

MAY - 1 1940

*Henry Lyman Esq*

*With Mr. L B Lawford Esq*

# PROSPECTUS AND RULES

OF THE

## MONTREAL

### PERMANENT BUILDING

### SOCIETY.

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**Incorporated 1858,**

PURSUANT TO ACT OF PARLIAMENT.  
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**Montreal :**

STARKE & CO., PRINTERS, ST. FRANCOIS XAVIER ST.

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1858.

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**MONTREAL**

**PERMANENT BUILDING**

**SOCIETY.**

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**Board of Directors :**

**L. H. HOLTON, Esq., PRESIDENT.**  
**M. H. GAULT, Esq., VICE-PRESIDENT.**

<b>Hon. JOHN YOUNG.</b>	<b>HENRY THOMAS Esq.</b>
<b>ROBT. ESDAILE, Esq.</b>	<b>R. D. COLLIS, “</b>
<b>GEO. FROTHINGHAM, Esq.</b>	<b>JOHN KERRY “</b>

<b>Solicitors.</b>	<b>Notary.</b>
<b>Messrs. TORRANCE &amp; MORRIS.</b>	<b>Mr. T. DOUCET.</b>

**Surveyors.**  
**Messrs. HOPKINS, LAWFORD & NELSON.**

**Auditors.**  
**Mr. FRANCIS RUFFORD. | Mr. W. P. REYNOLDS.**

**Secretary & Treasurer.**  
**Mr. L. B. LAWFORD.**

**OFFICE :—No. 22 St. Francois Xavier Street.**

**Shares, £50 ; Entrance Fee, 2s. ; Monthly Instalment, 10s. ; Monthly Management Fee, 6d.**

## PROSPECTUS.

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THE great advantages offered by a well managed Building Society to both classes of its Shareholders,—Investors, as well as Borrowers—are too familiarly known to require any lengthened explanation or comment. The projectors of the present undertaking content themselves therefore with presenting the following as some of the leading features of the Montreal Permanent Building Society.

A Stockholder is required to pay 10s. per share monthly—his subscription commencing from the time of his entrance, and continuing for the term of 6 years, when he will be entitled to receive the amount paid in, which, with the accumulated profits, may be safely estimated to exceed £50 per share. It is worthy of note that some of the leading Building Societies in Upper Canada shew a profit of twenty per cent. and upwards per annum.

A Member paying any number of monthly instalments in advance, will be credited with interest at 6 per cent. per annum on the balance of such advances standing to his credit for the time being.

An investing Member can withdraw at any time after the first year, by giving one calendar month's notice, and be entitled, in addition to the return of the amount paid in on his shares, to interest thereon at 6 per cent. per annum.

New Members may join at any time, without being called on to pay any arrears or premium.

Shareholders are not liable in any case for more than the amount of their shares.

As regards Borrowing Members, the Society will advance the whole amount of the shares subscribed for, (deducting therefrom, by way of bonus, such sum not exceeding two per cent.

per annum, as the Directors shall from time to time think fit), for terms of from one to six years, repayable by monthly contributions covering principal and interest, according to the following table—such interest being calculated at 6 per cent:—

In respect of each £50 share.

				£	s.	d.
To be repaid in 1 year, a monthly payment of	...	4	8	4		
“ 2 years “ “	...	2	6	8		
“ 3 “ “ “	...	1	12	9		
“ 4 “ “ “	...	1	5	10		
“ 5 “ “ “	...	1	1	8		
“ 6 “ “ “	...	18	10	½		

A Member holding an advanced share, may, if he desires it, change the security or sell the property, subject to the mortgage; or having borrowed for a fixed period, he may, at any time, redeem his property at certain fixed equitable rates.

To persons desirous of investing small savings to the best advantage this Society presents opportunities superior to those of any other description of Savings' Bank.

Applications for Shares, as well as for Loans, to be made to the Secretary, at the Society's Office.

The following extracts from standard works published in Great Britain, will explain more fully the nature and objects of the Society's operations, and will shew the estimation in which these Institutions are held in the Mother country:—

“ It is now nearly forty years since the first Building Society was established in Scotland, under the auspices of the Earl of Selkirk. There are at present (in 1851) more than 2,000 such Societies, and their aggregate income amounts to £4,000,000 sterling a year: some of the most important of them possessing an annual income of £50,000 or £60,000.”—[*Ward on Investments*.

“ A Building Society, when properly constituted, is a species of joint stock association, the members of which subscribe periodically and in proportion to the number of Shares they hold, different sums into one common fund, which thus becomes large enough to be advantageously employed by being lent out at interest to such of the members who desire advances; and the interest as soon as it is received, making fresh capital, is lent out again and again so as to be continually reproductive. The payments of borrowers are so calculated as to enable them to repay, by equal monthly instalments,

within a specified period, the principal of the sum borrowed, and whatever interest may be due upon it throughout the duration of the loan. The other members who have not borrowed, and who are generally called Investors, receive at the end of a given number of years, a large sum, which is equivalent to the amount of their subscriptions with compound interest accumulated thereon. The idea of a Society upon this principle, correctly formed and afterwards properly managed, is of the most admirable kind; for, on the one hand, it holds out inducements to industrious individuals to put by periodically from their incomes, small or large sums, which are invested for them by the Society, and at the end of a certain time are repaid to them in the shape of a large accumulation, without their having themselves the trouble of seeking for suitable investments. While, on the other hand, the money subscribed being advanced to some of the other members, enables them to purchase houses, or similar property, and to repay the loan by small periodical instalments, extended over a number of years,"—[*Scratchley on Industrial Investment*.

Building Societies have now been in existence for more than thirty years, and on account of their number, as well as the large capital invested in them, are become of the greatest importance. If they go on increasing in the same ratio they have hitherto done, of which there is little doubt, they will take even a more prominent position than Savings' Banks, and will effect a greater amount of good among the industrious classes of society. These Societies not only create the opportunity and inducement to save, to that class of society which supports Savings' Banks, but they extend the same advantages to the middle class of society, who are necessarily excluded from the benefits of Savings' Banks, because their means of accumulation are too extensive.

The mechanics, the higher domestic servants, tradesman's assistants, the tradesman himself, the professional man, and gentleman of moderately independent fortune, may all of them greatly benefit by these institutions, and save money by its gradual accumulation at compound interest, with the utmost safety.

It is frequently supposed by persons in business that it would be unwise for them to join a Society of this kind for the purpose of accumulating money at compound interest, when they can make a much higher rate of interest in their own business of every pound they can collect together; but there must be a limit, and in nine cases out of ten it would be found that an accumulation of *cash* from time to time by the opportunity given in these Societies, would eventually be more productive. Even in trade it will be found better to be able to make an outlay of some amount, than constantly to fritter away opportunities by the expenditure of small sums of money. It cannot be said that the payment of small periodical amounts of this kind can be likely to interfere with trade capital; but on the contrary it would be the means of raising capital from time to time for trade purposes,

as the investor has the great advantage of withdrawing his money at any time when it is likely to prove most useful, and he can then take new Shares and begin to save again. It has been said that every young person, who can by any means afford to do so, should insure his life as a future provision for his family when they are deprived of his assistance. This observation may be enforced with even greater reason, in a majority of cases, with reference to these Societies; because a person who becomes a member, accumulates a sum for the benefit of his family in the event of his death; and, if he lives, he secures the means of advancing them in life to a much more satisfactory extent than he could otherwise have accomplished.

Those persons who have not taken the trouble to inquire into the nature of these Societies are quite at a loss to understand how it is possible, that Investors and Borrowers should *both* benefit to the extent asserted by their promoters. It appears to them unreasonable to suppose that an Investor realizes a higher rate of interest than in any other mode of accumulating money, and that a Borrower, at the same time, obtains equal advantages. Now this, at first sight, appears to be very feasible, and to a certain extent it is true; but there are many other considerations which enter into the question, besides the mere amount of interest paid on the principal money borrowed. A number of persons, anxious to save money, agree to join a society for that purpose, and they are called Investors. They contribute small sums periodically, which, from time to time, form a fund large enough to be advanced to a borrower, who can make use of it in some undertaking which he believes will be beneficial to him, by realizing a high per centage or profit. The borrower, on receiving principal money accumulated in this manner, re-pays it with interest by periodical subscriptions. These re-payments, in conjunction with the contributions of the Investors, produce *fresh capital* for a further advance; and by these means *the funds of the Society are constantly made reproductive* during the whole course of its progress, or as nearly so as circumstances will permit. A large profit is made by this continual *reproduction*, at compound interest, for several years. It must be manifest to every one, that without the combination just explained, the investing members on the one hand could not make use of the small sums gradually accumulated by them, in the same advantageous manner; and on the other hand, the borrower could in no other manner raise money on the security of his property, so as to redeem it by small periodical instalments within a reasonable period. But inasmuch as the half yearly payments of interest on a private mortgage are less than the re-payments to a Building Society, the amount of compound interest would be considerably in favor of the private mortgage, if it were assumed that the borrower could make compound interest on the small instalments paid to the Society; but this cannot be fairly assumed; on the contrary, it may reasonably be supposed that such small sums of money would, from time to time, lie idle and unproductive, and at the best could only be made

productive at common interest, with considerable inconvenience and expense. The consequence is that the borrower does not pay a higher,—if so high,—a rate of interest in these Societies as he does by raising money on private mortgage; but even if it were allowed that the borrower pays a higher rate of interest, still the advantages greatly preponderate in favor of the former.

No one ought to *borrow* money without considering in what way he shall *redeem* it or pay it back again. If a person be careless and thoughtless with reference to this important rule, the evil day will be sure to arrive, sooner or later, when either he or his family will suffer the consequence of his improvidence, in the sacrifice of his property by a forced sale or otherwise. He may go on pleasantly enough for a few years, keeping the interest pretty regularly paid; but the time comes when the principal money is required by the lender, which often happens when it is difficult to obtain money; and if otherwise, there is at least the expense to a transfer to another person. It occurs, however, too frequently, that the property is sacrificed, or a great loss sustained. In the majority of cases of mortgages, of house property, under twelve hundred pounds, the Mortgagors are persons actively engaged in business, and have but little time to devote to the consideration of their private affairs; and, if they have time, it is only occasionally that men in such circumstances, look forward to the future, and, after they have borrowed money, set to work to consider when and how they shall redeem it. It does not occur to them that a mortgage of property is in fact, an absolute transfer of it to another person, until the money is repaid; that they subject themselves to his caprice, and to any casualty which may unexpectedly occur to him; and, in all probability, they will be called upon when they least expect it, to re-pay the principal money. It may be said that this is in the nature of things, and cannot be avoided; but it is manifest that Building Societies are the exact remedy for this evil: by joining them a person is constrained, as it were, to be provident, and he redeems his property from necessity. A borrower has the additional advantage of being quite as *independent* and free from the caprice of others as he was beforehand. All he has to do is, to provide with care for the periodical subscriptions payable to the Society, and all further anxiety is avoided. These Societies are now so constituted that a borrower may redeem, sell, or let his property at any time, with as much, or even greater, facility, than he could if it were privately mortgaged. On the whole it must be conceded that these institutions deserve the support and encouragement which they have hitherto received; and that they are calculated to prove extremely beneficial by encouraging those who are inclined to save, as well as those who wish to borrow money, to persevere in economical and provident habits, and by enabling each to realize those objects in an easy and convenient manner, the attainment of which would otherwise prove very difficult, if not altogether impossible.—[*Abridged from Stone on Building Societies.*]



## R U L E S .

1. This Society shall be called the Montreal Permanent Building Society, and the intents and purposes for which it is established are to assist the members thereof in the acquisition of freehold or leasehold property; in the erection of buildings, and otherwise improving the same; and in the removal of incumbrances or liabilities upon property already held by them; and to enable them to receive the amount of their shares in advance, upon furnishing good mortgage security; and to facilitate the accumulation and the borrowing and redemption of capital, and to provide a means of safe investment for small sums.

Name and object of Society.

2. All monies which shall, from time to time, be subscribed, paid, or given to or for the use or benefit of the Society, or which shall in any wise belong to the Society, shall be appropriated and applied, in the first place, in loans or advances to the several members, and toward the necessary expenses of the Society, in the purchase of the shares of those members who desire to withdraw from the Society as hereinafter provided, and in the payment at maturity of such shares in the Society as may remain unadvanced, and also in payment of such sums as shall be payable for interest upon advanced subscriptions as hereinafter provided; but no member shall be entitled to receive, by way of loan or advance, more than the amount of his share or shares subscribed for. Should the funds of the Society not be taken up by the members, at the usual rates charged by the Directors, such surplus funds may be loaned to other persons or otherwise invested for the benefit of the Society at the discretion of the Directors, of which members may, nevertheless, avail themselves.

Purposes to which monies of the Society shall be applied.

3. The Shares shall be of the ultimate value of £50.

Value of Shares.

4. Monthly subscriptions, and all repayments, fines, and other payments, shall be paid at the Society's office, on the first day of every month, or when the first day falls on Sunday, or a legal holiday, then on the day following, or to any of the Society's agents, three days previously, until otherwise ordered by the

Time when subscriptions are to be paid.

Amount and duration of subscription.

Directors. The subscription for each Share shall be ten shillings per month; to commence, and be paid, on the first day in the month next after which the member shall be admitted, in respect of each share, and to continue for the term of six years, certain.

Shareholders paying monthly subscriptions in advance to be credited with interest.

5. A shareholder, paying any number of monthly instalments in advance shall be credited, with interest at 6 per cent. per annum, on the balance of such advances standing to his credit for the time being, such interest to be payable at the maturity of the share or shares in respect of which such advanced payments shall have been made, or upon such share or shares being redeemed by the owner or purchased by the Society; but such interest shall not be treated by a shareholder as a fund applicable to the payment of current liabilities.

Constitution of Board of Directors.

6. The affairs of the Society shall be under the control and management of a Board of eight Directors (of whom four shall form a quorum for the transaction of business), who shall hold not less than five unadvanced Shares each; and who shall choose from among themselves a President and Vice President. No Director shall hold the office of Treasurer, Surveyor or Solicitor of the Society. The Directors shall be elected for the term of two years, four to retire annually, but shall be eligible for re-election: the four who shall retire at the first annual meeting of the Society, to be decided by lot, as the Directors may determine.

How Board to proceed in absence of President and Vice-President.

7. In the absence of both the President and Vice President, the Directors present, at any meeting of the Board, shall have power to appoint a Chairman, *pro. tem.*, and with such Chairman shall be competent to transact the business of the Society.

Mode of electing Directors.

8. The election of Directors, unless the electors shall be unanimous, shall be by ballot; and at such election any member, either personally present or represented by any other member as his proxy, shall be entitled to votes upon the following scale, viz:—

For 1 Share or less.....	1	Vote.
2 or 3 Shares.....	2	Votes.
4 or 5 " .....	3	"
6 or 7 " .....	4	"
8 or 9 " .....	5	"

For 10 or 11 Shares .....	6	Votes.
12 or 13 " .....	7	"
14, 15 or 16 " .....	8	"
17, 18 or 19 " .....	9	"
20 Shares and upwards .....	10	"

But no Shareholder shall be entitled to more than ten votes. No member shall act as proxy for more than eight other members.

9. The Directors elected at the formation of the Society, or hereafter to be elected, shall continue in office till the election of their successors, unless in case of disqualification or resignation.

Original Directors to continue in office till successors elected.

10. The Directors shall, at a special meeting to be called for that purpose, have power to fill up any vacancy that may arise in their own body in the course of the year, or in any office of the Society, by a vote of not less than two-thirds of the Directors present ; and the Board shall have power to make any By-laws and Regulations for the guidance of the Society, its Officers, Agents and Shareholders, provided that such regulations are not inconsistent with the general rules or the Acts under which the Society is incorporated.

Board may fill up vacancies in their own body, and make by-laws.

11. The Directors may make such arrangements with any of the chartered Banks doing business in the City of Montreal, for the deposit of monies and securities belonging to the Society, and for conducting other financial matters, as they shall, from time to time, deem necessary.

And make arrangements with Banks.

12. The Directors are authorized to loan the money of the Society either on mortgage of real estate, or in any other way they may think best for the interests of the Institution.

And loan the money of the Society.

13. The Directors shall, from time to time, inspect the books and accounts kept by the Secretary ; and shall have power to appoint agents to transact any business for the Society, and to pay them out of the funds of the Society such remuneration for their services as they shall think reasonable : and subscriptions or repayments may be paid by members to such agents at the time hereinbefore provided ; and such agents shall transmit the same, with an account to the Secretary, before four o'clock on the monthly subscription day, or pay such fine as the Directors shall think proper.

Board to inspect Secretary's Accounts. Power to appoint Agents.

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What shall dis-  
qualify a Director

14. If any Director shall die, or resign, or become incapable to act as Director, or become bankrupt, or insolvent, or compound with his creditors, or cease to hold the required number of unadvanced Shares, or be removed from his office by a resolution of a special general meeting of the members, or shall for three months successively be absent from the meetings of the Board, without the consent of the Directors, he shall thereupon cease to be a Director of the Society; and the President may convene a special meeting of the Directors, and at such special meeting they shall appoint another member of the Society to be a Director in his place as hereinbefore provided; and no Director shall take any part in any discussion, or vote on any question, in which he shall be personally interested.

Annual general  
meeting to be  
held.

15. A general annual meeting of the members shall be held at the office or rooms of the Society, or such place as the Directors may appoint, on the first Wednesday in the month of April, in each year, for the purpose of electing four Directors to serve for the ensuing two years, and for all other general purposes relating to the management of the Society; and at each of the said general annual meetings shall be submitted a full and clear statement of the affairs of the Society for the previous twelve months, and each of the said Reports shall be attested by two auditors appointed by the Shareholders for the ensuing year, at the general annual meeting.

Accounts to be  
furnished.

Auditors to be  
appointed.

Surplus profits  
may be appor-  
tioned amongst  
Shareholders by  
Directors.

16. If it shall appear to the Directors at any time, that the profits of the Society will be more than sufficient to realize the amount of each Share in the time specified, such surplus profits shall be appropriated by the Directors equitably and equally between the investing and borrowing members, by way of bonus, in proportion to the number of their shares and the time for which they shall have been members in respect thereof. But if the Directors shall consider it for the advantage and well-being of the Society to set apart one-third, or less, of such profits for future contingencies, they shall have the power to do so, and the same shall form a part of the general funds of the Society. No bonus to be paid until the share is realized or withdrawn.

How deficiencies  
to be met.

17. If it shall appear to the Directors at any time, that there is a deficiency of income, by which the Society may be

prevented from meeting its anticipated expenditure and liabilities, the amount of such deficiency shall be equitably and equally apportioned, by the Directors, between the investing and borrowing members, in proportion to the number of their shares, and the time for which they shall have been members in respect thereof, and shall be paid by them severally and respectively forthwith, or by such monthly instalments as the Directors may determine; and if the same shall not be paid accordingly, every member who shall make default, shall pay the same fines as for an equal amount of subscriptions or repayments in arrear, as the case may be. But if a borrowing member shall sign the following declaration in the presence of the Secretary, and to be countersigned by him, viz.: I declare that it is my desire not to participate in any profit, or to contribute towards making up any deficiency in the funds of the Society, nor to vote at any meeting, nor to take any part in the management of the affairs of the Society, in respect of the advanced Shares held by me.

Proviso as to non participation of members.

Signed,

Witness.

Secretary.

Such member shall be excluded from the appropriation of any portion of the said profit, and shall not be required to contribute to any deficiency as aforesaid, as the case may be, in respect of his advanced Shares.

18. Extra general meetings of the members of the Society may be called by the Directors, upon the members being notified of such meeting, through the Post-Office, or otherwise, at the discretion of the Directors.

Extra general Meetings.

19. All questions at the annual or other general meetings of the Society, (except the election of Directors, as before mentioned,) shall be decided by a majority of the members, either in person or by proxy, represented at the meeting: the Chairman of any meeting, either of the Directors or members, having a casting vote, in addition to his vote as a member.

How questions at general meetings to be decided.

20. A Treasurer shall be appointed, who shall also perform the duties of Secretary, and who shall be empowered to receive and pay all monies for and on behalf of the Society, and his re-

Secretary and Treasurer to be appointed. His duties.

ceipt shall in all cases be a sufficient discharge; and he shall deposit with the Bank all such monies as he shall have on hand, when they amount to £25 0 0. He shall attend all meetings of the Directors or members of the Society: enter minutes of all resolutions or proceedings in the minute book, and shall keep the accounts in order,—in proper books to be provided for that purpose,—and prepare the same, or a balance sheet thereof, for the inspection and signature of the Auditors. He shall summon the Directors to all meetings, (by circular,) and issue all circulars and notices to members which may, from time to time, be thought necessary by the Directors: conduct the correspondence of the Society, and perform all other duties that the nature of the office may require, and before entering on his office shall furnish security as by the Statute provided.

He shall furnish security.

How monies to be drawn from Bank.

21. No monies shall be drawn from the Bank, without the signature of the President or Vice-President, (or in the absence of both, of any two Directors) and of the Treasurer.

Minute Book to be kept.

22. The proceedings of the Society shall be entered in a minute book, in detail, in such manner as the Directors may, from time to time, direct; such entries to be signed by the President, Vice-President, or Chairman, as well as by the Secretary and Treasurer.

Society's rules to be subscribed by Shareholders.

23. The Rules of the Society shall be copied into a book provided for that purpose, and shall be subscribed by the Shareholders, and the name and place of abode of each Shareholder shall be entered in a registry book to be kept for that purpose.

Change of residence to be notified.

Any Member changing his residence shall, within one calendar month thereafter, give notice, in writing, to the Secretary, of such change, and of his new place of abode and address, or in default thereof be fined 2s. 6d.

Surveyors to be appointed—Their duties &c.

24. One or more Surveyors shall be appointed, who shall survey and examine the property offered by any member of the Society, if the Directors shall consider it necessary, and shall, in all cases, render at the Society's office, a report in writing, to the Directors, of the value and state of such property, in such form as the Directors shall prescribe, and who shall be paid such fees as the Directors shall think reasonable.

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25. A Solicitor or firm of Solicitors shall be appointed, Solicitors to be appointed.—Their duties &c. (who shall, either individually or together, hold not less than five unadvanced shares), who shall transact such necessary business of the Society as the Directors may require, and he or they shall receive a fair and reasonable allowance for such services as Attorney or Counsel.

26. The Solicitor shall investigate the title to all properties offered by Members as security to the Society after he shall have been furnished with the necessary documents inclusively of a Registrar's certificate, and shall, in all cases, render to the Directors a report, in writing, whether such title be deemed by him good and sufficient for the purposes of the Society; and shall revise all necessary mortgages and hypothèques and other deeds and instruments in favor of the Society. The Solicitor's and Surveyor's fees, and Registry and Notarial and other charges, shall in all cases be paid by the party on whose account they may be incurred. Expenses to be paid by party on whose account they may be incurred.

27. A Notary or firm of Notaries shall be appointed (who shall, either individually or together, hold not less than five unadvanced shares), who shall transact such business as the Directors may require, and receive therefor such fees as the Directors shall think reasonable. Notaries to be appointed.—Their duties &c.

28. All persons upon taking Stock in the Society shall sign the rules, in a book to be kept for that purpose, and (except when becoming members as transferee, legatee or legal representative), shall pay an entrance fee of 2s. per share. Rules to be signed by Stockholders.

29. The fines for the non-payment of the monthly subscriptions on unadvanced shares, shall be:— Entrance Fee. Fines.

	PER SHARE.			
For the first month...	...	...	...	3d.
“ second “	...	..	...	6d.
“ third “	...	...	...	9d.

And so on, increasing in the same sum every month until the fines shall equal the amount of the subscriptions paid in, when the same, and the interest of any member in respect thereof, shall become forfeited to the Society. Provided, that after any Share shall be in default for the term of six months, or sooner should they see fit, the Directors shall have power to recover from such Shareholder, the amount due to the Society, by an

action of debt in any Court of competent jurisdiction. The fines for the non-payment of monthly re-payments on advanced Shares, or of any other monies due by members, for which the fines are not herein provided, shall be at the rate of 6d. in the pound per month on the amount due.

Management Fees.

30. At the time of paying each of the monthly subscriptions, each member shall pay therewith, towards the expenses of management, the sum of six pence per Share.

Property situated any where in Lower Canada, may be accepted as security.

31. The Directors may accept property situated anywhere within the limits of that part of the Province formerly Lower Canada, or the unadvanced Shares of any member of the Society, as security for loans.

Provisions relative to the advancing of Shares.

32. Any member desiring an advance of a Share or Shares, shall give notice, in writing, to the Secretary, of the situation, tenure, description, and full particulars of the property proposed to be mortgaged by such member to the Society, in such form as the Directors shall prescribe; and shall deposit with the Secretary all necessary title deeds and documents relating thereto, and also such sum as the Secretary may consider requisite to meet any necessary expenses. Should any Shareholder decline to take up the amount awarded him, or fail to complete the necessary securities to the satisfaction of the Directors within one month, such member shall pay a fine of one Pound per Share, whether any deposit has been made or not; and the Directors may otherwise dispose of the money granted to such member. If the security offered be approved, the party shall, at his own expense, execute a mortgage or transfer to the satisfaction of the Directors to secure the monies to become due from him to the Society, according to the rules and regulations of the Society, and shall also bear the cost of enregistration.

Nature and form of mortgage deeds, and securities.

33. All mortgage deeds and securities to the Society shall be prepared in such form, and contain such clauses, provisoes and agreements as the Solicitors for the Society shall think fit, with the approval of the Directors; and that in case the Mortgagor shall at any time or times, neglect or refuse to pay his repayments, fines, fees, or other payments, for the space of six months successively, then the Directors may, either with or without the concurrence of the Mortgagor, appoint a person or per-

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sons, with such salary or commission as they may think proper, to collect the rents and profits of the mortgaged premises; with the same power of enforcing payments as the Mortgagor himself may possess. And that in case the Mortgagor shall be himself the actual occupier of such mortgaged premises, then the mortgage deed may contain stipulations that he shall become tenant to the Society, at a fair rent to be named in such deed; the Directors shall have power, if they see fit, to retain and apply so much of the rents, as will be necessary to pay the sum required to redeem the property, pursuant to the provisions contained in these rules; together with all other payments, monies, and expenses due to the Society, and to pay the surplus thereof to the Mortgagor.

34. All property, secured to the Society, consisting of buildings, shall be insured by the Mortgagor, if required by the Directors, in such sum and office as they shall think advisable; and the policy or policies shall be assigned over to the Society. In case any member, having executed a mortgage to the Society, shall make default in payment of the expenses which may be incurred, in and about insuring, and keeping insured, the mortgaged premises, or of the ground rent or other payments to which the said property may be subject, pursuant to the covenant in the mortgage deed, he shall pay a fine of five shillings; and if default shall continue beyond one monthly subscription day, he shall pay in addition such fine as he would have incurred for the non-payment of an equal amount of re-payments, at the time appointed for the payment thereof: the Society not to be responsible for any consequences arising from any omission in the payment of the premium, or other payment due on any Policy of Insurance, and should the borrower omit to insure, the Directors shall have the right of effecting and renewing the same, or of reserving the rights and interests of the Society in the land and premises, mortgaged as aforesaid out of the general funds of the Society, and the borrower shall on demand pay and reimburse unto the Society of such premiums, with interest thereon at the rate of 6 per cent. per annum, and a fine of 20 per cent. upon the amount so paid.

Provisions relative to Insurance.

35. In case of damage by fire, the Directors shall receive, from the Insurance Office, the amount payable in respect of such damage; and the receipt of the Secretary and Treasurer of the Society, shall be a sufficient discharge, to the Insurance Office, for the money therein expressed to be received; and the Directors shall have full power to settle and adjust with the Insurance Office any question relating to such insurance, and to accept the amount to be paid by the Insurance Office, in respect to the damage done to the premises; or to make such arrangements with the Insurance Office as to the rebuilding or repairing of the said premises, or relating thereto, as the Directors shall think reasonable.

36. The Directors shall, at their discretion, either lay out the money which shall be received from any Insurance Office as aforesaid, or any part thereof, in repairing the damage done to the premises; or retain and apply the same, or such part thereof, as they shall think fit, in or towards payment and satisfaction of the amount which shall be due from the Mortgagor to the Society, and pay the surplus, if any, to the Mortgagor, or to such other person as he shall (by writing) direct to receive the same.

37. Every member executing a mortgage to the Society shall, if required at the time of such execution, give to the Secretary a written statement of all such particulars relating to the property comprised in such mortgage, as are usually required by Insurance Companies; and if at any subsequent period any trade shall be commenced, or erection made, or other matter or thing shall take place which would in any way affect the validity of the Policy of Insurance, the like statement shall be given; and the member neglecting to give such statement shall pay a fine, at the discretion of the Directors, of not more than ten Shillings, but not less than one Shilling per week for each share; and the Directors shall, if they think fit to do so, at least once in every year, appoint some competent person to obtain all the information he can with respect to trades, &c., carried on in and about the mortgaged premises, and to report to the Directors accordingly.

38. If any member who shall have executed a mortgage to the Society, shall desire to sell the mortgaged property, subject to the mortgage, he shall be at liberty so to do, with the consent

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of the Directors, upon first duly transferring the shares secured by such mortgage, to the intended purchaser in manner provided by these rules; and upon such transfer being completed, and all arrears due to the Society, from the Mortgagor, being paid, and the conveyance to the purchaser executed, such purchaser shall thenceforth become liable to pay all re-payments payable in respect of such shares; and the Directors may grant to the original Mortgagor, and at his cost and charges, a release from all future liability in respect thereof.

39. It shall be lawful for any member, having executed a mortgage in favor of the Society, to substitute, at his own expense and subject to the approval and consent of the Directors, any other property, as security to the Society, in lieu of the property originally mortgaged.

And may substitute other property.

40. If any member shall desire to have his property discharged from a mortgage to the Society, before the expiration of the full term for which it has been taken, he shall be allowed to do so on payment of all re-payments, and any fines, fees and other sums due in respect thereof, up to the time of the redemption of such mortgage, and of the present value of the future re-payments, calculated to the end of the term, and discounted at such rate of interest and on such terms as the Directors may determine.

And may obtain discharge of mortgage at any time on certain conditions.

41. On the redemption of any security by a member, or when all re-payments have been made by him on advances pursuant to these rules, a full discharge of such security shall be executed, and the same shall be delivered to such member, with all other deeds and documents deposited by him in connexion with such security; and such discharge shall be prepared, and the necessary signatures obtained, and any matters relating thereto transacted, by the Solicitor and the Notary to the Society, at the expense of such member.

42. In case of the death or insanity of a member before receiving an advance, and upon the application of the legal representative of such deceased or insane member to withdraw from the Society, such representative shall be entitled to a preference before ordinary members, and to withdraw at any time, and to receive back the amount of subscriptions or shares which such

Provisions relative to death or insanity of members.

deceased or insane member may have paid to the Society, less all fines and fees due and unpaid by the insane or deceased member at the time of his seizure or death, with the interest thereon, as hereinafter provided.

Members desiring to withdraw may receive back their subscriptions, with interest.

43. Any member, not having received an advance, being desirous of withdrawing from the Society a share or shares, on which twelve or more monthly subscriptions shall have been paid, may, on giving one calendar month's notice in writing to the Secretary, be allowed to do so, and may receive back with interest at 6 per cent., the net amount of his monthly subscriptions paid up, deducting any monies that may be due. But the Directors may allow a higher rate of interest than 6 per cent., to members withdrawing if they think it advisable so to do.

Shares may be transferred.

44. Any shareholder may transfer his share or shares by causing an entry of such transfer to be made in the books of the Society, in such manner as the Directors may appoint, and upon payment of the sum of 2s. 6d. for each transfer, and thereupon the transferee (after signing the rules) shall be entitled to all the privileges of the original shareholder.

Forms to be observed by legatee or legal representative.

45. In case of the death or insanity of any member the legatee or legal representative of such member shall, before becoming entitled to the privileges of an original shareholder, procure his place of abode and the particulars of his title to be registered in the books of the Society, or in default thereof for one month shall pay a fine of 2s. 6d., and shall at the same time exhibit the will or probate thereof, or grant of letters of administration or other document, (as the case may be), for the inspection and satisfaction of the Directors, and pay for such registry the sum of 2s. 6d.

Directors' Fees.

46. The Directors shall be paid the sum of 10s. each, for each Board or Committee meeting they may respectively have attended on the business of the Society, and shall be indemnified out of the funds of the Society, or otherwise, from all expenses in reference to the formation, conduct, and management of the Society.

How dissolution of Society to be effected.

47. No dissolution of this Society shall take place unless its affairs be deranged, or its principles prove inadequate to promote its objects, or its funds be insufficient to meet the claims, or from any other such cause, rendering the dissolution absolutely neces-



sary, and then only by a vote of at least two-thirds of the members present either in person or by proxy at a special general meeting to be called for that purpose, 30 days notice of such meeting being previously given to all shareholders and advertised in one or more of the daily papers published in Montreal.

48. The Directors shall have power to make such arrangements as they may deem advisable with any Building Society wishing to become incorporated with this Society, and to allow to the members of such Building Society all the privileges of original shareholders in this Society on such terms as the Directors may consider safe and equitable, subject to the confirmation, amendment or disallowance of a special meeting of the shareholders to be called for that purpose.

Other Building Societies may amalgamate with this Society.

49. Special meetings shall be called by order of the President, or Vice-President, or two Directors, upon a requisition in writing stating the object of the meeting, and signed by 25 members.— Upon receipt of such requisition, the President, Vice-President, or Directors, shall instruct the Secretary to summon a special meeting by printed circulars, giving at least 30 days notice thereof, and in which the object must be specified, and it shall not be competent to entertain any other business at such special meeting than that for which it has been called.

Special meetings.

50. In the practical application of these rules, or any rules hereafter to be made in virtue thereof, the construction put upon them by the Board of Directors shall be final and conclusive, but any member may appeal from such decision to a general meeting of the Shareholders. Every word in the singular number shall be applicable to the plural, and every word importing the masculine gender shall where necessary be understood to mean a female as well as a male, unless there be something in the subject matter or context repugnant to such construction.

Construction of Rules.