

the said districts of Yale, West Kootenay, East Kootenay, or in any other district or part of the province of British Columbia; and the Company may also sell or lease the Company's lines, or any part thereof, to the said Spokane Northern Telegraph Company, or to any other telegraph or telephone company in the United States, or to any other telegraph or telephone company which is now or may hereafter be empowered to carry on business in the province of British Columbia, or may amalgamate the undertaking of the Company with that of any other such telegraph or telephone company in British Columbia, or in the United States, and the Company may, from time to time, enter into such contracts, or arrangements for the transmission and exchange of messages and distribution of rates or charges with any other telegraph or telephone company in the province of British Columbia, or in the United States, as the Company deems necessary or expedient for the purposes of its undertaking.

Approval of
shareholders
and Governor
in Council.

2. Any such agreement for the sale, lease or amalgamation of the Company's undertaking to, or with, that of any other such telegraph or telephone company, shall first be approved of by two-thirds of the votes of the shareholders of the Company at a special general meeting of its shareholders duly called for the purpose of considering it,—at which meeting shareholders representing at least two-thirds in value of the stock are present, or represented by proxy—and such agreement shall also receive the sanction of the Governor in Council.

Notice of
application
for sanction.

3. Such sanction shall not be signified until after notice of the proposed application therefor has been published for two weeks in the *Canada Gazette* and in one newspaper in the district in which the Company is carrying on operations for the time being.

Borrowing
powers.

11. The Company may borrow such sums of money as may be necessary for carrying out any of its objects or purposes; and the directors may also, whenever authorized by by-law for that purpose, approved by the votes of the holders of at least two-thirds in value of the subscribed stock of the Company present or represented by proxy at a special general meeting of the Company called for the purpose of considering such by-law, borrow such sums of money, not exceeding in amount seventy-five per cent of the paid-up capital stock of the Company, as the shareholders deem necessary, and may issue bonds or debentures therefor in sums of not less than one hundred dollars each, at such rate of interest, and payable at such times and places, and secured in such manner, by mortgage or otherwise, as a first-charge upon the whole or any portion of the undertaking, property and assets of the Company as may be prescribed by such by-law, or be decided upon by the directors under the authority thereof, and the Company may make such provision respecting the redemption of such securities as may be deemed proper.

Debentures.

Issue of paid-
up stock for
franchise, etc.

12. The directors may make and issue, as paid-up stock, shares of the capital stock of the Company in payment for any franchise, right of way, undertaking, property, right, power, privilege, letters patent, contract, real estate, stock, materials assets or other property which it may lawfully acquire by