

CAP. LI.

An Act to amend the Acts respecting the Richelieu, Drummond and Arthabaska Counties' Railway Company; to confirm certain agreements between the said Company and the South-Eastern Counties' Junction Railway Company, and for other purposes.

[Assented to 24th December, 1872.]

Preamble.

WHEREAS the Richelieu, Drummond and Arthabaska Counties' Railway Company have prayed for amendments to the act incorporating them in the respects hereinafter set forth, and for the confirmation of two certain agreements entered into between them and the South-Eastern Counties' Junction railway company, and it is expedient to grant their prayer: Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

Certain agreements with South Eastern C. J. R. Co. confirmed.

1. The agreement between the Richelieu, Drummond and Arthabaska Counties' railway company and the South-Eastern Counties' Junction railway company, executed by and between the said companies at the city of Montreal, on the third day of February, 1871, before W. A. Phillips, notary public, and that certain other agreement executed between the said parties on the twelfth day of November last past, 1872, also, before Phillips, notary public, are and each of them is hereby confirmed, excepting so far as the same are modified by the provisions of this act.

Name of amalgamated company.

2. For the purpose of better carrying out the terms and conditions of the said last mentioned agreement, and of facilitating the management of the said railways, under the lease agreed upon in the last mentioned of the said deeds, it is hereby enacted that, during the period of the said lease, the said companies shall be and they are hereby amalgamated, and shall hereafter continue and subsist as one corporation or body politic, under the name of "The South-Eastern railway company," which name shall be and subsist in lieu of those heretofore appertaining to the said companies: but such change of name shall not be construed in any way to abrogate or affect any of the rights which the said two companies respectively had or have as separate corporations, nor in any way to effect any right or liability of either, or any suit, action or proceeding pending at the time when this act shall come into force, but the same shall continue as if this act had not been passed; but any new proceedings which might have been adopted against either of the

Effect of change of name.

said two companies shall be had by the name hereby assigned to the two companies ; and such corporation by the name hereby assigned to it shall continue to have all and every the rights, powers, privileges and authorities of every nature and description whatsoever, and without any exception or reserve, heretofore vested in, conferred on, or given to the said two companies, or to either of them, which they might respectively have lawfully exercised under their present corporate names by virtue of any act of the legislature of the late province of Canada or of this province, or otherwise howsoever, subject always to the provisions of this act, and shall be capable of exercising and enforcing either in its said corporate name or in that of whichever of the said present companies may be interested therein each, all, and every the rights, powers, privileges and authorities which either of them could at the time of the passing of this act have exercised or enforced, or at any time thereafter may become entitled to exercise or enforce, in its own name ; and their real and personal estate of every description shall belong and be transferred to and continued in the said corporation under its said name ; provided always, Proviso. that the rights and remedy of all municipalities and creditors of every class and degree of either of the said two companies, shall continue to exist unimpaired and be in no way lessened, interfered with, or affected by this act or anything herein contained, and all classes of bondholders having mortgage on any real estate of either company shall continue to have unimpaired, and be maintained in their several rights and privileges, as though this act had never been passed ; but in respect of liability incurred for any torts, wrongs or other things done by either company before this act shall come into effect, as contradistinguished from the separate obligations or debts contracted by either company, the property, assets and effects, whether real or personal, of such separate company, existing and belonging to it at the time this act shall come into effect, shall alone be held bound, and shall be liable to be attached, seized and taken ; and the company shall, within one month from the acceptance of this act by the said two respective companies, Inventory to be made of property, &c., of each company amalgamated. prepare an inventory shewing minutely and fully the property, assets and effects belonging to each of such respective companies at the time of such acceptance, so that the same may be distinguishable and susceptible of identification for all legal purposes whatever.

3. For the management of the affairs of the said corporation, and in lieu of the present two boards of direction, there shall be one board of directors, to be composed of not less than seven, nor more than ten elected directors, in addition to the *ex-officio* directors ; such elected directors, shall Joint board of directors.

in the first instance be elected at a special general meeting of the company to be held in the city of Montreal, on the fourth Wednesday next after this act shall have been accepted by both of the said two companies, or so soon thereafter as may be found practicable; and until such first election shall have taken place, the elected directors of the South-Eastern Counties' Junction railway company, in office, at the time of such acceptance, shall be the elected directors, and the *ex-officio* directors of each of the said companies shall be the *ex-officio* directors, of the amalgamated company.

Annual general meetings.

4. The annual general meetings of the company shall be held hereafter in the city of Montreal, on the third Wednesday of July.

Voting.

5. At all general meetings of the company, the shareholders shall be entitled to one vote for every twenty dollars of paid up stock; and the municipalities presently entitled to vote at such meetings of the Richelieu, Drummond and Arthabaska Counties' railway company, shall continue to have the rights of voting, secured to them by the charter of the said Richelieu, Drummond and Arthabaska Counties' railway company.

Business of northern portion to be kept separately.

6. For all the purposes contemplated by the said last mentioned agreement, and for the purpose of the issue of debentures on the property and assets of the said company as hereinafter provided, the board of the united company shall cause the accounts of the working of the portion of the said railway lying to the north of the Grand Trunk railway to be kept separate from those of the remainder of the said railway, and the nett proceeds of the running of the said northern portion of the said railway shall be applied to the payment of the bonds and debentures issued with reference to and expressly hypothecating the said northern portion, and the nett proceeds of the running of the remainder of the united railway shall be applied to the debts and liabilities of such remaining portion exclusively; and for all purposes connected with the said united railway, the portion of the said united railway lying to the north of the Grand Trunk railway, shall be called the northern section—and the portion thereof lying to the south of the Grand Trunk railway, shall be called the southern section thereof.

United company may issue bonds.

7. It shall be competent for the board of directors of the said united railway to issue bonds or debentures thereon, hypothecating the said northern section of the said united railway, or the said southern section, exclusively, or both together, as may be deemed expedient, and as shall be

declared in the body of such debentures. And such debentures when so issued shall constitute a first lien or privilege on the property, tolls and revenues of the portion of the said united railway in aid of which they shall be so issued; and shall not constitute any liability against or in respect of the other portion thereof, if it be so expressed in such debentures, but the bonds or debentures issued upon the northern section thereof may be guaranteed by the united company in such manner as to make such guarantee fall upon the southern section of the said united railway, with a lien and hypothec upon the said southern section, constituting a second charge thereon next after the bonds issued upon such southern section.

8. Such bonds may be issued on the said northern section to the extent of seven hundred and fifty thousand dollars, but from and out of the said sum the bonds referred to in the said last mentioned agreement hereby confirmed, and all other bonds issued under the previous acts respecting the Richelieu, Drummond and Arthabaska Counties' railway company shall be withdrawn or paid.

What portion of bonds may be issued on the northern section.

9. The third section of the act thirty-fourth Victoria, chapter twenty-five, is hereby amended by the substitution of the word "shall" for the words "may also if they think fit," occurring in the ninth line thereof; also, by the substitution of the words "Roxton Falls" for the word "Roxton," occurring in the thirteenth line thereof.

Sec. 3, of 34 V., c. 25 amended.

10. Whenever as to any other matter affecting the conduct of the affairs of the company or the exercise of any of its rights, the existing charters of the said two companies vary in their terms, the sense of the charter of the South Eastern Counties' Junction railway company shall be followed, as being that of the company and regulative of such matter, unless in so far as the company by by-law may have previously made election of the terms of the charter of the Richelieu, Drummond and Arthabaska Counties' railway company as specially regulative thereof.

Provisions in case of the two charters varying in their terms.

11. The second and other preceding sections of this act shall not take effect, unless accepted and approved at a special general meeting of the shareholders of each of the said companies duly called and held for that purpose.

When preceding sections shall come into force.

12. This act and the acts hereby amended shall be held and construed as though forming one and the same act; and the expression "the Charter of the South-Eastern railway company" shall be a sufficient citation, as well of the said acts and of this act, as of the acts directly constitutive of the said South-Eastern railway company.

This act to form one with acts amended.

SCHEDULES.

On this day, the third of May, in the year of our Lord one thousand eight hundred and seventy-one, before the undersigned public notary, duly commissioned and sworn in and for that part of the Dominion of Canada now constituting the province of Quebec, residing in the city of Montreal, in the said province, came and appeared the Richelieu, Drummond and Arthabaska Counties' railway company, a body corporate and politic, duly incorporated by an act of the provincial parliament of the province of Quebec, hereinafter called the first company, herein represented, and acting by Edward J. Hemming, esquire, of Wickam; Michel Mathieu, esquire, of Sorel; William John Watts, esquire, of Grantham; and Moïse Fortier, esquire, of St David, in the said province of Quebec, directors of the said company, and a committee specially authorized to execute these presents by a resolution of the board of directors of the said company, duly called and held at Sorel, on the second day of May, instant; and the South-Eastern Counties' Junction railway company, a body corporate, also duly incorporated, hereinafter called the second company, and herein represented, and acting by the Honorable Christopher Dunkin, Hiram S. Foster, esquire, and Nathaniel Pettes, esquire, all of Knowlton, in the said province of Quebec, a committee thereof duly authorized to execute these presents by a resolution passed at a meeting of the directors of the said last mentioned company, held in the village of Knowlton, in the county of Brome, on the tenth day of January last past.

Who declared to me, notary: That, whereas, the said companies have been engaged in negotiations with respect to the matters hereinafter provided for, and heads of a suggested agreement in respect thereof, have been approved by the directors and stock-holders, respectively of the said two companies, and it now becomes necessary to enter into a regular contract and agreement, based upon the said heads. Now therefore, these presents and I, the said notary witness, that the said companies, represented as aforesaid, have agreed, and do hereby agree to and with each other as follows, to wit:

1. For the purpose of abbreviating the language of the present agreement, it is hereby declared that the words "the southern section," wherever used herein, shall mean the portion of the Richelieu, Drummond and Arthabaska Counties' railway lying between the Grand Trunk railway at Acton Vale, and the line of the South-Eastern Counties' Junction railway, and the words "the main line," shall signify the remainder of the railway of the said Richelieu, Drummond and Arthabaska Counties' railway company.

2. The intention of the present agreement is that the second company shall organize and arrange for the construction of the said southern section, with the aid only of such security as may be afforded by the said southern section itself, and by revenues to be derived from its working; and of subscriptions of stock specially and conditionally made in aid of the said southern section, and of such other subscriptions of stock and other sources of revenue as are hereby indicated as meant to be applied to that end, and shall be lessees of the said section when so constructed, which section shall then be run by the said second company as a continuous line with the railway of the said first company.

But the southern section and the main line are not intended to be responsible in any way for the losses or obligations, or to share in any way in the gains of each other—and the following terms and conditions are agreed to by the said companies as the manner in which the foregoing intentions are to be carried out.

3. As preparatory to the construction of the said southern section, the said first company shall cause stock books to be opened at such points on the said section as shall be indicated by the said second company, which stock-books shall contain a heading embodying the conditions contained in schedule A, to this agreement annexed, and all subscriptions in the said stock-book except such as are authorized by by-laws already passed by municipalities, south of the county of Bagot, without provision for such conditions, shall be made subject to such conditions, and when so made shall be accepted by the said first company, which shall be bound to cause such acceptance to be signified by such resolution of the stock-holders thereof or of the directors thereof, as may be deemed necessary in the premises, and these presents shall not have any force or effect except as regards the opening of the said stock-books until one hundred and seventy-five thousand dollars, (\$175,000,) of stock shall be subscribed thereon in manner aforesaid.

4. The conditions contained in the said schedule and more especially the conditions which relieve the said first company from any obligation to pay dividends to such subscribers of stock, and which provide for the application of the net proceeds of the running of the said section after payment of all charges thereon to the benefit of the subscribers of such stock, shall be binding upon the said parties hereto and upon the said subscribers of stock to the same extent, and in the same manner as if the said conditions were evidenced by a formal contract between the said companies and the said subscribers.

5. The proceeds of such subscriptions of stock shall be applied exclusively to the construction of the said section

and its appurtenances, and the procuring and placing the requisite rolling stock thereon—and the said first company shall be bound to carry out the arrangements which may be made with the contractor for the construction of the said section in respect of such stock either by making calls thereon and paying the proceeds of such calls over to such contractor, or by making such calls and transferring them to such contractor.

6. As a further means of paying for the construction of the said section, the first company will issue such bonds from time to time as shall be required to fulfil the conditions of the contract to be made for the construction of the said section—but such bonds shall only have a privilege or hypothec upon the said section and upon the rolling stock appertaining thereto and the revenues thereof, and shall not have any lien, privilege, or hypothec upon the main line nor upon the appurtenances, rolling stock or revenues thereof, and the said first company shall not be bound to issue such bonds in such a form as shall render it responsible for the payment of such bonds or of any sum of money on account thereof, or of the interest or coupons thereof above or beyond the amount of the net proceeds of the running of the said section over and above the running expenses thereof. The said second company hereby binds, and obliging itself to pay to the holders of such bonds, the coupons thereon when due, and to divide the remainder of the said net proceeds, if any there be, amongst the shareholders who shall have subscribed stock in the manner hereinbefore mentioned. And it is hereby further agreed that the bonds to be executed by the said first company in aid of the construction of the said section shall be in the form of schedule B, hereto annexed, or in words equivalent thereto.

7. As soon as the said subscription of stock shall be made the said first company shall execute a contract for the construction of the said southern section with such persons, and upon such terms and conditions not inconsistent with this agreement as shall be approved of by the second company, but in executing the said contract, the said first company shall have the right expressly to relieve itself from any obligation to pay the contractor for such construction and from every obligation of any nature or kind whatsoever in connection with the said construction, except the obligations herein expressly imposed upon it, and more especially shall have the right to relieve itself by the language of the said contract from any obligation to pay the contract price or any part thereof, or to pay any land damages, or the price of any land required for the said section, or damages caused by any accident which may occur in the running of the said section, but the name of the said

first company shall be used in all proceedings for the expropriation of land and for the adjustment of land damages in respect of the said section, and the contractor shall be authorized by the said first company to claim and receive from the government of the province of Quebec, such governmental subsidy as has been or shall be authorized or granted in aid of the construction of the said southern section, and to take any other or further step or proceeding, or sign any document or instrument which shall be requisite to enable the said contractor to obtain from the said government the said subsidy, the said first company however not to be in any respect regarded as a guarantor, that the said subsidy or any part thereof will be paid; the intention of these presents being that it shall be bound to give all reasonable assistance in obtaining it without being responsible for its being obtained, and the said contract shall contain conditions whereby the contractor will relieve the said first company from any obligation of any kind or description whatsoever arising out of the said contract, further than the obligation of issuing the said bonds subject to the conditions aforesaid, and of suffering its name to be used in the acquisition of the land required for road-way and depot grounds, and of assisting in the procuring of the said governmental subsidy.

8. So soon as the said section shall be completed and delivered by the contractor, the second company shall become and be the lessee thereof, and upon such delivery a formal deed of lease shall be executed by the said two companies upon the following conditions, in substance together with such other and further conditions as to details as shall not be inconsistent with these presents, and as shall be requisite for the due ordering and management of the matters arising from the running of the said section, and of the said main line as between the said two companies, namely:

First, the said second company shall receive the proceeds of the running of the said section, and all further sums of money which may be applicable to the running of the said section as remuneration for the use of rolling stock, proportionate mileage and the like, and shall apply the same, first to the payment of all charges and expenses of running the said section, and the payment of the interest upon the bonds issued as hereinbefore provided: and the balance thereof shall be paid in the nature of dividends to the persons who shall subscribe for the construction of the said section in the manner herein provided to the exclusion of any claim whatever by the stock-holders in the main line, or by the said first company to any part or portion of the said revenues.

The said second company shall be bound to keep the

said section in repair and running order, shall be exclusively responsible for all damages which may occur to any person or persons by reason of the running thereof, or by accidents thereon, and shall perform to the entire exoneration and discharge of the first company all duties and obligations which otherwise the said first company would be subjected to and obliged to perform by the general railway act of the province of Quebec, or any other act, statute, regulation or order in council, and shall also pay to the exoneration of the said first company all taxes and assessments upon the said section, and upon its appurtenances and rolling stock.

The said southern section shall be run in connection with the main railway of the said first company, and with the remaining portion of the railway of the said second company as a continuous line, and neither company shall make or suffer to be made any lease, running arrangement, or connection with any other company to the prejudice of the said line as a continuous line or to the prejudice of the other contracting party hereto, nor until the terms of any lease, running arrangement, or connection contemplated by one of the said companies shall have been submitted to and approved by the other, and the tariff of the said several companies shall be so framed as not to afford any advantage or create any preference in favor of any portion of the said combined lines over any other portion thereof, and the details of the running arrangements between the two companies shall be established in a liberal spirit on both sides, and any dispute or difference as to any of them shall be submitted to arbitration, and the allowance by the one company to the other for the use of rolling stock shall be adjusted in like manner, but nothing herein contained shall prevent the said first company from carrying out and performing all the conditions incumbent upon it under the provisions of a certain by-law of the county of Drummond, passed on the twenty-fourth day of April last past.

The lease so to be executed shall be a lease in perpetuity by the said first company to the said second company of the said southern section, and it shall be a condition thereof that the breach by the said second company of any of the material conditions of the said lease shall be a ground for cancelling and terminating said lease.

9. Upon the execution of a lease between the said two companies as above provided, each of the said companies shall be bound to do anything or execute any deed or instrument that may be required fully to carry out the true intent and meaning of these presents.

10. It is hereby agreed that nothing in these presents contained shall in any manner or way be held personally to bind any of the parties to the execution hereof, whether

any matter or provision herein contained be strictly within the legal authority of the said companies or not, and in the event of its being deemed expedient to procure a ratification of the present agreement by legislative enactment, both of the said companies shall be bound and they hereby bind themselves to co-operate in obtaining such legislative provisions as may be deemed necessary in the premises.

And it is hereby further declared to be a condition of these presents that in the construction contract to be executed, the completion of the said southern section shall be stipulated for at the same time as that fixed for the completion of the main line to Acton Vale, and the respective contracts for the main line and for the said section shall be so arranged as to enable the said line to be used as a continuous line forthwith, and the terminus of both lines shall be at Acton Vale aforesaid, at a convenient point for their junction.

And for the purpose of adjusting the rights of the holders of bonds of the said first company, it is hereby further agreed, that the bonds to be issued by the said first company in aid of the construction of the said main line, and all bonds of any nature or for any purpose whatever which the said first named company may execute, except such as are issued under the provisions hereof in aid of the construction of the said southern section, shall contain a special and express limitation of the lien and hypothec thereby created upon the said main line, and the appurtenances and rolling stock thereon, and the revenues to be derived therefrom exclusively, and an express declaration that said lien, privilege or hypothec shall not apply to the railway, rolling stock, appurtenances or revenues of the said southern section.

And whereas certain municipalities have already passed by-laws authorizing the subscription of stock in the said first company, namely, the township of Shefford, the village of Waterloo, the township of Roxton, and the village of Roxton, which by-laws do not contain the conditions hereinbefore specified, but are intended to authorize a subscription of stock for the purposes of the said southern section only, and which it is hereby agreed shall be applied exclusively to the construction of the said section, and as it is necessary to make some provision herein for preventing any claim of the said municipalities upon the said first company for dividends on the said stock, it is hereby further agreed that the said first company shall not take into its calculations for any dividend, the share of stock so subscribed for by the said municipalities, nor pay them, nor recognize any obligation to pay them "any dividend whatever." But that in the event of their making any claim for such dividend, the second company shall be bound to

guarantee the said first company, and to hold it harmless against such claim for dividend, and if any proceedings should be taken or had for the enforcement of such claim, shall take up the *fait et cause* of the said first company, and shall pay all costs, damages, expenses and condemnation money that may be awarded against said first company to its entire exoneration and discharge.

And for the execution hereof the said parties have elected domicile at their ordinary places of abode above mentioned, where, &c.

Done and passed at the said city of Montreal, in the office of William Anderson Phillips, the said undersigned notary, under the number three thousand two hundred and six, and signed by the said parties hereto, with, and in the presence of the said notary, also hereunto subscribing, these presents having been first duly read according to law.

(Signed,)	E. J. HEMMING,
"	M. MATHIEU,
"	W. G. WATTS,
"	MOISE FORTIER,
"	CHRISTR. DUNKIN,
"	H. S. FOSTER,
"	N. PETTES,
"	W. A. PHILLIPS, N. P.

A true copy of the original hereof, remaining of record in my office, (one marginal note is valid.)

W. A. PHILLIPS, N.P.
WILFRID LAURIER, P.

SCHEDULE.

On this day, the twelfth of the month of November, in the year of Our Lord one thousand eight hundred and seventy-two,

Before the undersigned public notary for the Province of Quebec, residing in the city of Montreal,

Personally came and appeared,

The Richelieu, Drummond and Arthabaska Counties' railway company, herein represented, and acting by Valentine Cook, of Wendover, in the county of Drummond, in the said province, esquire; Edward John Hemming, of Wickham, in said county, in the said province, esquire, and William J. Watts, of Drummondville, in the said province, esquire, shareholders in the said company, duly named as a committee for the purposes hereof, by a resolution passed at the adjourned annual meeting of the share-

holders thereof, held at Sorel, on the sixth day of November instant month, hereinafter named the party of the first part,

And Louis Adélarde Sénécal, esquire, of St. Thomas de Pierreville, in the county of Yamaska, contractor of the said company, party of the second part ;

Which said parties declared unto me, the said notary, that the said party of the second part, for and in consideration of the sum of one hundred thousand dollars, to be paid to him by the said party of the first part, in manner following, to wit: *Five thousand dollars* in unpaid private subscription of stock in said Richelieu, Drummond and Arthabaska Counties' railway company, to be selected by the said party of the second part ; *five thousand dollars* in and by the promissory note of the South-Eastern Counties' Junction railway company, hereinafter mentioned, endorsed by the honorable Asa B. Foster, payable six months after date ; *ninety thousand dollars* in and by five promissory notes of the Richelieu, Drummond and Arthabaska Counties' railway company, endorsed by the said South-Eastern Counties' Junction railway company, for the sum of eighteen thousand dollars each, payable at the end of one, two, three, four and five years respectively after date, with interest at seven per cent per annum, from the date thereof, collateral security for the amount of said last mentioned notes, consisting of the bonds of the said Richelieu, Drummond and Arthabaska Counties' railway company, guaranteed by the said South-Eastern Counties' Junction railway company, to the amount of ninety thousand dollars ; such bonds to have priority and rank as first mortgage bonds, immediately after those already issued in favor of the county of Drummond, and to be deposited in the Merchants' Bank of Canada, in Montreal, said bonds to be redeemable in five years from the date thereof, and bearing seven per cent interest, and in case the said last mentioned notes, shall not be paid at maturity, the said party of the second part shall have the right to sell such amount of said bonds, at the rates then current, as may be necessary to meet the amount then due, to the said party of the second part, hath agreed and by these presents doth agree, to rescind, annul and cancel all and singular the contracts that now subsist between him and the said party of the first part, as well for the construction of said road as for the construction of the bridge over the river St. Francis, and to relinquish and give up all and every claim (including the fifty-one thousand dollar bonds of the party of the first part, issued in favor of the party of the second part,) that he has or may pretend to against the said party of the first part, for work performed by him or material or rolling stock, furnished by him in virtue of any contract subsisting between him and said party of the first

part; and further, to transfer to the said party of the first part, such rolling stock and other materials provided by him for the construction and working of said railway, as the same is now situated on the said railway, and to transfer all stock now held by him directly or indirectly, in the said Richèlieu, Drummond and Arthabaska Counties' railway company, to the honorable Asa B. Foster, to be held by him in trust for the said South-Eastern Counties' Junction railway company.

And to these presents came and intervened the South-Eastern Counties' Junction railway company, herein represented and acting by James O'Halloran, esquire, of Cowansville, in the district of Bedford, vice-president thereof; Edmund L. Chandler, of the Township of Brome, esquire, secretary-treasurer thereof; Hiram S. Foster, esquire, of Knowlton, in the county of Brome, Nathaniel Pettes, esquire, of the same place, and Samuel W. Foster, esquire, of Knowlton, aforesaid, duly authorized by said last mentioned company, for the effect thereof, herein styled the party of the third part, who having taken communication of the foregoing stipulation, in consideration of the lease herein-after mentioned, do contract and obligate themselves towards the said parties, firstly mentioned, in manner following:

That the said party of the third part shall, upon the execution and ratification of these presents, grant their guarantee to the bonds of the said party of the first part, to the extent of said ninety thousand dollars, and execute their promissory note, to the said party of the second part, for the sum of five thousand dollars, endorsed by the said honorable Asa B. Foster as aforesaid; and further, that the said party of the third part, shall construct and complete within two years, to be computed from the date of ratification of these presents by the parliament of the province of Quebec, the whole of the road comprised within the contracts of the said parties of the second part, hereby annulled, with a single track with iron rails, together with the necessary stations, workshops and freight sheds and other buildings necessary for the working of the said line, in a substantial and workmanlike manner, and in every respect equal to the other portion of the railway of the said party of the third part; provided however, that should James Black, of the city of London, in that part of the United Kingdom called England, now present and representing certain English capitalists, succeed in obtaining the necessary funds, the said party of the third part agrees to complete the whole road in iron within one year, and also agrees that the laying of such iron rails shall be commenced at the Sorel end of the said railway so leased, and further to keep the present wooden rails in good running order,

until such time as they shall be superseded by iron rails, and to run at least one train each way on every working day during the season when it is practicable to run on wooden rails, and also to build and complete the bridge across the river St. Francis, agreeably with the contract entered into by the said party of the first part with the said party of the second part, within one year from the date of the ratification of these presents as aforesaid.

And in consideration of the premises the said party of the first part, hath agreed, and by these presents doth agree, to let and lease to the said party of the third part, the said Richelieu, Drummond and Arthabaska Counties' railway, with all and singular its appurtenances, rolling stock and material of every description thereunto belonging, for and during the period of nine hundred and ninety-nine years, and doth further transfer and make over to the said party of the third part, all assets, property, rights, claims and demands of every nature now owned and possessed by the said party of the first part, including provincial subsidy already earned or to be earned by said party of the first part; and further, the said party of the first part doth obligate itself to procure from the Legislature of the province of Quebec the confirmation of these presents, with such modifications thereof as may be deemed advantageous for the complete carrying out of the intentions of the contracting parties; also, the power of issuing bonds or debentures in aid of the performance by the said company of the third part of their undertaking hereby entered into to complete the said railway with iron rails to such amount and at such time and times as shall be required by the company of the third part, it being the understanding of the said parties hereto, that the credit, assets, tolls and revenue of the said company of the first part, shall be hypothecated for that purpose, such bonds or debentures to rank and take priority according to their date, and the said company of the first part doth further bind and oblige itself to maintain and keep up its own corporate existence, and at all times by its corporate action to give effect and efficiency to the aforesaid lease, and as said provincial subsidy shall be earned, to demand and pay over the same to the said party of the third part, in consideration of which the said party of the third part hath agreed, and by these presents doth agree, to assume all and singular the obligations, debts and liabilities of the said party of the first part, existing at the date of the execution and ratification of these presents, which debts the said party of the first part declare not to exceed five thousand dollars, apart from the liability of the said company under the by-law of the county of Drummond, of the twenty-fourth of April, eighteen hundred and seventy-one.

And it is further specially agreed and understood by and

between the said parties of the first and third parts, that the said party of the third part shall at all times carry and transport all cord wood, bark and manufactured lumber, the property of persons resident within the counties of Richelieu, Yamaska, Drummond and Bagot, at such rates as may from time to time be sanctioned by the lieutenant-governor in council.

And it is further agreed by and between the said parties of the first and third parts, that the stock-holders in the said company of the first part shall, notwithstanding such lease, be entitled to receive in each year, the same rate of dividends on their paid up stock as the stock-holders of the company of the third part, may be entitled to receive in such year, the whole without reference to the traffic, earnings or profits of the railway of the said company of the first part in such year.

And it is further agreed, that the said parties of the first and third parts shall unite to petition the legislature at Quebec for, and do all in their power to obtain from the same, all enactments needed or desirable with a view to the future carrying out of this agreement by the said party of third part and otherwise.

And it is further agreed, that these presents shall be ratified by a meeting of the shareholders of the said South-Eastern Counties' railway company, party of the third part, within fourteen days from the date of the execution hereof, and the necessary payments, transfers and possession given within the same delay.

Done and passed at the said city of Montreal, in the office of William Anderson Phillips, the said notary, under the number four thousand eight hundred and ninety-seven, and signed by the said parties hereto, with me the said notary subscribing after these presents had been to them duly read.

(Signed,)	VALENTINE COOK,
"	E. J. HEMMING,
"	W. J. WATTS,
"	L. A. SENÉCAL,
"	JAS. O'HALLORAN,
"	E. L. CHANDLER,
"	H. S. FOSTER,
"	N. PETTES
"	SAM. W. FOSTER,
"	W. A. PHILLIPS, N. P.

A true copy of the original hereof remaining of record in my office.

(Signed,)	W. A. PHILLIPS,
	N. P.
	WILFRID LAURIER,
	P.