

Railway and the River Ste. Marie,—which issue shall constitute a first mortgage and privilege upon the said branch railway, constructed and to be thereafter constructed, including the rolling stock and plant applicable thereto, and upon the tolls and revenues thereof, after deduction from such tolls and revenues of working expenses, and upon such rolling stock and plant appertaining thereto, as shall be declared and described in any deed of mortgage securing such bonds, which shall be executed by the Company, in conformity with its charter; but the proceeds of such bonds shall be applied exclusively to the cost of completion and equipment of the said Algoma Branch, including the bridge over the said river; and before the issue of such bonds, the Company shall make by-laws, prescribing the mode in which the due and exclusive application of the proceeds of the said bonds to the purposes hereinafter defined shall be secured, and in which, in case of default in the payment of the interest on such bonds or of the capital thereof, the rolling stock and plant, if any, included in such mortgage as appertaining to the said branch, shall be identified, and the tolls and revenues derivable from such branch ascertained and distinguished from the tolls and revenues of the main line, and making such further provisions as may be just and expedient for the protection of the holders of the bonds secured upon the said branch line, without interfering with the rights of the holders of other securities of the Company; and such by-laws shall be submitted for approval to the Governor in Council, and upon such approval, a certified copy thereof shall be deposited in the office of the Secretary of State, and thereafter such by-laws shall continue to be valid and binding upon the Company, and shall not be altered or repealed by the Company so long as the bonds referred to therein remain in force.

Application of proceeds.

Company shall previously pass by-laws respecting such bonds for protection of the holders.

By-laws subject to approval by Governor in Council, and not to be altered while bonds are in force.

3. The mode of securing the said mortgage bonds, and the rights, privileges and remedies applicable thereto and available to the holders thereof, shall be such as are described in sections twenty-eight, thirty-two, thirty-three, thirty-four, thirty-five and thirty-six of the charter of the Company.

Mode of securing bonds to be as provided in the charter of the Company.

4. The Company may also issue mortgage bonds to such amount as they shall deem fit, and as shall be approved by the Governor in Council, not to exceed two dollars per acre, and according to the terms of the said agreement, secured upon the lands of the Company to which they shall then be entitled under the provisions of the construction contract executed on the twenty-first day of October, one thousand eight hundred and eighty; and the provisions of sections thirty, thirty-two, thirty-four, thirty-five and thirty-six of the charter of the Company shall apply to such last-mentioned bonds; but nothing herein contained shall affect or

Company may also issue mortgage bonds secured on land grants.