

Deposit of deed.

3. Every such mortgage deed shall be deposited in the office of the Secretary of State of Canada, of which deposit notice shall be given by the Company in the *Canada Gazette*.

Bonds to be a preferential claim on the undertaking.

12. The bonds hereby authorized to be issued shall be taken and considered to be the first preferential claim and charge upon the Company, and the franchise, undertaking, tolls and income, rents and revenues, and real and personal property thereof, at any time acquired, save and except as provided for in the next preceding section :

Bondholder to be a mortgagee.

2. Each holder of the said bonds shall be deemed to be a mortgagee or incumbrancer upon the said securities *pro rata* with all the other bondholders ; and no proceedings authorized by law or by this Act shall be taken to enforce payment of the said bonds or of the interest thereon, except through the trustee or trustees appointed by or under such mortgage deed.

Powers of bondholders in case of non-payment.

13. If the Company makes default in paying the principal of or interest on any of the bonds hereby authorized at the time when the same, by the terms of the bond, becomes due and payable, then at the next annual general meeting of the Company, and at all subsequent meetings, all holders of bonds so being and remaining in default shall in respect thereof have and possess the same rights and privileges and qualifications for being elected directors and for voting at general meetings as would attach to them as shareholders if they held fully paid-up shares of the Company to a corresponding amount :

Right of bondholder defined.

2. The rights given by this section shall not be exercised by any bondholder unless it is so provided by the mortgage deed, nor unless the bond in respect of which he claims to exercise such rights has been registered in his name, in the same manner as the shares of the Company are registered, at least ten days before he attempts to exercise the right of voting thereon ; and the Company shall be bound on demand to register such bonds, and thereafter any transfers thereof, in the same manner as shares or transfers of shares :

Registration.

Certain rights not affected.

3. The exercise of the rights given by this section shall not take away, limit or restrain any other of the rights or remedies to which the holders of the said bonds are entitled under the provisions of such mortgage deed.

Transfer of bonds, &c.

14. All bonds hereby authorized may be made payable to bearer, and shall in that case be transferable by delivery, until registration thereof as hereinbefore provided, and while so registered they shall be transferable by written transfers, registered in the same manner as in the case of the transfer of shares.

Promissory notes may be issued.

15. The Company may become party to promissory notes and bills of exchange for sums not less than one hundred dollars ; and every such note or bill made, drawn, accepted or