and revenues (after deduction from such tolls and revenues of working expenses), and upon the franchises of the company; the whole as shall be declared and described as so mortgaged in any deed of mortgage as hereinafter provided. And such mortgage and privilege may be evidenced by a deed or deeds of mortgage executed by the company, with the authority of its shareholders expressed by a resolution passed at such special general meeting; and any such deed may contain such description of the property mortgaged by such deed, and such conditions respecting the payment of the bonds secured thereby and of the interest thereon, and the remedies which shall be enjoyed by the holders of such bonds or by any trustee or trustees for them, in default of such payment, and the enforcement of such remedies, and may provide for such forfeitures and penalties, in default of such payment, as may be approved by such meeting. And such deed, and the provisions thereof made under the authority thereof, and such other provisions thereof as shall purport (with like approval) to grant such further and other powers and privileges to such trustee or trustees and to such bondholders, as are not contrary to law or to the provisions of this Act, shall be valid and binding.

Rank and
privilege
thereof.

How estab-
lished.

Contents of
deed esta-
blishing same.

Validity of
deed therefor

23. The phrase "working expenses" shall mean and include all expenses of maintenance of the railway, and of the stations, buildings, works and conveniences belonging thereto, and of the rolling and other stock and movable plant used in the working thereof, and also all such tolls, rents or annual sums as may be paid in respect of the hire of engines, carriages or waggons leased to the Company; also, all rent, charges, or interest on the purchase money of lands belonging to the Company, purchased but not paid for, or not fully paid for; and also all expenses of and incidental to working the railway and the traffic thereon, including stores and consumable articles; also rates, taxes, insurance and compensation for accidents or losses; also all salaries and wages of persons employed in and about the working of the railway and traffic, and all office and management expenses, including directors' fees, agency, legal and other like expenses.

Interpretation
of expression:
"working ex-
penses."

24. The bonds, authorized by this act to be issued upon the railway, may be so issued in whole or in part in the

Bonds to be
issued in any
currency.

denomination of dollars, pounds sterling, or francs, or in any or all of them, and the coupons may be for payment in denominations similar to those of the bond to which they are attached. And the whole or any of such bonds, may be pledged, negotiated or sold, upon such conditions and at such price as the Board of Directors shall, from time to time, determine. And provision may be made by the by-laws of the Company, that after the issue of any bond, the same may be surrendered to the Company by the holder thereof, and the Company may, in exchange therefor, issue to such holder, inscribed stock of the Company, —which inscribed stock may be registered or inscribed at the chief place of business of the Company or elsewhere, in such manner, with such rights, liens, privileges and preferences, at such place, and upon such conditions, as shall be provided by the by-laws of the Company.

Method of sale,
&c.

Surrender of
bonds for
inscribed
stock.

Deeds, &c.,
creating mort-
gages for
bonds need
not be regis-
tered.

How deposited

Effect of de-
posit.

25. It shall not be necessary, in order to preserve the priority, lien, charge, mortgage or privilege, purporting to appertain to or be created by any bond issued or mortgage deed executed under the provisions of this act, that such bond or deed should be enregistered in any manner, or in any place whatever. But every such mortgage deed shall be deposited in the office of the Provincial Secretary,—of which deposit notice shall be given in the *Quebec Official Gazette*. And in like manner any agreement entered into by the Company, under section 29 of this act, shall also be deposited in the said office. And a copy of any such mortgage deed, or agreement, certified to be a true copy by the Provincial Secretary or his deputy, shall be received as *prima facie* evidence of the original in all courts of justice, without proof of the signatures or seal upon such original.

Effect of de-
posit of agree-
ment by com-
pany with
bondholders
upon subse-
quent trans-
actions, reso-
lutions, &c., of
company.

26. If at any time, any agreement be made by the Company with any persons intending to become bondholders of the Company, or be contained in any mortgage deed executed under the authority of this act, restricting the issue of bonds by the Company, under the powers conferred by this act, or defining or limiting the mode of exercising such powers, the Company, after the deposit thereof with the Provincial Secretary, as hereinbefore provided, shall not act upon such powers otherwise than as defined, restricted and limited by such agreement. And no bond, thereafter issued by the Company, and no order, resolution or proceeding thereafter made, passed or had by the Company, or by the Board of Directors, contrary to the terms of such agreement, shall be valid or effectual.

EXECUTION OF AGREEMENTS.

27. Every contract, agreement, engagement, scrip certificate or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the Company, by any agent, officer or servant of the Company, in general accordance with his powers as such under the by-laws of the Company, shall be binding upon the Company; and in no case shall it be necessary to have the seal of the Company affixed to any such bill, note, cheque, contract, agreement, engagement, bargain or scrip certificate, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law or special vote or order; nor shall the party, Contracts, &c., binding upon company. so acting as agent, officer or servant of the Company, be subjected individually to any liability whatsoever, to any third party therefor; No personal liability of officer of company executing such contract, &c. Proviso. Provided always, that nothing in this act shall be construed to authorize the Company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as the note of a bank, or to engage in the business of banking or insurance.

28. It shall be lawful for the Company, for the purpose of answering writs of attachment by garnishment, to appoint one or more persons, whose names shall be deposited in the prothonotary's office, and who shall be authorized to make in court the declaration required by legal procedure in such cases. Appointment by company of persons to answer upon writs of seizure by garnishment.

Such declarations shall be made in the office of the prothonotary at Montreal and Quebec alone, and shall be sufficient for all parts of the Province, and whenever such declaration shall be in satisfaction of a judgment rendered in another district, the prothonotary shall forward such declaration to the clerk of the court which issued the writ, and the proceedings shall be deemed complete for all legal purposes whatsoever. Such declarations shall be made in the prothonotary's office in Montreal, for the districts under the jurisdiction of Montreal, in appeal, and at the prothonotary's office in Quebec, for all the districts under the jurisdiction of Quebec, in appeal. Declarations where to be made.

29. If the government and the company cannot agree as to whether work done or materials supplied under the foregoing contract are or are not reasonably in accordance with the provisions of the said contract, or as to any other question of fact, the matter in dispute shall, from time to time, be referred to the decision of three experts, one of whom shall be appointed by the government, another by Appointment of experts in event of disagreement between company and government.

Their duties. the company, and the third by the two so selected; and these experts shall decide which of the parties shall pay the costs of the arbitration. And in the event of the two experts being unable to agree upon the choice of a third, the latter shall be appointed, on the application of one of the parties, after notice given to the other party, by a judge of the Superior Court for the province of Quebec.

Umpire.

Decision final. And the decision of the experts or of the majority of them shall be final. Provided always that, in any case, in which the company may be compelled, owing to the non-fulfilment of the said conditions or otherwise, to abandon the working of the railway, no reimbursement shall be made to it, either of the sums already paid by it, in advance or otherwise, either as compensation for such work as it may have performed in accordance with the schedules annexed to the said contract, or for other work done or rolling stock acquired by it, unless the application for such reimbursement be duly submitted to the legislature and be adopted by a vote of two thirds of the Legislative Assembly and by the majority of the Legislative Council.

Proviso as to abandonment of work by company.

Deeds of transfer of land; form and manner of executing, registering, &c. 30. Every deed of transfer of land to the company may be made in the usual form for such cases and may be fully registered on the affidavit of one of the witnesses to its execution, made before the officers authorised to receive such affidavits, and a deed in such form or drawn up in such sense shall be a legal and valid transfer of the lands and immovables therein mentioned for all purposes whatsoever, and its enregistration shall have the same effect as if it had been passed before a notary; and in order that all such deeds may be duly registered, all registrars, in their respective counties, shall be supplied, by and at the expense of the company, with a book containing copies of the form of the form, one copy to be printed on each page with the necessary blanks for each case of transfer and on the deeds being produced, they shall enter and register them without memorial in the said book and minute the entry on such deeds; and the registrars shall exact and receive from the said company for all costs of such registration and over and above the necessary stamps, fifty cents and no more, and the said enregistration shall be considered valid in law, any Act or provision of law to the contrary notwithstanding.