

*Laws of Her Majesty's Province of United Canada*, passed in the year 1856. Quebec: Stewart Derbyshire and George Desbarts, 1856.

20 Victoria – Chapter 74

**An Act to amend the Act of Incorporation of the Woodstock and Lake Erie Railway and Harbor Company. Assented to 19th June, 1856.**

Whereas in and by the Act passed in the eighteenth year of Her Majesty's Reign, intituled, *An Act to amend the Charter of the Woodstock and Lake Erie Railway and Harbor Company*, certain provisions (amongst others) were made for enabling the said Company to amalgamate or unite with any other Railway Company in this Province, or to lease or sell their Line of Road, or any portion thereof, and appurtenances, or the Stock thereof, to any such other Railway Company, or to purchase, buy out, or lease any other such Railway Company, or the Stock thereof, upon such terms and conditions as should be agreed upon; And whereas the Municipalities of Woodstock, South Norwich, North Norwich, Simcoe, Windham and Woodhouse, are interested in the said Company as the holders of Bonds of the said Company, and contemplate converting their said Bonds into Stock of the said Company, and it is desirable that the said Municipalities and the other Municipalities hereinafter referred to, should be authorized to aid and assist the said Company, in the manner hereinafter mentioned; and that, the following amendments should be made in the several Acts affecting the said Company: Therefore, Her Majesty, by and with the advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

I. It shall be lawful for the said Municipalities and for any and every other Municipality through any part of which, or near to which the Railway or works of the said Company, or the Railway or works of any Company which shall amalgamate or unite with the said Company, or the Railway or works of the amalgamated Companies, if such amalgamation or union shall take place, shall pass or be situate, to aid and assist the said Company or amalgamated Companies by loaning or advancing money or other means to such Company or Companies, or issuing Municipal bonds to or in aid of such Company or Companies, or guaranteeing loans or advances to such Company or Companies, and otherwise in such manner and to such extent as such Municipalities or any of them shall think expedient: Provided always, that no such aid, loan or guarantee shall be given except after the passing of By-laws for the purpose, and the adoption of such By-laws by the Rate-payers, as provided in the ninth section of this Act.

II. It shall be lawful for any Municipality or Municipalities who shall at any time be Shareholders in the said Company or amalgamated Companies, (including the before mentioned Municipalities in case they shall have converted their said bonds into stock,) with the consent of such Company or Companies, or the Board of Directors for the time being, to surrender and yield up their stock to such Company or Companies, and to receive from such Company or Companies in lieu or satisfaction thereof the bonds of such Company or Companies, or such other payment, remuneration, or security therefor, in such manner and form, and for such amount and at such price, as they shall think proper, or as hath been already agreed upon or shall hereafter be agreed upon in that behalf.

III. It shall be lawful for the said Company or amalgamated Companies, or their Board of Directors for the time being, and any Municipality or Municipalities desirous of aiding or assisting, or who have aided or assisted such Company or Companies, to agree that the bonds of such Company which such Municipality shall take or receive, whether taken in payment or in lieu of Municipal bonds issued or to be issued to aid or assist such Company, or in lieu or satisfaction of Stock surrendered or yielded up, or to be surrendered or yielded up by such Municipality or otherwise howsoever, shall be postponed, deferred, or subject to the payment of other bonds issued or to be issued by such Company, to such amount as shall be agreed upon in that behalf, and generally to make such agreements and arrangements touching the priority, precedent e, or preference of any bonds before or over other bonds of such Company, and the postponing, deferring, and making subject any bonds to and alter other bonds of such Company, and for arranging the order as to preference or priority in payment or otherwise of any and all bonds issued or to be issued by such Company, as they shall think proper; and such agreement shall be held to be legal and binding on all parties, and the bonds issued by such Company shall have and obtain such order and preference upon and over the assets and property of such Company as shall be so agreed upon in that behalf: Provided always, that all bonds to be issued by such Company or Companies which shall be subject, deferred, or postponed to or after other bonds issued or to be issued by such Company or Companies, shall recite or show not only the aggregate amount of such deferred or postponed bonds, but also the aggregate amount of the bonds having or to have preference or priority to or over such deferred or postponed bonds.

IV. If the said Company shall amalgamate or unite with any other Company or Companies as provided in the third section of the Act first above referred to, it shall not be necessary to retain the name of either of such Companies, but the Companies so amalgamating or uniting may decide and agree upon such name for the amalgamated Companies as they shall please, and shall specify or designate such name in the deed of amalgamation or the agreement to amalgamate or unite, and after such amalgamation or union, such name shall be the corporate name of the amalgamated Companies, and under such corporate name they shall be invested with and may exercise and enjoy all the rights, powers, privileges, property, benefits and advantages which otherwise would appertain to the amalgamating Companies, and to all and every of them, if such amalgamation had not taken place.

V. And whereas the said Municipalities mentioned in the preamble to this Act, being largely interested in the said Company as the holders of certain bonds of the said Company, deemed it necessary to make certain arrangements for insuring the more speedy completion of the said Railway, and did by delegates acting on their behalf, accept certain proposals and enter into certain arrangements for that purpose in writing bearing date the tenth day of March, in the year of our Lord one thousand eight hundred and fifty-six, with Miles O'Reilly, of the City of Hamilton, Esquire, which arrangements were afterwards ratified and confirmed by the Councils of such Municipalities respectively, and are in the words contained in Schedule A to this Act annexed; Therefore, it is enacted and declared, that the By-laws or Resolutions of the Councils in acceptance of such agreement, shall, after the approval of the rate-payers as provided in the ninth section of

this Act, authorize the said Councils to carry the same into full effect according to the true intent and meaning thereof.

VI. And whereas doubts have arisen as to the regularity or legality of the proceedings of the Directors of the said Company, in their dealings with the said Municipalities and obtaining loans therefrom, and it was in and by the said arrangements amongst other things agreed, that the said Directors should be indemnified, and their action and proceedings in the premises legalized by Act of Parliament; Therefore, it is enacted and declared that the acceptance and adoption by the Rate-payers as hereinbefore provided, of the said agreement of the tenth of March, one thousand eight hundred and fifty-six, shall thereupon operate and take effect as a full discharge and indemnity to the said Directors, from all claims, actions and proceedings at Law or in Equity on the part of the said Municipalities, or any other party or parties whatsoever, for or by reason of the said action and proceedings in the premises.

VII. It shall be lawful for any shareholder or person holding stock in the said Company, at any time within six calendar months after the passing of this Act, by writing under his hand, delivered to, and deposited with, the Secretary of the said Company, to surrender or yield up such stock or any part thereof, and thenceforth as to such stock or shares so surrendered or yielded up, such party shall cease to hold or be entitled to the same, and cease to be liable in any manner however in respect thereof, and the proper entries shall be made in the stock book of the said Company, shewing that such stock has been surrendered or yielded up.

VIII. It shall be lawful for the said Company or amalgamated Companies to borrow money from time to time for making, completing and working this Railway, and to pledge the lands, tolls, revenue and other property of the Company for the due payment thereof; and to issue and dispose of their bonds from time to time, at such rate of premium or discount or otherwise as may be agreed upon in that behalf; and also to make their bonds to be issued by them for securing the repayment of any sums so borrowed, convertible into stock of the Company, on the terms and conditions to be mentioned or expressed in such bonds or in the By-laws of the Company; and all bonds to be issued by the Company for the payment of money only, whether they be convertible into stock as aforesaid or otherwise, shall be transferable by delivery or indorsed in like manner as promissory notes.

IX. That any By-law for aiding the said Railway or for changing the position of any bonds or stock, with reference to priority or otherwise, before the same shall be of any force or effect, shall be first submitted to a vote of the Rate-payers of the Municipality interested, for their approval, and assented to by them or a majority of those voting thereat, which vote shall take place at such place as may be fixed by the Municipal Council interested, and of which, one month's previous notice shall be given in the manner prescribed by the fourth sub-section of the second section of the Act sixteenth Victoria, chapter twenty-two.

X. That the first moneys raised under this Act shall be applied in the first place, towards the payment and discharge of all fees, expenses and disbursements for procuring the passing of this

Act, and for making the Surveys, Plans and Estimates of the said Railway and connected therewith, including those made within the last four years.

XI. This Act shall be deemed a Public Act.

#### Schedule A.

Proposal by Mr. O'Reilly to the Delegates of the Municipalities of Woodstock, North Norwich, South Norwich, Windham, Simcoe and Woodhouse:

1. That the said Municipalities should take the bonds of the Woodstock and Lake Erie Railway and Harbor Company, for any aid already given and to be given to the said Company, which shall be postponed or subject to first mortgage bonds to be issued by the Company to the amount of one million pounds;

2. Private stock shall be taken to the amount of from seven hundred and fifty thousand pounds to one million pounds, in this and the road westward of St. Thomas;

3. That the Municipalities contribute towards the enter prise three years interest at six per cent. on the amount of their aid, as a gratuity, that is to say: the Company will pay the interest in the mean time, (beginning with and including the year's interest now past due) and take the bonds of the Municipalities for the amount, payable at the end of twenty years, with interest half yearly;

4. That in the mean time such a Board of Directors shall be put in as shall be nominated through Mr. O'Reilly, who of course are to have the unfettered direction, control and management of the whole undertaking;

5. That whether the mode of carrying out this arrangement shall be by the Municipalities first converting their bonds into stock, and afterwards giving up their stock and taking the Company's bonds for the amount, (which would be payable at the end of twenty years, or sooner if the Company please to pay them sooner) in either case the Municipalities and all others concur in getting any amendment in the law, necessary or desirable for this purpose, as well as also for legalising what has been already done by the Directors of the said Company, in so far as the taking and dealing with the bonds of the. Municipalities, and other necessary matters;

6. That it shall be optional with Mr. O'Reilly and those acting with him, to decide whether the Municipalities shall become and remain shareholders in the Company, or be bondholders, as first above described; But if shareholders, of course they would stand on the same footing as other ordinary shareholders, the payment of the interest being made by the Company during construction: also in such case they would not make the contribution of the three years interest above referred to; but this agreement to be binding in all other respects;

7. If it be determined that the Municipalities are to be bondholders, the Company to pay two percent, per annum (for sinking fund) on the principal of their (the Company's) bonds; and the

Company's bonds in favor of the Municipalities to be so drawn that the Company have the option of paying them off at any time before the expiration of the twenty years, that is to say, at any time before due; and if the Municipalities are to remain shareholders, the Company to have the right to take their stock at *par* at any time in ten years from this date;

8. It is understood that the Road from Woodstock to Port Dover shall be put in running order within a reasonable time, say two years from this date.

The above written proposition is accepted and agreed to on the part of the said Municipalities.

Dated at Paris this tenth March, one thousand eight hundred and fifty-six.

M. O'Reilly,  
James Kintrea,  
    Delegate Councillor for Woodstock.  
Paul Bedford,  
    Delegate Councillor for North Norwich.  
Asa Durkee,  
    Reeve of South Norwich.  
Lawrence H. Hunt,  
    Windham Delegate.  
Wm. M. Wilson,  
    Delegate for Simcoe.  
Walker Powell,  
    Delegate, Woodhouse.