

Election of
Directors.

with such proxies as may be present, shall choose nine persons to be Directors of the said Company (of whom five shall be a quorum) and may also pass such rules, regulations and by-laws as may be deemed expedient, provided they be not inconsistent with this Act, and "*The Railway Act, 1868.*"

Qualification
of director.

10. No person shall be qualified to be elected as such Director by the shareholders, unless he be a shareholder holding at least twenty shares of stock in the Company, and unless he has paid up all calls made thereon.

Annual general
meetings of
shareholders,
and notice
thereof.

11. Thereafter the general annual meeting of the shareholders of the said Company shall be held at such place in the City of Toronto, and on such days, and at such hours as may be directed by the by-laws of the said Company, and public notice thereof shall be given at least fourteen days previously in the *Canada Gazette*, and in one or more newspapers published at the City of Toronto.

Special general
meetings of
shareholders.

12. Special general meetings of the shareholders of the said Company may be held at such places in the City of Toronto, and at such times, and in such manner, and for such purposes as may be provided by the by-laws of the Company.

Directors may
issue bonds to
raise money
for the under-
taking.

13. The Directors of the said Company are hereby authorized to issue bonds under the seal of the said Company signed by its President or other presiding officer, and countersigned by its Secretary; and such bonds may be made payable in such manner, and at such place or places in Canada or elsewhere, and bearing such rate of interest as the Directors shall think proper; and the Directors shall have power to issue and sell, or pledge all or any of the said bonds at such price and upon such terms and conditions as they may think fit, for the purpose of raising money for prosecuting the said undertaking: Provided that the amount of such bonds shall not exceed thirty thousand dollars per mile, to be issued in proportion to the length of railway constructed, or under contract to be constructed; provided also that no such bonds shall be issued until at least five hundred thousand dollars shall have been subscribed to the capital stock and ten per centum paid thereon.

Proviso:

Proviso.

Bonds to be
preferential
charges on
the property of
the company.

14. The bonds hereby authorized to be issued shall, without registration or formal conveyance, be taken and considered to be the first and preferential claims and charges upon the said Company, and the undertaking, tolls, and income, and real and personal property thereof, now or at any time hereafter acquired, and 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.

Rights and
privileges of
bondholders.

15. If the said Company shall make default in paying the principal or interest of any of the bonds hereby authorized, at
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