

and shall hold office as such until other directors shall be elected, under the provisions of this Act, and shall have power to fill any vacancies that may occur in the said board, to open stock books at Victoria, B. C., or any other city in Canada, procure subscriptions and receive payments on stock subscribed.

13. When and so soon as one-half of the capital stock shall have been subscribed, and one-tenth of the amount thereof paid into any chartered bank, either at Victoria or San Francisco, or partly in each, the provisional directors may order a meeting of shareholders to be called at Victoria, B. C., at such time as they think proper, giving at least three weeks' notice thereof in one or more newspapers published in the city of Victoria, and by a circular letter mailed to each shareholder, at which meeting the shareholders present in person or by proxy shall elect five directors, qualified as hereinafter provided, who shall hold office until the first Wednesday in October in the year following their election.

14. On the said first Wednesday in October, and on the same day in each year thereafter, at the city of Victoria, or at such other place as shall be fixed by the by-laws of the company, there shall be held a general meeting of the shareholders for receiving the report of the directors, transacting the business of the company, general or special, and electing the directors thereof; and public notice of such annual meeting and election shall be published for one month before the day of meeting in one or more newspapers in the city of Victoria, and by circular letter mailed to each shareholder at least one month prior thereto. The election of directors shall be by ballot, and all shareholders may vote by proxy.

15. Three of the directors shall form a quorum for the transaction of business, and the board may employ one or more of their number as paid director or directors; provided that no person shall be elected director unless he owns at least twenty-five shares of the stock of the company on which calls have been paid.

16. No call shall be made for more than ten per centum at any one time on the amount subscribed, nor shall more than fifty per centum of the stock be called up in any one year.

17. The Consolidated Railway Act, eighteen hundred and seventy-nine (1879), of Canada, shall, so far as its provisions are applicable to the undertaking, and are not inconsistent with or contrary to the provisions of this Act, apply to the said railway, and shall be read with and form part of this Act.

18. The words "Superior Court," "Clerks of the Peace," "registry offices," "clerk of court," as used in the said Consolidated Railway Act, eighteen hundred and seventy-nine (1879), shall, for the purposes of this Act, be read and construed in the same sense and meaning as it is provided by the Act passed by this Legislature, thirty-eight (38) Vic., chap. thirteen (13), section three (3).

19. Sections five (5) and six (6) of the said last mentioned Act shall be read with and form part of this Act.

20. The said railway line from Esquimalt to Nanaimo, shall be commenced forthwith and completed on or before the 10th day of June, 1887.

21. The railway, with its workshops, stations and other necessary buildings and rolling stock, and also the capital stock of the railroad company, shall be exempt from provincial and municipal taxation until the expiration of ten years from the completion of the railroad.

22. The lands to be acquired by the company from the Dominion Government for the construction of the railway shall not be subject to taxation, unless and until the same are used by the company for other than railroad purposes, or leased, occupied, sold or alienated.

23. The company shall be governed by sub-section (f) of the hereinbefore recited agreement, and each *bonâ fide* squatter who has continuously occupied and improved any of the lands within the tract of land to be acquired by the company from the Dominion Government for a period of one year prior to the first day of January, 1883, shall be entitled to a grant of the freehold of the surface rights of the said squatted land, to the extent of 160 acres to each squatter, at the rate of one dollar an acre.