

it is also agreed, that on the organization of said Railway Co., such a by-law shall be adopted as will prohibit any further assessments on the stock beyond the ten per cent., paid as before specified, unless ordered by a vote of at least nine tenths ( $\frac{9}{10}$ ) of all the outstanding stock of the Company at some regular or special shareholders' meeting.

It is further agreed by the parties hereto, that they shall associate themselves together as the Canada Land and Improvement Co., which it is proposed shall be hereafter incorporated by the Parliament of Canada, for the purpose of constructing the said railway, and for the purchase and sale of lands, and for other needed objects, and that their interests in the said Land and Improvement Co. shall be in the same proportions as their usual subscriptions to the railway stock aforesaid bear to the whole ten millions of dollars (\$10,000,000) subscribed; and it is agreed that the contracts for building any or all of the various sections of the Canada Pacific Railway, when let, shall be let to the said Canada Land and Improvement Co., at fair prices, and the Canada Land and Improvement Co., shall operate and be allowed the use of the said railway, during the period of its construction, without charge therefor, except the expense of keeping the same in good order and repair, at their own cost, during such use and control of said railway.

It is also agreed, that the first working capital of the said Canada Land and Improvement Company, shall be the aforesaid one million of dollars, to be paid in on the railway stock before named, less any amounts previously expended by order of the Board of Directors, and shall also consist of such sums or profits as shall thereafter be received by it, from time to time from the said railway company, for construction and for work done in excess of the cost of such work, or so much thereof as may be necessary for the successful prosecution of said work. And it is expressly agreed, that the first profits arising from the contracts above referred to, shall be used to reimburse (parties subscribing for \$5,500,000), and their associates for the one million of dollars paid by them as a ten per cent. instalment on the railway stock aforesaid, with interest thereon at the rate of seven per cent. per annum.

And it is furthermore agreed, that all, or at least a majority of all the stock or interest in both the Canada Pacific Railway Company and the Canada Land and Improvement Company, held by each of the undersigned, shall be placed in the hands of a Trustee (who is to be selected by the undersigned), to be held by him during the time occupied in building the said railway, or until two-thirds of the owners or representatives of the said stock, so held by said Trustees, shall elect to terminate said trust, and the said stock shall be voted on by the said Trustee or his successor, meanwhile, at all the meetings of stockholders, as he shall be directed to vote by the owners of a majority thereof. It is hereby agreed, that after the one million of dollars heretofore mentioned, with the specified interest thereon, has been refunded to the parties advancing it, then all divisible profits of both the Canada Pacific Railway Company and the Canada Land and Improvement Company, shall be divided among the stockholders of each Company in proportion to the shares they severally hold.

It is hereby understood, that the names "Canada Pacific Railway Co." and "Canada Land and Improvement Co." are used for the sake of convenience, and in case different names shall be adopted by the Canadian Parliament, or in case they shall fail to authorize any such Land and Improvement Co., then this agreement shall be understood to relate to such Railway as shall be authorized to be constructed, in accordance with the provisions hereof, across British Territory to the Pacific Ocean, Gulf of Georgia, or Straits of Fuca and to the Improvement Company or association proposed to be organized to construct the same, which may be organized under and in accordance with the Laws of any of the States comprising the United States, and its terms shall govern the parties hereto in relation to the same, in the same manner as if the names above mentioned had been used in the said proposed Charters for said proposed organizations.

It is understood that no moneys in excess of one hundred thousand dollars shall be drawn from the funds of the proposed Canada Pacific Railway Company until the actual construction of the road begins, unless by consent of the owners of or subscribers to at