

out of the general funds of such municipality, such preliminary expenses, which sums shall be refunded to such municipality from the stock of the said company, or be allowed to them in payment for stock.

4. The said Benjamin Pomroy, Charles Brooks, John Henry Pope, Lemuel Pope, Colin Noble, James Ross, Christian Henry Pozer, Samuel Thomas Morey, and Cyrus Alexander Baily shall be and are hereby constituted a

Provisional
directors.

board of directors of the said company, and shall hold office as such until other directors shall be elected under the provisions of this act by the shareholders, and shall have power and authority immediately after the passing of this act, to open stock-books and procure subscriptions for the undertaking; to make calls upon the subscribers, to cause surveys and plans to be made and executed, and as hereinafter provided to call a general meeting of the shareholders for the election of directors.

Their powers.

5. The said directors are hereby empowered to take all necessary steps for opening the stock-books for the subscriptions of persons desirous of becoming shareholders in the said company; and all persons subscribing to the capital stock of the said company shall be considered proprietors and partners in the same, but shall be liable only to the extent of their stock therein.

Limited liab-
ility of share-
holders.

6. When and so soon as one-sixth part of the said capital shall have been subscribed, as aforesaid, it shall and may be lawful for the said directors, or a majority of them, to call a meeting of shareholders at such time and place as they may think proper, giving at least two weeks' notice in French and English in two papers published in the town of Sherbrooke, at which general meeting, and at the annual general meetings in the following sections mentioned, the shareholders present, either in person or by proxy, shall elect nine directors, in the manner and qualified as hereinafter provided, which said nine directors shall constitute a board of directors, and shall hold office until the first Wednesday in September, in the year following their election; this act and all the provisions thereof shall become null and void unless the construction of the said railroad be commenced within three years and completed within six years of the passing of the same.

Meeting for
election of first
directors.

7. On the said first Wednesday in September, and on the first Wednesday in September in each year thereafter, there shall be holden a general meeting of the shareholders of the said company, at the principal office of the said company, at which meeting the shareholders shall elect nine directors for the then ensuing year, in the manner and qualified as hereinafter provided; and public notice of such annual general meeting and election, shall be published, one month before the day of election, in one or

Meetings for
election of
subsequent
directors.

more newspapers published in the town of Sherbrooke, and the election of directors shall be by ballot; and the persons so elected, together with the *ex officio* directors under the railway act, shall form the board of directors.

Quorum of directors.

8. Five directors shall form a quorum for the transaction of business, and the said board of directors may employ one or more of their number as paid director or directors; provided, however, that no person shall be elected director unless he shall be the holder and owner of at least five shares of the stock of the said company, and shall have paid up all calls upon the said stock.

Voting.

9. In the election of directors under this act, and in the transaction of business at the general shareholders' meetings, each shareholder shall be entitled to as many votes as he holds shares upon which the calls have been paid up, and shall be entitled to vote either in person or by proxy.

Calls on shares.

10. The directors may, at any time, call upon the shareholders for such instalments upon each share which they or any of them may hold in the capital stock of the said company, and in such proportion as they may see fit, except that no such instalments shall exceed ten per cent, on the subscribed capital, and that one month's notice of each call shall be given in such manner as the directors shall think fit.

Form of conveyances of lands.

11. All deeds and conveyances of lands to the said company for the purposes of this act, in so far as circumstances will admit, may be in the form of schedule A, to this act subjoined, or in any other form to the like effect, and for the purpose of due enregistration of the same, all registrars in their respective counties are required to register in their registry books such deeds and conveyances, upon the production and proof of the due execution thereof, without any memorial, and shall minute the enregistration or entry on such deeds; and the registrar shall receive from the said company, for all fees on every such enregistration, and for a certificate of the same, fifty cents and no more, and such enregistration shall be deemed to be valid in law; any statute or provision of law to the contrary notwithstanding.

Registration thereof

Power to issue promissory notes.

12. The said company shall have power and authority to become parties to promissory notes and bills of exchange for sums not less than one hundred dollars; and any such promissory note made or endorsed, or any such bill of exchange drawn, accepted or endorsed by the president or vice-president of the company, and countersigned by the secretary and treasurer of the said company, and under authority of a quorum of the directors, shall be binding on the said company; and every such promissory note or bill of exchange so made, shall be presumed to be made with proper authority until the contrary be shown, and in no

case shall it be necessary to have the seal of the said company affixed to such promissory note or bill of exchange, nor shall the president or vice-president or the secretary-treasurer, be individually responsible for the same, unless the said promissory notes or bills of exchange have been issued without the sanction and authority of the board of directors, as herein provided and enacted.

Without individual responsibility of persons signing.

13. The directors of the said company shall have the power, upon being duly authorized thereto by a vote of the majority of the shareholders in the said company, present at an annual meeting in the month of September, for the purpose of electing directors, or at any other general meeting of the said shareholders, whereof notice shall have been given in the manner hereinbefore provided in the case of a general annual meeting and election, and in which notice shall be stated and published the object of such meeting, to issue their bonds made and signed by the president or vice-president of the said company, and countersigned by the secretary and treasurer, and under the seal of the said company, for the purpose of raising money for prosecuting the undertaking; and such bonds shall be and be considered to be privileged claims upon the property of the said company, and shall bear hypothec upon the said railway without registration; provided, however, that no such bonds bearing such hypothec shall be issued until after twenty-five per cent of the whole capital stock of the said company, as provided by this act, shall have been expended in and upon the said railway; and provided, also, that the whole amount raised by such bonds shall not exceed one-half the capital stock of the company, nor be in excess of the amount actually paid up on its share capital at the time of the issue of such bonds.

Power to issue bonds.

Bonds to be privileged.

Proviso.

14. It shall be lawful for the said company to enter into any agreement with any other railway company, in this province, for leasing the said railway or any part thereof, or the use thereof at any time or times, or for any period, to such other company, or for leasing or hiring from such other company any railway or part thereof, or the use thereof, or for the leasing or hiring any locomotives, tenders or moveable property, and generally to make any agreement or agreements with any such other company touching the use by one or the other or by both companies of the railway or moveable property of either or of both, or any part thereof, or touching any service to be rendered by the one company to the other, and the compensation therefor; and any such agreement shall be valid and binding, and shall be enforced by courts of law according to the terms and tenor thereof.

As to agreements with other companies.

15. It shall be lawful for the said company to amalga-

Provisions as

to amalgama-
tion with
Sherbrooke E.
T. and Ken-
nebec railway
Co.

mate with the Sherbrooke, Eastern townships and Kennebec railway company as one company at any time hereafter; provided always that whenever the directors of these two companies respectively have agreed to make such amalgamation, and two thirds of the votes of the shareholders of the said two companies called expressly for that purpose in the manner provided in the respective acts whereby they are incorporated for the calling of general meetings, shall have ratified the above agreement of the said directors, then the said two companies shall become *ipso facto* amalgamated and shall become one and the same corporation and company under the title of "The Sherbrooke, Saint Francis Valley and Kennebec Railway Company," and the directors and provisional directors (if any) of the two companies so amalgamated shall be the directors of the company formed out of the said amalgamated companies, until the next election of directors which shall take place on the first Monday of June then next following.

Quebec rail-
way act.

16. The provisions of the Quebec Railway Act, 1869, passed during the present session, shall apply to the company hereby incorporated, except in so far as the special provisions of this act may be inconsistent therewith.

SCHEDULE A.

(FORM OF DEED OF SALE.)

From of deed.

Know all men by these presents that I, A. B., of
do hereby, in consideration of
, paid to me by the St. Francis
Valley and Kennebec Railway Company, the receipt
whereof is hereby acknowledged, grant, bargain, sell
and convey unto the St. Francis Valley and Kennebec
Railway Company, their successors and assigns, all that
tract or parcel of land (describe the land), the same hav-
ing been selected and laid out by the said company for
the purposes of their railway; to have and to hold the
said land and premises unto the said company, their suc-
cessors and assigns forever.

Witness, my hand and seal, this
one thousand eight hundred and

day of

Signed, sealed and delivered in presence of

[L. S.]

A. B.