

CAP. XXIII.

An Act to grant additional powers to the Montreal Northern Colonization Railway Company and for other purposes.

[Assented to 24th December, 1870.]

WHEREAS, it is expedient to grant additional powers to the Montreal Northern Colonization Railway Company; Therefore, Her Majesty, by and with the advice and consent of the Legislature of Quebec, enacts as follows:

1. The said Montreal Northern Colonization Railway Company shall have power to extend their line of railway from Grenville to Deep River, or "*Chenail Culbute*," on the Ottawa River, in the province of Quebec, and from any point on their line within the limits of the city of Montreal, to Point St. Charles or the Bonaventure Depot, and at the eastern end of said city, the whole subject to the conditions and with the privileges and rights established and stipulated by the Act incorporating the said company for the original line of said railway, save only as regards their claim for a subsidy. Provided always, that the aforesaid proposed communications to be made within the limits of the city of Montreal to Point St. Charles or Bonaventure Depot, shall not be commenced until a map or plan and survey of the line and extent of such communications shall be laid before the council of the corporation of Montreal, and the sanction and approval of such council and the board of directors of the Grand Trunk Company of Canada be first had and obtained.

Power to continue the railway from Grenville to Deep River.

2. The capital of said company shall be ten millions of dollars.

3. Should such course be deemed necessary to facilitate the negotiation of bonds or debentures issued or due by the said company, the shareholders of said company shall at all times, by a by-law, passed at a meeting duly convened for that purpose, have power to decide that if at any time the bonds or debentures issued by the said company, or the interest coupons, or any of them, become due and are not paid in a certain delay after maturity, the period of such delay to be set forth in said by-law, the right to vote conferred on shareholders of the said company shall then cease, and that subsequently holders of bonds or debentures due and payable by the said company, shall have the right to vote at all the meetings of the said company, and shall also enjoy all the other powers conferred on the shareholders of said company by their act of incorporation or by the Quebec railway act of 1869, in the place and stead of

Power to pass by-laws authorizing bond-holders to vote in place of share-holders, in case of non-payment of bonds or interest.

shareholders, and that the bond or debenture holders shall also have the right to vote in proportion to the amount of bonds or debentures held by each, in the manner prescribed by said by-law; and to provide for the restoration of the right to vote to shareholders and for depriving bondholders of the said right to vote, as the shareholders of said company may think proper; and such by-law shall neither be revoked nor modified without the consent of all holders of the company's bonds negotiated subsequently to the passing of said by-law.

Registration of bonds not necessary.

4. It shall not be necessary, for securing to their bonds or debentures priority over the said road, its rolling stock, properties and revenues, according to the respective dates of their issue, to register said bonds or debentures issued by the said company in virtue of the powers conferred on them notwithstanding article 2130 of the civil code.

Debentures to constitute a general mortgage on the lands of the Company.

Provision when these lands are sold and the purchase money paid.

5. All debentures issued by the said company shall constitute a general mortgage on the lands which may in future be granted to the said company issuing such debentures, provided the said lands be mentioned or indicated in general terms as subject to such mortgage; but the payment made by any *bond fide* purchaser of any of the said lands, of the purchase-money to the treasurer of the company, or to any other person appointed for that purpose, and the receipt given for the payment of such purchase-money by the treasurer or other person named on behalf of such debenture holders, shall discharge all lands thus paid for from any such mortgage; and until otherwise ordered by said company, in virtue of the powers conferred on them by the present act, with reference to the reception of such moneys, the treasurer of the said company is hereby authorized to receive such purchase-money on behalf of the holders of such debentures, and shall keep all moneys so received apart from the ordinary receipts of the said company, and he shall be responsible for the same as special trustee, until said moneys be disposed of in the manner hereinafter provided.

Investment of money.

The moneys thus received by the treasurer of the said company shall, from time to time, be invested in Government securities, or shares of any solvent chartered bank doing business in Canada, for the purpose of forming a fund for the payment of the interest on such debentures as it becomes due, and for redeeming those debentures at maturity.

Holders of debentures to elect three trustees and directors to name three others to manage lands, &c.

6. The holders of the debentures of the said company, having hypothec on said lands, shall have the right to elect from among themselves three trustees, which election shall be made by such holders of debentures at a meeting of such holders called for the purpose in the same manner as is

provided by the act incorporating the company for special meetings of the shareholders thereof; and may be made by a majority in amount of such holders present at such meeting either in person or by proxy; and the directors shall name three of their number to constitute with the said trustees a board of six trustees, and such trustees shall have the control, management, disposition and direction of the lands represented by the holders of the debentures, or in which they have any interest; and may sell and dispose of such lands and collect and receive the proceeds thereof, as they may see fit, and for that purpose may appoint an agent or agents and have an office or offices either in Canada or elsewhere, and on realizing the proceeds of the said lands or any of them, may divide the proceeds among such holders or invest the same for the benefit of such holders, and otherwise manage and administer such lands in such manner as may be prescribed by such holders, by resolution or by-law passed at a meeting thereof, called and held in the manner hereinbefore provided for the election of such trustees; provided always, that the proceeds, after payment of expenses of management to be audited and approved by the directors of the company, of the sale of any such lands on being received by the said trustees or their agent in that behalf, shall *pro tanto* extinguish such debentures after the extinction thereby of the interest thereon then overdue. Proviso.

7. The directors elected by the shareholders shall be eleven in number, exclusive of *ex officio* directors, but the company shall have power, by a resolution adopted by a majority of the shareholders thereof, at a general meeting, to diminish from time to time the number of directors of the said company. But the quorum of the board of directors shall always remain five. Number of directors and quorum.

8. The fourteenth section of the act of the legislature of this province thirty-second Victoria, chapter fifty-five, is hereby amended by striking out all the words in the said section after the word "appointed." Sec. 14 of 32 V., c. 55, amended.

9. If at any time the said company shall agree with any other railway company for the construction of any part of the said line of railway, such agreement may be submitted to the lieutenant-governor in council, and if approved shall become binding on the parties thereto, and upon such approval the proportion of any land grant from the government of this province which may be applicable to such portion of the said line, shall enure to the benefit of the company actually constructing the same, upon the conditions contained in such agreement. Agreement may be made with another company to construct part of the line.

10. The nineteenth section of the act of the legislature of this province thirty-second Victoria, chapter fifty-five, is hereby repealed. Sec. 19 of 32 V., c. 55, repealed.