

Company not to pledge its property except for certain purposes.

other real or personal estate or property which shall have been *bona fide* mortgaged or pledged to such Company by way of security, or conveyed to such Company in satisfaction or part satisfaction of any debt or debts previously contracted in the course of the transaction of the business of such Company, and all other real or personal estate or property which shall be purchased by such Company at sales upon judgments, orders or decrees which shall be obtained for such debts, or in the course of the prosecution thereof; but no Corporation formed under this Act shall mortgage, pledge or create any other lien upon any personal or real property, until all the capital stock shall be fully paid in, and then no such mortgage, pledge or lien, shall be made or created except to secure the purchase money or property upon which such liens are created. 5

Directors to be elected.

Notice of election.

To be by ballot.

Vacancies.

Inspectors of elections.

Provision in case of failure of election.

Directors may appoint and remove a President and other officers, &c.

III. The stock, property, affairs and concerns of such Company, shall be managed by not less than three, or more than thirteen Directors, who shall respectively be stockholders of such Company, and who shall except those for the first year, be annually elected by the stockholders of such Company, at such times and place as shall be directed by the By-laws of such Company: Public notices of the time and place of holding such election shall be published not less than thirty days previous thereto, in a newspaper printed in the city, town or county in which the principal office for the management of the affairs of such Company shall be situated; and, if there be no newspaper published in such city or town, then in the newspaper the principal publication of which is nearest to such principal office of such Company; Such elections shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy; and such elections shall be by ballot, and each stockholder shall be entitled to as many votes as he owns shares of stock in such Company, and the persons receiving the greatest number of votes shall be Directors; and when any vacancy shall happen among the Directors, occasioned by death, incapacity, resignation, the sale of stock or otherwise, it shall be filled for the remainder of the year in such manner as may be provided for by the By-laws of such Company; The Directors named in the certificate aforesaid shall appoint Inspectors of the first election from among stockholders who are not Directors. 15 20 25 30 35

IV. In case that it shall happen at any time that an election of Directors shall not be made on the day designated by the By-laws of such Company, when it ought to have been made, the Company for that reason shall not be dissolved; but it shall be lawful on any other day to hold an election for Directors in such manner as shall be provided for by the said By-laws; and all acts of Directors shall be valid and binding against such Company until their successors shall be elected. 40

V. The Directors of such Company shall have power to appoint a President, and to appoint or employ such other subordinate officers as the By-laws of such Company may designate, and to require any or all of such President and other officers to give such security for the faithful performance of their respective duties as such Directors may require; and the Directors shall have power to remove such President and other officers respectively, at pleasure: Such officers shall, respectively, have such powers and perform such duties in the management of the property, affairs and concerns of such Company, subject to the control of the Directors as the By-laws of such Company shall prescribe. A 45 50