

Cheques,  
votes, etc.

**13.** The Company may make, accept and endorse or execute cheques, promissory notes, bills of exchange, warehouse receipts, bills of lading and other negotiable instruments; provided, however, that nothing in this section shall be construed to authorize the Company to issue any note or bill payable to bearer, or intended to be circulated as money, or as the note or bill of a bank. 5

Bond issue  
limited.

**14.** The Company, being first authorized by a resolution passed at a special general meeting of its shareholders duly called for the purpose, at which meeting shareholders representing at least two-thirds in value of the subscribed capital stock of the Company, are present or represented by proxy, may, from time to time, issue bonds or debentures in aid of the acquisition of any vessels or other property which the Company is authorized to acquire, but such bonds and debentures shall not exceed in amount the value of such vessels or property. 15

Mortgage to  
secure bonds.

**15.** For the purpose of securing the issue of such bonds the Company shall execute a mortgage or mortgages, not inconsistent with law or with the provisions of this Act, in such form and containing such provisions as are approved by a resolution passed at the special general meeting of shareholders mentioned in the next preceding section. 20

How to be  
made.

**2.** The said mortgages shall be made to trustees appointed for this purpose at the said special general meeting, and may contain provisions establishing the amount secured upon the vessels or class of vessels or other property to which such mortgages relate, the rank and privilege to appertain to the bonds intended to be secured thereby, the rights and remedies to be enjoyed by the respective holders of such bonds, the mode of assuring the application of the proceeds of such bonds to the purposes for which they are to be issued, the rate of interest payable thereon, the place and time of payment of such interest and of the capital thereof, the creation of a sinking fund for the redemption of such bonds, and all the conditions, provisions and restrictions requisite for the effectual carrying out of the terms thereof, and for the protection of the holders of such bonds. 35

Lien created  
by mortgage.

**3.** The Company may charge and bind the tolls and revenues of the vessels or class of vessels or other property to which any such mortgage relates, in the manner and to the extent therein specified; and each such mortgage shall create absolutely a first lien and encumbrance on the vessels or class of vessels or other property therein described, as well as on the tolls, revenues and subsidy therein hypothecated, the whole being for the benefit of the holders of the bonds in respect of which such mortgage is made. 45

How bond  
holders to  
rank.

**16.** Each issue of bonds intended to be secured by any of the mortgages referred to in the next preceding section, shall entitle the respective holders thereof to rank with each other *pari passu*; and a duplicate of each mortgage shall be filed in the office of the Secretary of State of Canada. 50

Mortgage to  
be filed.

R.S.C., c. 118.

**17.** Sections 7, 18 and 39 of *The Companies Clauses Act* shall not apply to the Company.