



NEW
SECRETARY'S
MANUAL



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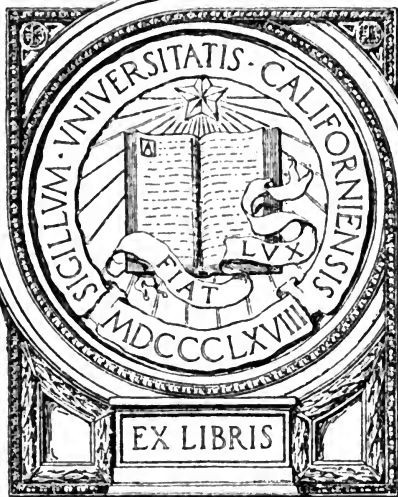
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NEW SECRETARY'S MANUAL

A Compendium of Forms, Instruction
and Legal Information for
Secretaries of Corpora
tions and Others

With an Appendix

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By **W. A. CARNEY**

Author of

"HOW TO BUY AND SELL REAL ESTATE
AT A PROFIT."

PUBLISHED BY THE AUTHOR

Los Angeles, California

1905

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TO
HON. THOMAS R. BARD,
OF HUENEME, VENTURA COUNTY, CALIFORNIA,
WHOSE ABILITY
AS AN ORGANIZER AND DIRECTOR OF CORPORATIONS,
AND WHOSE SKILL AS A PRESIDING OFFICER,
ARE SECONDARY ONLY TO HIS IN-
TEGRITY AND WORTH AS A
CITIZEN AND MAN,
THIS WORK IS RESPECTFULLY INSCRIBED
BY THE AUTHOR.



PREFACE TO 1905 EDITION.

NEW SECRETARY'S MANUAL.

NEW SECRETARY'S MANUAL, and its predecessor, "The Secretary's Manual," have been before the public for the past twelve years, and have met with a cordial reception. The present edition contains some corrections, and additional new matter relating to incorporating under the laws of Arizona and Nevada, and is submitted to that intelligent class of persons for whom the book is particularly designed, with the expectation that it will more nearly than heretofore meet their wants and merit their approbation.

THE AUTHOR.

*Los Angeles, Cal.,
August, 1905.*

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PART FIRST.

INCORPORATION.

THE CORPORATION.

Persons, Two Classes.—Natural Person Defined.—Artificial Person Defined.—Object of Incorporation.—Distinction Between a Natural Person and a Corporation.—Corporations Classified.—Corporate Powers.—Disfranchisement and Amotion.—Corporate Property.

In law, there are two classes of persons, viz.: natural and artificial.

A natural person is a living human being.

An artificial person, or a corporation, is a creature of the law, having certain of the powers and duties of a natural person.

The object of incorporation, that is, the act of creating a corporation, is to bestow the character and properties of individuality on a collective and changing body of men; to gather the required capital from numerous sources; to conduct the business by means of a directory of capable and experienced men;

to admit of accession to, or retirement from, the ranks of the shareholders without dissolution of the artificial being; to limit the liability of the shareholders to fixed amounts; and to permit of the evidences of ownership being transferred, pledged or bequeathed almost at will.

The distinction between a natural person and a corporation is that while the former may make any contract not prohibited by law or against public policy, the latter can exercise no power not expressly conferred by its charter.

As regards the ends for which they are created, corporations are classified as public, quasi-public and private.

A Public Corporation is one formed for the purpose of administering public affairs. Its object is governmental, not commercial; it can not exceed the powers granted expressly by its charter, or by necessary implication, and must act strictly in the mode prescribed by its charter. Counties, cities, and towns are public corporations.

A Quasi-Public Corporation is one technically private, but has in view some great public enterprise in which the public interests are involved to such an extent as to justify conferring upon such corporation important governmental powers. An irrigation district is a quasi-public corporation.

A Private Corporation is one formed by the voluntary association, in the manner prescribed by statute, of a certain number of natural persons for the prosecu-

tion of any lawful business. Its object is to promote private interests. Manufacturing companies are private corporations.

Private corporations are distinguished as formed either for pecuniary profit or other than for pecuniary profit.

Corporations for pecuniary profit, or business corporations, include the great variety of undertakings in which men engage, the ultimate object of which is gain.

Corporations other than for pecuniary profit embrace religious, charitable and educational corporations.

As regards the number of persons composing them, corporations are either aggregate or sole.

A corporation aggregate is one composed of two or more natural persons.

A corporation sole is a single natural person invested with corporate powers. A corporation sole has no need of a corporate seal, or a secretary, treasurer, or by-laws, as its will regulates its acts.

With respect to the place of its creation, a corporation is either domestic or foreign.

A Domestic Corporation is one doing business within the limits of the State in which it was created.

A Foreign Corporation is a corporation created by or under the laws of any other State, government or country. A corporation created by legislation of Congress is a foreign corporation in a State.

Further distinctions are also made, a corporation

having a capital stock being termed a stock corporation, its component parts being called stockholders; and a corporation having no capital stock being termed a non-stock corporation, its component parts being called members. In England, companies are divided into two classes—public and private, and a public company is defined to be one which is carried on by means of capital subscribed by the public at large.

A corporation possesses no powers except those given by its charter, either by express language or implied as necessary in strict furtherance of the business of the corporation. Powers not conferred on a corporation are withheld as much as though express language of prohibition was employed.

The power to do acts and make contracts necessary to enable a corporation to answer the ends of its creation, like the express grants of power, is to be strictly construed, and is limited, by all the cases and by the general principles of all the books, with this qualification, that even for this purpose the company can not engage in any new and distinct enterprise, involving new risks to its stockholders, and not fairly within the terms of the original grant.

A corporation, when created, possesses certain attributes, or inherent powers, which are deemed inseparable to it. These powers are:—

(1) Succession by its corporate name for the period limited, and when no period is limited, perpetually.

(2) To sue and be sued in any court.

(3) To make and use a common seal and alter the same at pleasure.

(4) To purchase, hold and convey such real and personal estate as the purposes of the corporation may require, not exceeding the amount limited by law.

(5) To make by-laws, not inconsistent with any existing law, for the management of its property, the regulation of its affairs, and the transfer of its stock.

(6) To appoint such subordinate officers or agents as the business of the corporation may require, and to allow them suitable compensation.

The power inherent in some classes of corporations, in some cases, to expel members for sufficient cause, is termed disfranchisement. The term amotion is applied to the removal of an officer of a corporation. A corporation, having a capital stock, can not exercise the right of disfranchisement to expel a member who is interested in the corporation as a proprietor.

The corporation, not the stockholders or members, owns the corporate property, and such property is not subject to the control of the individual members, whether acting jointly or separately. The corporation alone, acting through its officers, can encumber or transfer the corporate property, and a conveyance by the corporation, to be binding upon it, must be under its corporate name and seal. The property of the corporation may consist of three separate and distinct things, which are its capital stock, its surplus and its franchise. These three things, which are several in the ownership of the corporation, are united in the ownership of the shareholders.

PROMOTERS AND PROSPECTUS.

Promoter Defined.—Promotion in England.—Underwriting.
—Promotion in America.—The Prospectus.

A promoter is a person who arranges the details of a corporate business prior to incorporation. He may, or may not, be one of the incorporators.

In England, particularly in London, the floatation of first-class industrial concerns, showing large and substantial profits, especially if such profits can be proven to be progressive, is a regular branch of business, and is conducted by promoters, of whom there are several degrees or castes. In some instances the promoter highest in rank is represented as the capitalist by his humbler brethren of the craft, and prospective vendors are thus led on, at considerable expense, to meet with bitter disappointment in the end. A promoter of recognized standing in his profession, upon undertaking the floatation of a company, deposits with some bank a sum sufficient to prove that he is acting in good faith, and such sum, in the event of his not carrying the business through, is forfeitable to the vendors, it being agreed, however, between the parties, that such forfeiture shall constitute the limit of liability on the part of the promoter in the event of his failure to make the venture a success.

A promoter, in the event of his entering into a contract for the floatation of a company, usually procures

underwriters for the bulk of the stock offered to the public, and such underwriters guarantee to subscribe for, and make payments on, so much of the stock as the public do not take, in addition to the deposit made by the promoter. It may be remarked that it is necessary, in order to attract English capital, particularly where the business to be acquired is located outside of England, that the vendors should take a considerable portion of the purchase consideration in shares of the projected new company.

In our own country, not a few of the new corporations are in the hands of schemers, speculators and promoters. It is not an uncommon thing to form a combination of manufacturing industries, representing a total cash valuation of say \$5,000,000, and to incorporate for say \$50,000,000. The proprietor receives from \$5,000,000 to \$10,000,000 for his services, a lot of common stock is issued, and is divided among the manipulators. The stock is placed on the market, boomed with favorable announcements, and sold for par, or nearly at par, to investors, who become the stockholders. Prior to entering into the combination, the companies who united to form it were perhaps paying very small dividends, or even running at a loss, and the stock of the combination is so heavily watered that it is impossible to pay remunerative dividends; the result is that the investing stockholders are simply fleeced.

A prospectus is a paper setting forth the name, officers, objects and proposed operations of a corpora-

tion, and a statement of the estimated profits to be derived from such operations, and copies thereof are circulated among would-be investors for the purpose of inducing them to become financially interested in the enterprise.

SUBSCRIPTION AGREEMENTS.

Corporate Share Defined.—Subscribers Defined.—Nature of Subscription Contract.

A corporate share has been defined to be the right to partake, according to the amount put into the corporate fund, of the surplus profits, and, upon the dissolution of the corporation, of the fund remaining after the payment of the corporate debts. A share is a mere, ideal incorporeal thing.

The persons uniting to form a corporation, agreeing each to take a certain number of shares therein, are called subscribers. While a corporation continues in lawful existence, carrying on the business for which it was created, the shares can not be segregated or withdrawn.

A subscription to stock is a contract, the consideration being the right of membership and the interests accruing therefrom. A promise to take shares imports a promise to pay for them. Subscriptions to stock are usually effected in one of two ways: by signing a subscription agreement (which may be informal if the intentions of the parties can be ascertained from it), or

by signing the articles of incorporation, which, ordinarily, contains a list of the subscribers, with the number of shares set opposite each name. Upon so signing, each subscriber becomes severally a debtor of the company. Any secret agreement between the subscribers, or between the Directors and the subscribers, whereby one or more of the subscribers shall pay only a part of his or their subscription, is inoperative and void as to the other subscribers, or to the creditors dealing with the company on the faith of its subscribed capital. Actual payment in good faith is required, and cannot be defeated by a pretended payment.

PREPARING AND FILING ARTICLES OF INCORPORATION.

(SEE ALSO APPENDIX, WHERE FORMS ARE GIVEN FOR INCORPORATING UNDER THE LAWS OF ARIZONA AND NEVADA.)

General Law Defined.—What Is Meant by Substantial Compliance Therewith.—Form Defined.—Incorporators Defined.—Qualifications of Incorporators.—Requirements of the Articles.—The Corporate Name.—The Principal Place of Business.—The Purposes of the Corporation.—Duration of the Corporation.—Qualifications of Directors.—Acknowledgment by Subscribers to Articles.—Special Provisions of State Laws.—Two Modes of Filing Articles.—Charter Defined.—Irregular Incorporation.

In former times, the variant provisions contained in charters, by which corporations were created under special acts of Legislature, occasioned much annoyance

both to creditors and to the State, and, in consequence, most of the State constitutions now authorize the creation of corporations under general laws, but forbid their creation by special acts. A general law is a statute which confers the same general powers on all similar associations for like purposes which may avail themselves of its provisions; it is a law that applies to all of a class in a State, and comprehends the genus, not the species. Under these general laws, the persons uniting to create a corporation, by a substantial compliance with a few formal requisites, may organize themselves into a company for almost any business or social purpose.

The right to be a corporation is in itself a franchise; that is to say, it is a privilege conferred by the government on individuals, which privilege does not belong to the citizens of the country by common right; and, to acquire a franchise under a general law, there must be a substantial, not a literal, compliance with the prescribed statutory conditions. Every positive statutory requirement is a condition precedent to acquiring a statutory right, and no such requirement can be omitted, on the ground that it is unimportant, simply because a substantial compliance will do. What is meant by a substantial compliance may be illustrated by reference to the case where the place of business of the corporation was set forth in the articles of incorporation, but such place was not described as the "principal place of business," as the law required. The court held, however, that the statement would

seem to imply that it was not only the principal, but the only, place of business. In another case, that of a railroad company, the affidavit required to be attached to the articles stated that ten per cent of the amount subscribed had been actually paid in, but omitted the words "in good faith," which the statute required. The affidavit was held to be sufficient; that if payment was actually made in cash, it must have been made in good faith, and that if payment were made by checks drawn against sufficient funds in a bank, which was ready to accept and pay the checks, there was substantially payment in cash.

A form has been defined to be that something which may remain uniform and unaltered while the matter inserted in it may be varied. The law regards substance more than form; yet experience teaches that it is well to adhere to the ordinary and concise language of approved forms, lest, in departing too far from the form, the substance be not stated.

In creating a private corporation, the incorporators must prepare a written form or instrument, known as "Articles of Incorporation," "Articles of Association," or "Certificate of Incorporation." The form of this instrument, as well as the manner of filing it, varies in the several States, and in some of the States there is no standard blank form for this purpose. A blank form of the instrument may usually be had by applying to the nearest dealer in legal stationery.

The incorporators are the several natural persons uniting to create the corporation.

The incorporators, as well as the directors, of a corporation must be natural persons of full age; partnerships, or other corporations, would not come within the meaning of the statute. A minor should not be permitted to become an incorporator, nor should he be elected a director; contracts made by him in this respect could be disaffirmed either before, or within a reasonable time after, attaining his majority.

In California, Colorado, New York and Idaho a majority of the incorporators must be residents; in Maryland all must be citizens of the United States and a majority citizens of Maryland; and in Ohio a majority must be citizens.

In most of the States, including California, New York, New Jersey and South Dakota, the articles of incorporation of a business corporation must be subscribed by at least three persons, and in Idaho, Utah and Tennessee by at least five persons.

The instrument (articles of incorporation) contains some or all of the following statement of facts, to wit:—

(a) The name of the corporation.

(b) The place where the principal business is to be transacted.

(c) The purposes for which the corporation is created.

(d) The duration or existence of the corporation.

(e) The number and names of the directors appointed by the incorporators.

(f) The amount of the capital stock, the number

of shares into which it is divided and the par value of each share.

(g) The amount of the capital stock actually subscribed, the names of the subscribers, and the amounts subscribed by each.

(h) Signatures of subscribers.

(i) Acknowledgment by subscribers.

In adopting a name for the proposed new corporation, the duty devolves upon the incorporators of ascertaining whether or not such name is already in use, and such fact may be learned by inquiry at the office of the Secretary of State. The corporators should see to it that the name adopted is not similar to, or liable to be mistaken for, the name of any other corporation organized under the laws of the same State. Without a corporate name a corporation can not exist; it is its name which gives it identity as an artificial person. Exceedingly lengthy corporate names are undesirable, and in actual use necessitate more or less abbreviation.

The words "The" and "Company" are not essential parts of a corporate name except in Ohio. In Louisiana, a commercial corporation must use the word "Limited," as otherwise the members of the corporation are liable for all damages. The word "Incorporated" must appear immediately under the name of each corporation created under the laws of Delaware.

The misnomer of a corporation in any written instrument does not invalidate the instrument if it can

be reasonably ascertained from it what corporation is intended. Error in writing the corporate name, however, frequently occasions expensive litigation.

The principal place of business of a corporation is its legal residence, and where its officers and books may be found. The omission to state the principal place of business is a fatal defect in the articles of incorporation.

The purposes and powers of a corporation must be such as, in their nature, can be performed by a corporation—that is, by a fictitious person in the law, and the purposes must be those which individuals could lawfully associate themselves together to accomplish.

The purposes for which the corporation is formed must be set out in the certificate, and in defining such purposes, precise and unambiguous language should be employed, as beyond the powers inherent in the corporation, the putting into execution of its purposes will largely depend upon this clause. (See Forms Nos. 5, 8, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22.)

New Jersey was one of the first States to allow corporations to hold and own stock and bonds of other corporations, and this power is now recognized in many other States.

In some of the States, the maximum amount of money that can be borrowed must be set forth in the articles of incorporation, and in others, corporations can not create indebtedness in excess of their capital stock. New Jersey corporations can borrow all the

money that commercial and economic confidence will give them.

Every corporation is presumed to have the power to purchase and hold real estate, but no corporation may acquire any more real property than may be reasonably necessary for the transaction of its business. The general rule is that where a corporation is authorized for some purposes, or to a limited extent, to take conveyances of and hold real estate, a deed of lands, for other purposes, or beyond the limit allowed, is not absolutely void, but passes the title as between the parties, subject only to be inquired into in a direct proceeding by the State.

One of the elements in the legal conception of a corporation is capacity for perpetual existence, but many of the States have placed twenty or fifty years as the limit of corporate life. In New Jersey and Delaware, the duration of a corporation may be fixed as perpetual.

The laws of many of the States, and the by-laws made in pursuance of such State laws, provide that each director, as a qualification for office, shall hold one or more shares of the corporation, the object being that the affairs of a business corporation shall be intrusted only to those having a pecuniary interest in its welfare. It is necessary, therefore, that the directors named in the articles of incorporation should be selected from among the incorporators, and in many instances the directors and the incorporators are identical.

Each of the incorporators signing the articles, is required to make acknowledgment to his signature before a Notary Public. The certificate of the Notary secures the State, and all concerned, against the possibility of any fictitious names being subscribed to the articles, and furnishes proof of the genuineness of the signatures. An instrument which has been acknowledged may be offered in court without further proof. The signing and acknowledgment by the stockholders are express conditions precedent, such as are hereinbefore referred to, and cannot be dispensed with in a valid instrument of incorporation.

In California the following organization taxes are payable upon filing the articles of incorporation in the office of the Secretary of State, namely: Where the capital stock does not exceed \$25,000, \$15; \$75,000, \$25; \$200,000, \$50; \$500,000, \$75; \$1,000,000, \$100; over \$1,000,000, \$150. Fees for filing the articles amount to \$10 or \$12.

The California Legislature has recently enacted a law requiring the payment to the Secretary of State, between first Monday of July and first Monday in August, in each year, of the sum of ten dollars by all corporations, both foreign and domestic, organized for pecuniary profit. Penalty: Forfeiture of right to do business or of charter.

In the laws of most of the States, there are special provisions in respect to banking companies, building and loan associations, benevolent and literary associations, cemetery associations, insurance companies, mining companies, religious associations, railroad companies, savings banks, street railway companies, surety companies, water works, and other corporations. In California, the articles of incorporation of any railroad, wagon road or telegraph organization must set forth the additional facts recited in form No. 6, and of late there is a tendency in some of the States to provide for the creation of co-operative associations, which differ in some respects from the

ordinary corporation. In deciding upon the amount of the capital stock for which they shall subscribe, the incorporators should keep in mind the requirements of the law under which they are incorporating, and also the means whereby they propose to meet expenses. In California, for instance, assessments can be levied by the directors only after one-fourth of the capital stock has been subscribed, and no assessment must exceed ten per cent of the amount of the capital stock named in the articles of incorporation, except that, if the capital has not been paid up, and the corporation is unable to meet its liabilities, then the assessment may be for the full amount unpaid on the capital stock. Under this law, if the incorporators intend to meet expenses, pay debts, and conduct the business by means of assessments, they should see to it that one-fourth of the capital stock is subscribed, and that an assessment, not exceeding ten per cent, will provide the company with funds for a certain period or purpose. In New Jersey, incorporators are required to embody in the certificate of incorporation or by-laws the day or days on which dividends are to be declared, and if such days are not so appointed, then dividends must be declared uniformly in January in each year. These instances of the requirements of State laws might be multiplied; but enough has been said to indicate that incorporators should have some familiarity with the law under which they propose to incorporate. And if the articles of incorporation differ materially from the ordinary form, the incorpo-

rators will do well to have the instrument prepared by a corporation lawyer.

The manner of filing the articles of incorporation in the United States may be divided into two general modes, namely:—

(1) In Illinois and some of the other States, the promoters, or persons desiring to incorporate, prepare, acknowledge, and file with the Secretary of State, or other designated officer, a written declaration, signed by them, setting forth a statement of the usual facts enumerated in articles of association. Upon filing such written declaration, the Secretary of State issues a commission, constituting such persons commissioners, or board of incorporators, and giving them authority to open books of subscription to the capital stock. When a certain percentage of the capital stock has been subscribed, the incorporators call a meeting of the subscribers, and at such meeting a Board of Directors, and, in some cases, a President and other executive officers, are elected. Upon such organization and the payment of a certain percentage of the capital stock, the commissioners prepare and file with the Secretary of State, or other designated officer, a certificate of such proceedings, which certificate must be verified or acknowledged in the manner prescribed by the statute. Upon filing such certificate, the Secretary of State, or other designated officer, issues certificate of organization, attaching to it a copy of all of the papers previously prepared; the Secretary's certificate and accompanying papers

are then recorded in the office of the county recorder of the county in which the principal place of business is located, and the corporation is created.

(2) In organizing a corporation of California, the best practise is to prepare the original articles of incorporation, in the prescribed form, and also three copies thereof; one of the copies is retained by the incorporators, and the original and the remaining two copies are forwarded by mail, or delivered personally, to the County Clerk of the county in which the principal place of business of the corporation is located. The County Clerk files the original in his office, and attaches certificate of filing to the two copies, which are then forwarded to the Secretary of State. The Secretary of State files one of the certified copies in his office, and attaches certificate of filing to the other. Upon such filing, the Secretary of State issues, over the great seal of State, a certificate of incorporation.* The certificate of incorporation, and the certified copy of the articles of incorporation, are then forwarded to the incorporators, by express, C. O. D. The certified copy of the articles of incorporation, upon being received from the Secretary of State, is filed by the incorporators in the office of the County Clerk in which the property, or principal place of business, of the corporation is located. The copy so certified to by the Secretary of State must be received in all the courts and other places as *prima facie* evidence of the facts therein stated.

* See Form No. 9.

In the majority of the States and Territories a method similar to that explained in the preceding paragraph, is followed in preparing and filing articles of incorporation or articles of association.

Inasmuch as the word "charter" is sometimes used to designate the articles of incorporation of a private corporation, some confusion exists as to what is comprised in the term; it has been thus defined:—

A general statute, authorizing the incorporation of companies, and the articles of incorporation entered into under such law, are considered in the nature of a grant from the State, and these, taken together, constitute the charter of a private corporation. Every charter of a private corporation is a contract, (1) between the State and the corporation, to which each is solemnly bound, the State that it will not impair the obligation, and the corporation that it will perform the objects of its incorporation and keep within the powers granted to it; (2) between the stockholders, who are bound to consent to the management of the affairs of the corporation by the majority, and by the by-laws which that majority makes; (3) the whole agree with each other that they will apply the funds of the company to the objects and purposes of the charter, and not otherwise. Such contract can not be impaired by subsequent legislation.

A charter may be forfeited for non-user or mis-user, but its dissolution for either of these causes can be effected only by the judgment of a court of compe-

tent jurisdiction. Such matters can not be set up collaterally.

The due incorporation of any company, claiming in good faith to be a corporation, and doing business as such, can not be inquired into collaterally in any private suit to which such *de facto* corporation may be a party. A corporation *de facto* may legally do all that may be done by a corporation *de jure*. As against all persons who have entered into contracts with a corporation, although its organization may have been irregular or defective, it is sufficient for the corporation to show that it constitutes a corporation *de facto*. Two things are necessary to be shown in order to establish a corporation *de facto*, viz.: (1) the existence of a charter or some law under which a corporation, with the powers assumed, might lawfully be created; (2) a user by the party to the suit of the rights claimed to be conferred by such charter or law.

NO. 1.—OFFICIAL PROSPECTUS OF THE JOSEPH LADUE
GOLD MINING AND DEVELOPMENT COMPANY OF
YUKON.

Organized under the Laws of the State of New Jersey.

CAPITAL, - - - \$5,000,000.

Divided into 500,000 shares of \$10 each, fully paid and non-assessable, of which 250,000 shares are now offered for subscription at par, payable as follows:

One-half on application, and

One-half on notice of acceptance of subscription.

Allotments will be made in the order in which subscriptions are received.

Directors.

MR. JOSEPH LADUE, of Dawson, N. W. T.

Hon. CHAUNCEY M. DEPEW, of New York, President New York Central and Hudson River Railroad Company, etc.

Officers.

President and General Manager.....Mr. JOSEPH LADUE

First Vice-President.....Hon. SMITH M. WEED

Second Vice-President.....Hon. CHARLES H. MACINTOSH

Treasurer }Mr. ELMER F. BOTSFORD
Secretary }

Assistant Secretary.....Mr. SAMUEL T. CONKLING

Depositary: THE UNITED STATES NATIONAL BANK, New York, N. Y.

Attorneys: BROWN & WELLS, 36 Wall Street, New York, and BECKWITH & BOTSFORD, Plattsburg, New York.

Judge O. J. MORFORD, Dawson, Northwest Territory.

Auditors: MARWICK & MITCHELL, C. A., 31 Nassau St., New York.

General Counsel: Hon. J. S. L'AMOREAUX, 150 Nassau St., New York.

NEW YORK OFFICES:

20 Nassau Street, New York.

PROSPECTUS.

This Company has been organized to purchase and take over the valuable mineral and other properties hereinafter described and originally owned and developed by Mr. Joseph Ladue, of Dawson, N. W. T., nearly all of which properties are now productive.

The said properties consist of—

(a) A WELL-KNOWN AND WONDERFULLY RICH GOLD PLACER PROPERTY, located in the heart of the Gold Bottom Mining District of the Klondyke. This Gold Placer property embraces a zone 1,000 feet in length, and is situated near the City of Dawson. Development work, as far as prosecuted, shows the existence of a pay streak of gravel 1,000 feet in length, 4 feet in thickness, with a known width of 200 feet, which, with further development, is almost certain to expand to 400 feet. The yield of this property shows a result of \$12 per cubic foot in coarse nugget gold. Mr. Ladue estimates that TEN MEN, WITH PROPER MACHINERY, CAN WASH AND EXTRACT AN AVERAGE OF \$30,000 PER WEEK FROM THIS PROPERTY, basing his estimate upon the results of the work already done.

A conservative estimate of the value of the gold contained in this pay streak of gravel, taking the average width as only 200 feet, the length as 1,000 feet, and the thickness as 4 feet, would make the cubic contents of the pay streak 800,000 cubic feet, which, at the average value of \$12 per cubic foot, would give the sum of \$9,600,000. This result is reasonably certain to be doubled, as the average total width of gravel from rim to rim is 400 feet, 200 feet more than assumed in the above calculation.

Since the departure of Mr. Ladue from Dawson City, Mr. T. W. Kirkpatrick, hereinafter referred to, has been instructed to acquire other placer properties for his benefit. THOSE WHICH ARE ACQUIRED AND IN PROCESS OF ACQUIREMENT WILL HAVE A TOTAL LENGTH OF ONE MILE.

Upon the completion of the vesting of the titles to these properties in Mr. Ladue, they will be turned over by him to this Company, and it is reasonably safe to say that, keeping in view Mr. Ladue's great experience in this district, they will prove to be among the most valuable of the Company's assets.

(b) A GOLD-BEARING QUARTZ PROPERTY 1,500 FEET IN LENGTH BY 600 FEET IN WIDTH, thus containing an area of 900,000 square feet, located on the ridge east of Gold Bottom Creek, the vein having slate for its hanging wall and porphyry for its foot wall.

From the topography of the land and the geological indications, it is thought by persons well acquainted with the district that THIS IS THE MOTHER LODE FROM WHICH THE MILLIONS OF TREASURE OF THE GOLD BOTTOM-MINING DISTRICT HAVE BEEN DRAWN.

The development work already done shows that the ore is free milling, and the assays which have been made show an average return of \$300 per ton.

If the supposition that this is the MOTHER LODE of this district should be correct, it is perhaps unnecessary to state that this would be one of the half dozen really great gold properties of the world's history. If, on the other hand, it should prove to be incorrect, there nevertheless would remain a property of which the average assay is \$300 per ton; in other words, a property of extraordinary richness.

Arrangements are already being perfected for the erection of a stamp mill on this property, as well as for the full development thereof, so that the property will become productive in the immediate future.

(c) A GRANT BY THE CANADIAN GOVERNMENT giving to Mr. Ladue the franchise of the exclusive right to cut timber, known technically in Canada as a "Timber Berth" or "Timber Limits."

The importance of this grant can hardly be exaggerated, since it covers timber lands along both sides of the river for a distance of 15 miles from Dawson, and which, in conjunction with the sawmill hereinafter referred to, confers a practical monopoly of the lumber trade of the City of Dawson, since other lumber is obliged to be transported a considerable distance at heavy expense.

(*d*) A LARGE SAWMILL BUILT BY MR. LADUE NEAR DAWSON CITY. At the time of Mr. Ladue's departure from Dawson City this sawmill was earning a net average profit of \$1,350 per day. It is not expected that these profits will continue as proportionately high, but with the growing demand of a rapidly-increasing population for lumber for building purposes, for boats, fuel, flumes, sluice-boxes, and other mine uses, it is anticipated that the fortunate conjunction of the ownership in this Company of the timber grant above referred to and of this mill can not fail in itself alone to earn a moderate dividend on the capital stock of the Company.

(*e*) A CHOICE PARCEL OF EIGHTY CAREFULLY SELECTED LOTS, each of twenty-five feet frontage, to be located in the center of the business portion of the City of Dawson. With regard to these lots it is the intention of the company to sell some and to develop the remainder by erecting thereon, with the product of its sawmill and timber grants, such buildings as may be most suitable to the necessities of the City of Dawson, the easy rental of which at remunerative terms is most confidently expected, since a large demand exists for buildings of all characters.

The town site of which these lots form a part was duly preempted and entered by Mr. Ladue in accordance with the provisions of the Canadian land law. Full patent has not yet been issued, but according to advices from the land office of the Canadian Government at Ottawa, a full patent will shortly be delivered to Mr. Ladue.

(*f*) A CHARTER FROM THE GOVERNMENT OF THE NORTH-WEST TERRITORY GRANTING EXTRAORDINARY POWERS to those operating under it, to buy and sell and own and operate all kinds of mining property and mineral lands; to acquire and deal in real and personal property of every description, to build, own, and operate railways, tramways, roads, trails, boats for the public carrying trade, ditches and

canals, smelters, reduction works, power plants, stamp mills, sawmills, and to engage in any and all varieties of industrial enterprise within the Northwest Territory. Recent legislation prevents the granting of charters with such wide powers.

This charter is hence an asset of great value, since it makes the legal field of operation of this Company any form of industrial enterprise whatsoever, thus permitting it to engage in any undertakings which the future development of the Klondyke district may render profitable.

The agreement between Mr. Ladue and this Company relative to the taking over of the above-described properties is dated August 20, 1897, and provides, among other things, that the Company's possession of the said properties shall date from August 20, 1897, and that the Company shall be entitled to all profits in any way arising from said properties from such time, and that the purchase price of the several properties shall be paid to Mr. Ladue by the Company only upon approval by counsel and the Board of Directors.

For the development of the quartz property and of the new claims and for the active operations of the Company in such directions as circumstances may render profitable under the above charter, THE SUM OF ONE MILLION DOLLARS OF ITS CASH CAPITAL WILL BE SET ASIDE.

THE COMPANY ESTEEMS ITSELF PARTICULARLY FORTUNATE IN HAVING BEEN ABLE TO SECURE MR. JOSEPH LADUE AS PRESIDENT AND GENERAL MANAGER, AND MR. THOMAS W. KIRKPATRICK AS ITS SUPERINTENDENT.

The name and work of Mr. Ladue in particular are well known to the public. A resident of the upper Yukon district for fifteen years, he has been the foremost pioneer in the mining and industrial development of that wonderfully rich region.

He was virtually the discoverer of the marvelous Klondyke gold fields. He was the backer of Robert Henderson, the man whose lucky star led him to dig on the Klondyke, and to lay bare its unparalleled riches.

On appreciating his discovery Henderson hastened back to advise Mr. Ladue of it, and thus Mr. Ladue, being the first person outside of Henderson who knew thereof, hastened to the new fields, and, arriving before all others, was able to select and acquire the choicest gold properties there, to preempt the only ground valuable for a town site on the navigable waters of the Yukon and contiguous to the gold fields, and to establish his sawmills and obtain the franchise of the "timber berth," which virtually monopolizes the lumber trade of the Klondyke.

Of a lifelong experience in mines and mining camps, his trained intelligence led him to promptly possess himself of those interests which are most largely and quickly profitable in new mining fields.

Of Mr. Kirkpatrick it can be said that he is a trained mining engineer of over five years' local experience in the Klondyke region, and that he is at the present moment in the City of Dawson, on the ground, devoting his energies to the service of this Company.

It is the intention of this Company to have a permanent place in the development and growth of the Klondyke region, and that its operations will be very profitable, the Company's Directors are confident. The transportation of persons and supplies, the maintaining and operating of stores, the purchase and sale of ore, gold-dust, and bullion, all afford ample sources of profit.

As the name Ladue has been in the past associated with discovery, it is expected that the name of this Company will be associated with the growth and development of the country that his discovery has made famous.

Alive to the great field before it, this Company has laid its foundations carefully and solidly, and the character of the Canadian and American Directors serves as a guarantee that the administration of the Company will be characterized by healthy conservatism, intelligence and integrity.

The field of operations of the Company being in the remote district of the Yukon, the estimates and statements of facts herein are, of necessity, not within the personal knowledge of the Directors, Officers, or agents of the Company, but are the statements and estimates of Mr. Ladue, materially confirmed in essential particulars by high Canadian official and record authorities. The standing and character of Mr. Ladue in Klondyke, as in this country, are so well known and universally respected that they are believed by the Company. No representation, however, is made, or intended to be made, by the Company, its Officers or agents, as an inducement to influence dealings with it, except as herein set forth.

THIS COMPANY HAVING ACQUIRED EXTENSIVE HOLDINGS OF PRODUCTIVE KLONDYKE PROPERTY CAPABLE OF EARNING LARGE DIVIDENDS ON ITS STOCK, OFFERS TO INVESTORS ADVANTAGES NOT POSSIBLE BY ANY OTHER EXISTING COMPANY.

THE COMPANY DESIRES TO ADD THAT IT ALSO CONTEMPLATES THE UNDERTAKING OF TRANSPORTATION AND OTHER INDUSTRIAL ENTERPRISES UNDER ITS CANADIAN CHARTER WHICH PROMISE TO BE ENORMOUSLY PROFITABLE.

APPLICATIONS FOR SHARES.

Applications for shares should be addressed to the offices of the Company. All applications should be accompanied by a check for one-half of the amount of the value of the shares which are subscribed for, drawn to the order of Mr. Elmer F. Botsford, treasurer.

Requests for prospectuses, printed applications for shares, and for general information, should be addressed to the Company's offices, 20 Nassau Street, New York.

The subscription lists of the Company will be opened on August 28, 1897, at 10 A. M., and the right to close the same, without notice, is hereby especially reserved by the Company.

NO. 2.—SUBSCRIPTION AGREEMENT OF WATER CO.

We, the undersigned, hereby agree with each other, and the one with the other, that a Corporation shall be formed by us, under the name of "San Joaquin Land and Water Company," for the purpose of procuring water rights on one or more of the rivers or streams running through the Counties of Calaveras, Tuolumne, Stanislaus, and San Joaquin, in the State of California; to purchase, erect, and construct dams, reservoirs, canals, aqueducts, and other water-ways in and by which the water so procured from said rivers, or any of the same, can be utilized for general purposes; to secure and impound springs, streams, and other water in any of said counties, and lead the water so secured to any of such canals or water-ways; to supply farmers, miners, cities, towns, and villages with any of the said waters for mining, farming, drinking, irrigation, and other purposes; to negotiate for, buy, sell, let, improve, and cultivate lands and town lots in said state; lay out town lots and colony tracts, and sell and let such town lots and colony tracts; that the capital stock of said Corporation shall be \$1,000,000, divided into 10,000 shares of \$100 per share; and we hereby agree with each other, and one with the other, that we will take the number of shares of the capital stock of said Corporation which appears opposite our respective names hereunto subscribed, and will pay 20 per cent of the par value of the said shares so subscribed by us respectively, in five (5) days after the Articles of said Incorporation shall have been filed in the office of the County Clerk of said County of San Joaquin, and will pay the same to F. M. West, at the Stockton Savings and Loan Society Bank, at Stockton, Cal.; we hereby constitute said F. M. West as the agent to collect the amount which becomes due as aforesaid. We further nominate, constitute, and appoint L. U. Shippee, J. L. Beecher, and George Gray as our agents, and the agents of the Corporation so to be formed, to negotiate for the purchase of any

one or more water-rights, canals, reservoirs, aqueducts, or water-ways for said Corporation, and draw from said West any or all moneys that may have been paid to him by us respectively, by virtue hereof, and use said money for paying the same; and any and all contracts which our said agents may make in said matter shall be binding upon said Corporation, and also upon us. Our said agents are further authorized to employ engineers and other assistants, and have them survey routes for such canals and examine proper locations for dams, and do such other service as may be, in their opinion, for our best interest, and the interest of said Corporation, to accomplish the object or purpose for which the same is to be formed. Dated November 19, 1887.

No. 3.—SUBSCRIPTION AGREEMENT OF RAILROAD Co.

This agreement, made and entered into this — day of —, A. D. 1893, by and between the parties whose names are hereunto subscribed, witnesseth, that,

WHEREAS, It is the purpose of the undersigned to construct a continuous line of railroad to extend easterly from the City and County of San Francisco, or some convenient point on the Bay of San Francisco, State of California, by way of Stockton and Fresno, by a convenient and practicable route hereafter to be determined upon, to some point in Kern County; and, whereas, it is proposed and intended for that purpose to organize under the laws of the State of California a Corporation to be called the San Francisco, Stockton and San Joaquin Railroad Company, with a capital stock of six million dollars (\$6,000,000), for the purpose of constructing such railroad, so as to insure for the public benefit the existence and operation of a continuous competing line of railroad from the City and County of San Francisco through the San Joaquin Valley to such point in the County of Kern; and, whereas, the parties hereto, as business men, as shippers and consumers of

freight, and as individuals, as citizens of the State of California and as property-holders, will be directly and indirectly, jointly and severally, benefited by the construction of said railroad, and by the maintenance and operation of the same as a continuous and competing local line of railroad;

Now, therefore, this agreement witnesseth: That for the purpose of aiding, promoting, and forwarding the construction of said line of railroad, and for maintaining the same as a *bona fide* competing line, and for and in consideration of the premises, and for the sum of \$1.00 by each of the undersigned to the other in hand paid, the receipt whereof is hereby by each acknowledged, the undersigned parties hereto do hereby mutually covenant and agree, and bind themselves unto the other, and each to and with the said proposed Corporation, the San Francisco, Stockton, and San Joaquin Railroad Company, as follows, to wit:—

I.

Each of the undersigned hereby subscribes the sum set opposite his name to the capital stock of the said proposed Corporation, the San Francisco, Stockton and San Joaquin Railroad Company.

The subscriptions of the undersigned, and each of them, are made, however, upon the express condition precedent that, unless within ninety days from and after the date hereof, there shall be subscribed to the capital stock of the said San Francisco, Stockton and San Joaquin Railroad Company sums of money aggregating in all the amount of three hundred and fifty thousand dollars (\$350,000), the subscriptions of the undersigned and each of them shall be null and void; provided, however, that the Executive Committee of the Traffic Association of California shall have the power, by vote duly passed and recorded in their minutes, to extend the time within which said amount may be subscribed, but such extension shall not exceed six months, and if the said sum of three hundred and fifty thousand dollars (\$350,000)

shall be subscribed within ninety days, or within the time so extended, then these subscriptions shall be in full force and effect.

II.

The undersigned hereby further agree that said proposed Corporation may, for the purpose of convenience, be organized by other persons than the undersigned, or any of them, or by any number less than all of them, and that the Articles of Incorporation of said railroad company need not set forth, in the list of subscribers to its capital stock, all or any particular one of the names of, or the amounts subscribed by, the undersigned, and this covenant shall be deemed to have been made expressly for the benefit of said proposed Corporation and shall be irrevocable; and the subscriptions of the undersigned shall be valid and binding upon the undersigned, and the subscriber shall be liable thereon to the said proposed Corporation, the San Francisco, Stockton and San Joaquin Railroad Company, whether the amount subscribed by the undersigned and by whom subscribed be set forth by the Articles of Incorporation of said proposed Corporation or not.

III.

Each of the parties hereto further covenants and agrees to and with the others, and with said proposed Corporation, that the said shares of stock of the said proposed Corporation, and each and all of them, subscribed for by him may be issued in the names of nine Trustees (pledged to maintain the road as a competitive line), who shall be selected as hereinafter provided, and that said Trustees, their survivors or survivor, and successors, shall for the term of ten (10) years after the 1st day of January, 1893, have the exclusive right and power to vote such stock in such manner as the majority of the Trustees shall determine at any and all meetings of the stockholders thereof, and for any and all purposes, and to

sign, execute and acknowledge as stockholders any and all documents, papers, written assents, By-Laws, or amendments to By-Laws, contracts, acts or deeds, which in the opinion of a majority of said Trustees it may be necessary, desirable or expedient to so sign, execute or acknowledge; and the power herein conferred upon the said Trustees by the respective parties hereto is and shall be irrevocable for the said term of ten (10) years, and shall be deemed to be coupled with an interest in the stock of the respective parties hereto, so held in trust, which interest the said Trustees shall hold for the benefit of all other parties hereto.

And it is further covenanted and agreed that the said nine Trustees shall be elected by the subscribers to the capital stock whose aggregate subscriptions, in order of time of subscription, shall first amount to the sum of three hundred and fifty thousand dollars (\$350,000); and the said election shall be conducted upon the system of cumulative voting as provided in section 307 of the Civil Code of California.

And it is further covenanted and agreed that in the event of a consolidation of the said proposed Corporation with any other corporation, and as often as any consolidation shall be made, it shall be in the discretion of the said Trustees to surrender to such consolidated Corporation the certificates of stock held by them as aforesaid, and receive in exchange therefor new certificates in such consolidated Corporation or corporations, to be held on the same trusts as those herein expressed.

And it is further understood and agreed that the said Trustees shall cause to be issued Trustees' certificates for stock, which certificates shall respectively set forth the number of shares of stock in the said Corporation, held in trust for each subscriber or his successor in interest, and shall also specify that the said stock is held subject to the following irrevocable trusts, to wit:—

Said Trustees, their survivors, survivor, successors and

successor, shall hold said shares with full power to fill from time to time each and every vacancy in their number upon the joint written nomination of a majority of the surviving Trustees, approved in writing by the holders of a majority of the Trustees' certificates issued hereunder.

Each new Trustee shall, from and after the filing of said nomination, so approved in the office of the said railroad company, be as fully vested with said trust as if he was one of the original Trustees above named.

Second. Said Trustees above named, their survivors, survivor, successors and successor, shall, as stockholders and owners, vote said shares for all purposes whatsoever, upon every question raised at each and every meeting of said Company, whether annual or special, and at any and all stockholders' elections, as the majority of them shall in their discretion from time to time determine, and shall also sign, execute and acknowledge as stockholders any and all documents, consolidation papers, written assents, By-Laws, amendments to By-Laws, contracts, acts or deeds which in the opinion of a majority of said Trustees it may be necessary, desirable or expedient to so sign, execute or acknowledge.

Such Trustees' certificates shall further set forth respectively that the shares represented thereby are transferable only upon surrender of such certificates by a conveyance in writing signed by the person to whom the same is issued, or his attorney thereunto lawfully authorized and registered in the Trustees' transfer book therefor kept by the parties designated by the Trustees for that purpose, and that every person accepting any transfer thereof declares by so doing that he receives said shares subject to said trust, and that such certificate is not valid until signed by two of said Trustees and registered as aforesaid.

The said certificates shall be transferable by indorsement

and registration, as above provided, in the same manner as shares of stock ordinarily are.

Five shares of stock each may be transferred by the Trustees to, and allowed to stand in the names of, the persons selected as Directors of the proposed railroad company to qualify them as such.

And it is further covenanted and agreed that in the event of any consolidation of the said proposed Corporation with any other corporation, after such certificates have been issued, and also in the event of any consolidation of such consolidated Corporation thereafter with any other corporation, then said Trustees shall have the power at any time, by a majority vote, to call in such issued certificates and exchange the same for other Trustees' certificates similar in form, but representing stock in such new or consolidated Corporation.

This agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, and all parties thereto, and all parties who shall subscribe their names to this agreement, or to other agreements substantially identical herewith, shall be deemed parties to this agreement, and each and every subscriber hereto affixing his name thereby covenants and agrees to and with such parties as subscribe their names to agreements identical or substantially identical herewith, with the same force and effect as if the names of such other parties were hereunto subscribed.

It is further understood that no call shall be made until the amount of three hundred and fifty thousand dollars (\$350,000) shall have been subscribed, and subscriptions shall be then payable in instalments, extending through six months or more, as the Board of Directors of said proposed Corporation may determine.

NO. 4.—ARTICLES OF INCORPORATION OF A STOCK CORPORATION (California).

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ARTICLES OF INCORPORATION
OF THE

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, a majority of whom are citizens and residents of the State of California, have this day voluntarily associated ourselves together for the purpose of forming a Corporation under the laws of the State of California.

AND WE HEREBY CERTIFY,

First. That the name of said Corporation shall be _____.

Second. That the purposes for which it is formed are _____.

Third. That the place where the principal business of said Corporation is to be transacted is _____.

Fourth. That the term for which said Corporation is to exist is _____ years, from and after the date of its incorporation.

Fifth. That the number of Directors or Trustees of said Corporation shall be _____, and that the names and residences of the Directors or Trustees, who are appointed for the first year, and to serve until the election and qualification of such officers, are as follows, to wit:

NAMES.	WHOSE RESIDENCE IS AT

Sixth. That the amount of the Capital Stock of said Corporation is —— Dollars, and the number of Shares into which it is divided is ——, of the par value of —— Dollars each.

Seventh. That the amount of said Capital Stock which has been actually subscribed is —— Dollars, and the following are the names of the persons by whom the same has been subscribed, and the amount subscribed by each of them, to wit:

NAMES OF SUBSCRIBERS.	NO. OF SHARES.	AMOUNT.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this —— day of ——, 18—.

—— ———, [SEAL]

—— ———, [SEAL]

—— ———, [SEAL]

(ACKNOWLEDGMENT.)

STATE OF CALIFORNIA, }
COUNTY OF —— } ss.

On this —— day of —— n the year one thousand eight hundred and ninety ——, before me, ——, a Notary Public in and for said County of ——, State of California, personally appeared —— ——, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public in and for —— County, State of California.

NO. 5.—CERTIFICATE OF INCORPORATION OF A TRUST CORPORATION FORMED UNDER THE LAWS OF THE STATE OF NEW JERSEY, AND PROVIDING FOR COMMON AND PREFERRED STOCK, AND CONTAINING MUCH THAT IS WORTHY OF STUDY.

Ten cents Internal Revenue Stamp Canceled.

Certificate of Incorporation of the "Colonial Construction Company."

Registered Office with the New Jersey Registration and Trust Company, East Orange, N. J.

NAME.

First. The name of the Corporation shall be Colonial Construction Company.

PRINCIPAL OFFICE.

Second. The location of its principal office in the State of New Jersey shall be at No. 500 West Main Street, at East Orange, in the County of Essex, and said Corporation shall be registered with the New Jersey Registration and Trust Company. The said Trust Company is the agent therein, and in charge thereof, and upon whom process against this Corporation may be served.

OBJECTS.

Third. That the objects for which, and for each of which, this Corporation is formed are:

To manufacture, buy, sell, deal in and deal with steel or iron, or both, and all like or kindred products; to mine, manufacture, prepare for market, market and sell the same, and any articles or product in the manufacture or composition of which metal is a factor, including the acquisition by purchase, mining, manufacture, or otherwise of all material,

supplies, and other articles necessary or convenient for use in connection with and in carrying on the business herein mentioned, or any part thereof.

To build, construct, repair, maintain, and operate water, gas, or electrical works, tunnels, bridges, viaducts, canals, wharves, piers, and (outside of the State of New Jersey) railroads and any like works of internal improvement or public use or utility.

In furtherance, and not in limitation, of the general powers conferred by the laws of the State of New Jersey, and of the objects and purposes as herein above stated, it is hereby expressly provided that the Company shall have also the following powers, that is to say:

POWERS.

(a) To do any or all of the things herein set forth as objects, purposes, powers or otherwise, to the same extent and as fully as natural persons might or could do, and in any part of the world, as principals, agents, contractors, trustees or otherwise.

(b) To conduct its business in all its branches and have one or more offices, and unlimitedly to hold, purchase, and convey, real and personal property, both within and without the State of New Jersey, and in all other States, Territories, and Colonies of the United States, and in all foreign countries and places.

(c) To manufacture, purchase, or otherwise acquire, hold, own, sell, assign and transfer, invest, trade, deal in and deal with goods, wares and merchandise and property of every class and description, and to do both mining and manufacturing of any kind.

(d) To purchase or otherwise acquire, to hold, own, maintain, work, mine, develop, to sell, convey, or otherwise dispose of, without limit as to amount, within or without the State of New Jersey, and in any part of the world, real estate and real property, and any interest and rights therein.

(*e*) To acquire the good will, rights and property of all kinds, and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation and to pay for the same in cash, stock of this Company, bonds or otherwise.

(*f*) To apply for, obtain, register, purchase, lease or otherwise acquire, and to hold, own, use, operate, introduce and sell, assign, or otherwise dispose of, any and all trade-marks, trade names, and distinctive marks, and all inventions, improvements and processes used in connection with or secured under Letters Patent of the United States or elsewhere, or otherwise, and to use, exercise, develop, grant licenses in respect of, or otherwise turn to account, any such trade-marks, patents, licenses, concessions, processes and the like, or any such property, rights and information so acquired, and with a view to the working and development of the same, to carry on any business, whether mining, manufacturing, or otherwise, which the Corporation may think calculated, directly or indirectly to effectuate these objects.

(*g*) To hold, purchase, or otherwise acquire, to sell, assign, transfer, mortgage, pledge or otherwise dispose of shares of the capital stock, bonds, or other evidences of indebtedness created by other corporation or corporations, and while the holder of such stock to exercise all the rights and privileges of ownership, including the right to vote thereon, to the same extent as a natural person might or could do.

(*h*) To purchase, lease, exchange, hire, or otherwise acquire, any and all rights, privileges, permits or franchises suitable or convenient for any of the purposes of its business; to erect and construct, make, improve, or aid or subscribe towards the construction, making and improvement of mills, factories, storehouses, buildings, roads, docks, piers, wharves, houses, for employees and others, and works of all kinds; and in conjunction with and in furtherance of the general business and purposes of the Corporation, as above described, to construct, lease, own, operate, or sell a railroad or railroads, or both, in

any State or country other than the State of New Jersey, subject to the laws of such other State or country, either directly or through the ownership of stock of a corporation formed or to be formed for the purpose under the laws of such other State or country.

(i) To guarantee the payment of dividends or interest on any shares, stocks, debentures, or other securities issued by, or any other contract or obligation of, any corporation whenever proper or necessary for the business of this Corporation in the judgment of its Directors, or the Executive Committee.

(j) To make and enter into contracts of every sort and kind with any individual, firm, association, corporation, private, public, or municipal, body politic, and with the Government of the United States, or any State, Territory or Colony thereof.

(k) To do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or attainment of any one or more of the objects herein enumerated, or which shall at any time appear conducive or expedient for the protection or benefit of the Corporation, either as holders of or interested in any property, and in general to carry on any business, whether manufacturing, mining, or otherwise.

IT IS THE INTENTION that the objects, purposes and powers specified and clauses contained in this third paragraph shall, except where otherwise expressed in said paragraph, be no-wise limited or restricted by reference to or inference from the terms of any other clauses of this or any other paragraph in this charter, but that the objects, purposes and powers specified in each of the clauses of this paragraph shall be regarded as independent objects, purposes and powers.

CAPITAL STOCK.

Fourth. The total amount of the capital stock of this Corporation is to be fifty-nine million dollars (\$59,000,000), divided into five hundred and ninety thousand (590,000) shares of one hundred dollars (\$100) each. Of the said

stock two hundred and seventy thousand (270,000) shares, amounting at par to twenty-seven million dollars (\$27,000,000), are to be preferred stock, and three hundred and twenty thousand (320,000) shares, amounting at par to thirty-two million dollars (\$32,000,000), are to be common stock.

The rights, privileges and conditions following shall attach to the shares aforesaid, that is to say:

(1) The common stock shall be subordinate to the rights of the preferred stock, except that both preferred and common stock shall have equal voting powers.

(2) The corporation shall not be at liberty without the consent in writing first obtained of the holders of two-thirds in amount of the preferred stock issued and outstanding:

(a) To create or issue any other or further shares ranking in any respect *pari passu** with or in priority to the aforesaid issue of \$27,000,000 of preference shares.

(b) Nor to create any charge, except as herein provided, upon the net profits of the corporation which shall not be subordinate to the right of the preference shares.

(c) Nor to reserve a surplus fund which shall not be chargeable with the payment of the accrued dividends on the preference shares.

(3) The said preference shares shall carry a fixed cumulative preferential dividend at the rate of, but never exceeding, seven per cent (7%) per annum on the par value thereof, and such dividends shall be declared quarterly on the second days of January, April, July and October in each year, or at such other times as the Board of Directors or the Executive Committee shall see fit and determine.

If in any year dividends amounting to seven per cent (7%) per annum shall not be paid on such preferred stock, the deficiency shall be a charge on the net profits and be payable, but without interest, before any dividends shall be paid upon or set apart for the common stock.

* By the same gradation.

(4) The balance of the net profits of the corporation after the payment of said cumulative dividend at the rate of seven per cent (7%) per annum to the holders of the preferred stock, may be distributed as dividends among the holders of the general or common stock, as and when the Board of Directors or the Executive Committee shall in their discretion determine.

(5) In the event of the liquidation or dissolution of the Corporation the surplus assets and funds thereof shall be applied in the first place in repaying to the holders of the aforesaid cumulative preference shares the full amount of the principal thereof and the accrued dividends, if any, charged, before any amount shall be paid upon the common stock, and after such payment in full to the holders of said cumulative preference shares, the surplus assets and funds shall belong to and be divided among the holders of the other shares.

From time to time the preferred and common stock may be issued in such amount and proportion as shall be determined by the Board of Directors, in accordance with the laws of the State of New Jersey.

DIRECTORS.—CLASSIFICATION.

Fifth. The Directors of the Corporation shall be divided in respect to the time for which they shall severally hold office, into five classes, equal in number. The first class shall be elected for a period of five years, the second class for a period of four years, the third class for a period of three years, the fourth class for a period of two years, and the fifth class for a period of one year; and at each annual election after 1899, the successors to the class of Directors whose terms expire in such year, shall be elected to hold office for five years, so that the term of office of at least one class shall expire in each year.

In case of an increase in the Board of Directors between the annual election by the stockholders, the newly created

Directorship shall be, and be construed as, vacancies until the next annual election to be filled forthwith by the Board.

INCORPORATORS, NAMES AND POST-OFFICE ADDRESS.

Sixth. The names and post-office address of the incorporators and the number of shares of common stock subscribed for by each, the aggregate of which (\$10,000) is the amount of capital stock with which this Corporation will commence business, are as follows :

NAME.	P. O. ADDRESS.	NO. SHARES OF COMMON STOCK.
C. R. Hoopes.....	85 Chestnut St., New York, N. Y.	40
O. L. Lefferts.....	West Seneca, N. Y.....	30
James Hyde.....	West Seneca, N. Y.....	30

DURATION.

Seventh. The duration of the Corporation is to be perpetual.

REGULATIONS AND LIMITATIONS.

Eighth. (1) The Corporation shall have no power to mortgage its real property, except upon the assent in writing first obtained of the holders of two-thirds of the issued preferred stock hereinbefore described, or upon the affirmative vote of the holders of a majority of the said preferred stock at a meeting of the preferred stockholders duly called for that purpose; and upon such assent so obtained, or upon such affirmative vote so had, and not otherwise, the Corporation shall have power to mortgage its real property to secure an issue of bonds or otherwise.

(2) The Board of Directors shall have power without the assent or vote of the stockholders, to make, alter, amend and rescind the By-Laws of this Corporation, and, subject always to the payment of the dividends on the preferred stock, to fix the amount to be reserved as working capital.

(3) With the assent in writing or pursuant to the vote of the holders of two-thirds of all the stock, irrespective of class, issued and outstanding, the Directors shall have power and authority to sell, assign, transfer, convey, or otherwise dispose of the property and assets of this Corporation as an entirety on such terms and conditions, and for such consideration, as the Directors shall deem fit, right, and just.

(4) The Board of Directors, and when the Board is not in session the Executive Committee, in addition to the powers and authorities by statute and by the By-Laws expressly conferred upon them, are hereby empowered to exercise all such powers, and to do all such acts and things as may be exercised or done by the Corporation, but subject, nevertheless, to the provisions of the statute, of the charter, and to any regulations that may from time to time be made by the stockholders; provided that no regulations so made shall invalidate any provisions of this charter, or any prior acts of the Directors or Executive Committee which would have been valid if such regulations had not been made.

(5) There shall be an Executive Committee of seven members, who shall be elected by the stockholders from the Directors, and hold office as hereinafter provided. The said committee shall have and exercise all the powers expressly conferred upon it by this Certificate of Incorporation, and also all the powers of the Board of Directors whenever a quorum shall fail to be present at any stated or other meeting of the Board, and as well at all times whenever the Board shall not be in session, and shall have power to affix the seal of the Corporation to all papers which they may deem to require it.

The officers of the committee shall be a Chairman, a Vice-Chairman, and a Secretary, who shall hold office during the term of their office as members of the committee, and shall be elected by the stockholders.

At all meetings of the committee all questions shall be decided by a majority of votes, and in case of an equality of votes, the Chairman, and in his absence the Vice-Chairman, and in the absence of both the Secretary, shall have a second and deciding vote.

The stockholders shall, at their first meeting, elect by ballot the said committee of seven members from the Directors elected at such meeting and shall also elect the said officers thereof.

The stockholders shall determine and fix the compensation to be paid to the members of the committee and to any of the officers thereof, as such, and the compensation of any member or officer of the committee, so fixed, shall not be diminished during his tenure.

At every annual meeting after the first meeting, whenever the term of office of any member or officer of the committee shall expire, the stockholders shall elect a successor. Any member of the committee may be elected to succeed himself.

Any director, irrespective of class, is eligible to election as a member of the Executive Committee.

The term of office of each member of the committee shall be co-extensive with the term of his office as Director, unless the stockholders at the time of his election shall fix a shorter period or term of office, which they shall have power to do. Any member of the committee who shall cease to be a Director of the Company shall *ipso facto* cease to be a member of the committee.

Neither the Directors nor the members of the Executive Committee nor the President nor Vice-President shall be subject to removal during their respective terms of office, nor shall their terms of office be diminished during their tenure.

All vacancies in the Executive Committee shall be filled for the unexpired term from the Directors by the remaining members of the committee.

(6) The Directors shall, from time to time, determine whether, and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation, or any of them, shall be open to the inspection of the stockholders, and no stockholder shall have any right to inspect any account, or book, or document of the Corporation except as conferred by statute of New Jersey, or authorized by the Directors.

(7) The Directors shall have power to hold their meetings, to have one or more offices and to keep the books of the Corporation (except the stock and transfer books) outside of this State, at such places as may from time to time be designated by them.

THE UNDERSIGNED, for the purpose of forming a corporation in pursuance of an Act of the Legislature of New Jersey entitled "An Act Concerning Corporations (Revision of 1896)," and the various acts amendatory thereof and supplemental thereto, do make, record and file this certificate, and do respectively agree to take the number of shares of stock hereinbefore set forth, and accordingly hereunto set our hands and seals.

Dated, East Orange, N. J., May 22, 1899.

In the presence of	}	C. R. HOOPES,	[SEAL]
MARK BOYCE.		O. L. LEFFERTS,	[SEAL]
		JAMES HYDE,	[SEAL]

STATE OF NEW YORK,	}	SS.
COUNTY OF NEW YORK.		

Be it remembered that on this 22d day of May, A. D. eighteen hundred and ninety-nine, before me, a Commissioner of Deeds for the State of New Jersey, residing in New York, personally appeared C. R. Hoopes, O. L. Lefferts, and James Hyde, who I am satisfied are the persons named in and who executed the foregoing certificate, and I having first made known to them, and each of them,

the contents thereof, they did each acknowledge that they signed, sealed and delivered the same as their voluntary act and deed.

JOHN H. BECKLEY,

[SEAL] A Commissioner of Deeds for the State of
New Jersey, residing in New York.

(10c I. R. Stamp Can.)

Received in the Clerk's office of the County of Essex, on the 22d day of May, A. D. 1899, and recorded in Book 20 of Incorporated Business Companies for said county, page 110.

WILLIAM O. KUEBLER, Clerk.

ENDORSED.

“Filed May 24, 1899.

GEORGE WURTS,
“Secretary of State.”

NO. 6.—ARTICLES OF INCORPORATION OF RAILROAD CORPORATION.

KNOW ALL MEN BY THESE PRESENTS:

That we, ———, of the County of ———, State of California, and subscribers to the capital stock of the proposed corporation hereinafter named, being desirous of organizing a corporation under and pursuant to the provisions of Article One, Chapter One of Title One of Part IV of the Civil Code of the State of California, to that end do hereby certify and declare as follows:

I.

That we do hereby erect ourselves into a Corporation under and pursuant to the provisions of said Civil Code, under the corporate name and style of the *Los Angeles and San Diego Railroad Company*.

II.

That said Corporation is formed for the following purposes, namely: (See Form No. 11.)

III.

That said railroad is to commence at a point at or near the *City of Los Angeles* in said *Los Angeles County*, there to connect with the railroad of the *Southern Pacific Railway Company* and run from thence in a general southeasterly direction, by the most practicable route, through and into said *Counties of Los Angeles, Orange and San Diego* and to terminate in said *San Diego County* at or near the *City of San Diego*.

IV.

That the estimated length of said road is *one hundred miles*, as near as may be.

V.

Principal place of business.

VI.

Term of existence.

VII.

Directors.

VIII.

Capital stock.

(To statement of capital stock add:)

Being one thousand dollars for each mile of said road.

IX.

Subscribers and amount.

X.

Before the filing of these articles, the subscribers hereto have duly elected a Treasurer, to wit: *Lucien Lansing*, to whom there has been paid for the use and benefit of said Corporation the sum of twenty thousand dollars, being ten per cent of the amount of the subscribed capital stock of the Corporation.

SIGNATURES.—ACKNOWLEDGMENT.

STATE OF CALIFORNIA,
CITY AND COUNTY OF LOS ANGELES. } ss.

Lucien Lansing, being first duly sworn, deposeth and saith: That he is the person named as Treasurer in the Articles of Incorporation of the *Los Angeles and San Diego Railroad Company* filed herewith; that the required amount of the capital stock of said Corporation, to wit: the sum of *one hundred thousand* dollars, has been actually subscribed, the same being *one thousand* dollars for each mile of said contemplated railroad or work; that there has been actually paid to the affiant, as such Treasurer, the sum of *ten thousand* dollars for the use and benefit of said Corporation, said amount so paid being ten per cent of the amount of the capital stock of said Corporation actually subscribed. And further deponent saith not.

LUCIEN LANSING.

Subscribed and sworn to before me this 9th day of *August*,
A. D., 1887.

JASPER GOODWIN,
Notary Public.

In and for the County of Los Angeles, State of California.

NO. 7.—ARTICLES OF INCORPORATION OF A NON-STOCK CORPORATION (California).

ARTICLES OF INCORPORATION

OF THE

LEAGUE FOR BETTER CITY GOVERNMENT IN

LOS ANGELES.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, all of whom are citizens and residents of the City of Los Angeles, State of California, and members of the unincorporated association known as the League for Better City Government of Los Angeles, desiring to incorporate ourselves under the provisions of

Division I, Part IV, Title XII, of the Civil Code of the State of California, do hereby certify:

First. That the name of said Corporation shall be the LEAGUE FOR BETTER CITY GOVERNMENT IN LOS ANGELES.

Second. That the purposes for which it is formed are to cultivate and foster a spirit of civic patriotism among the citizens of Los Angeles, and to do all things lawful to bring about and maintain efficient and economical administration of municipal affairs in the city.

Third. That the place where the principal business of said Corporation is to be transacted is the City of Los Angeles, County of Los Angeles, State of California.

Fourth. That the term for which said Corporation is to exist is fifty years, from and after the date of its incorporation.

Fifth. That the number of Directors of said Corporation shall be twice the number of wards from time to time existing in the City of Los Angeles, plus five, two of which Directors shall reside in and be elected from each ward, and five of whom shall be elected from the city at large, as shall be more specifically set out in the By-Laws to be hereafter adopted. That the number of the Directors appointed to serve until the first annual meeting, and until the election and qualification of their successors, is twenty-three, and their names and residences are as follows:

NAMES.	WHOSE RESIDENCE IS AT

That pursuant to notice, authorized by resolution of the Central Committee of said Association and signed by the President and Secretary, designating the objects of the meeting and the time and place at which it should be held, duly and personally served upon each member thereof, in accordance with the rules and regulations of said Association, a meeting of the regular members of said Association,

to wit, the League for Better City Government of the City of Los Angeles, was duly held at _____, in the said City of Los Angeles, on the _____ day of _____, 1897, at _____ o'clock _____ M., being respectively the place and time named in said notice, for the purpose, among other things, of considering and acting upon the question of incorporation, and, if the same should be approved and determined upon, to elect Directors to serve until the next annual meeting.

That at said meeting a majority of the regular members of said Association were present, either in person or by proxy, and, by resolution duly passed, determined to incorporate, and to elect twenty-three Directors, and voted at such election, then and there regularly held, by ballot.

That at such election, the foregoing named twenty-three persons were duly and regularly elected as Directors, to serve until the first annual meeting, to be held as hereafter fixed by the By-Laws, and the election and appointment of their successors, as is more particularly set forth in the certificate and verification made by the officers who conducted the said election, hereto annexed and made a part of these Articles.

Sixth. That this Corporation is not formed for profit and has no capital stock.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____ 1897.

(Here follows Certificate of Acknowledgment by at least five of the signers.)

STATE OF CALIFORNIA, }
 COUNTY OF LOS ANGELES. } ss.

and _____
 being duly sworn, depose and say, and each for himself deposes and saith: That the meeting of the Association

known as the League for Better City Government of the City of Los Angeles, described and set forth in the foregoing Articles of Incorporation, was duly and regularly called and held in the manner and at the time and place set forth above.

That at the said meeting, the said _____ was duly elected Chairman by the members present, and did preside at said meeting; that said _____ was duly elected and acted as Secretary of said meeting; that said _____ and _____ were duly appointed and acted as a Committee on Credentials and Proxies; that said _____ and _____ were duly appointed and acted as Tellers at the election hereinafter mentioned; that at said meeting there were present, either in person or by proxy, as evidenced by duly written appointment duly filed with the Secretary of said meeting, _____ members of said Association, being more than a majority of the entire number of said members in regular standing and entitled to vote in accordance with the rules and regulations of said Association; that the foregoing Articles of Incorporation were presented, read to and approved by the meeting; that thereupon an election by ballot was duly had and held for twenty-three Directors, of whom five were to be elected from the city at large, and two from and residing in each ward of the city; that more than a majority, to wit, _____ of the members of said Association in regular standing voted, either in person or by their said proxies, and, the votes being canvassed, the following named persons were found to have received the highest number of votes, to wit:

From the First Ward—

And, etc.

Whereupon the Chairman declared the same duly elected Directors of the Corporation, to serve until the first annual

meeting thereafter (to be fixed by the By-Laws), and until their successors are elected and qualified.

Subscribed and sworn to before me
this _____ day of _____, 1897.

Notary Public in and for the County
of Los Angeles, State of California.

NO. 8.—ARTICLES OF ASSOCIATION OF A CO-OPERATIVE ASSOCIATION (California).

ARTICLES OF ASSOCIATION

OF THE

SOUTHERN CALIFORNIA FRUIT EXCHANGE.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a Co-operative Association under the laws of the State of California.

AND WE HEREBY CERTIFY,

First. That the name of said Association shall be the Southern California Fruit Exchange.

Second. That the purposes for which it is formed are:
(a) To promote the interests of producers of fruits and other food products of Southern California, especially by collecting and disseminating information and statistics bearing upon the preparation and marketing of said products; to establish

uniformity in methods of grading and packing; to extend and develop markets. (b) To borrow money; to loan and make advances of the same upon products in possession, or under the control, of the Corporation, and to promote the formation of local co-operative associations to affiliate with this Corporation and to assist in establishing their credit. (c) To purchase, for the different local associations, all supplies used in raising, preparing and marketing said fruit and food products; to lease, purchase or otherwise obtain such real or personal property as may be necessary to the transaction of the business of the Corporation, and to sell or otherwise exchange or dispose of the same. (d) To receive, store and market, for account of its different associations, all fruit and other food products intrusted to the Corporation for the purpose, on such terms as the Board of Directors shall prescribe.

Third. That the place where the principal business of said Association is to be transacted is Los Angeles, Los Angeles County, State of California.

Fourth. That the term for which said Association is to exist is twenty years, from and after the date of its formation.

Fifth. That the number of Directors of said Association shall be seven, and that the names and residences of Directors who are selected for the first year, and to serve until the election and qualification of such officers, are as follows, to wit:

NAMES.	WHOSE RESIDENCE IS AT
<i>M. O. Randall</i>	Newhall, Cal.
<i>J. B. Neff</i>	Camulos, Cal.
<i>R. Dunn</i>	Fillmore, Cal.
<i>J. A. Brown</i>	Bardsdale, Cal.
<i>F. A. Bliss</i>	Los Angeles, Cal.
<i>S. G. Butler</i>	Burbank, Cal.
<i>A. R. Sprague</i>	Orange, Cal.

Sixth. That the amount which each member of said Association is to pay upon admission thereto, as a membership fee, shall be one dollar.

Seventh. That each member thereof whose signature is hereunto attached has actually paid in said sum.

Eighth. That the interest and right of all members of said Association shall be equal.

IN WITNESS WHEREOF, we have hereunto set our hands and seals, this tenth day of May, A. D. 1899.

M. O. Randall, [SEAL]

J. B. Neff, [SEAL]

R. Dunn, [SEAL]

J. A. Brown, [SEAL]

F. A. Bliss, [SEAL]

L. G. Butler, [SEAL]

A. R. Sprague, [SEAL]

(Acknowledgment as in form No. 4.)

NO. 9.—CERTIFICATE OF FILING OF ARTICLES OF INCORPORATION, ISSUED BY SECRETARY OF STATE.

CERTIFICATE OF INCORPORATION.

STATE OF CALIFORNIA, }
DEPARTMENT OF STATE. }

I, L. H. Brown, Secretary of State of the State of California, do hereby certify that a copy of the Articles of Incorporation of the *Fraternal Mutual Building and Loan Association*, certified by the County Clerk of the County of Los Angeles as a copy of such Articles filed in his office, was filed in this office on the 17th day of April, A. D. 1895, which Articles and the copy thereof contained the required Statement of Facts, to wit: First, the name of the Corporation as aforesaid;

second, the purpose for which it is formed; third, the place where its principal business is to be transacted; fourth, the term for which it is to exist; fifth, the number of its Directors or Trustees, and the names and residences of those who are appointed for the first year; sixth, the amount of its capital stock, and the number of shares into which it is divided; seventh, the amount of its capital stock actually subscribed, and by whom.

[GREAT
SEAL
OF STATE]

WITNESS my hand and the Great Seal of State, at office in Sacramento, California, this, the 17th day of April, A. D. 1895.

L. H. Brown,
Secretary of State.

PURPOSES: STOCK CORPORATIONS.

NO. 10.—PURPOSES OF ELECTRIC LIGHT, HEAT AND POWER CO.

That the purposes for which said Corporation is formed are to manufacture, produce, generate or otherwise obtain electric light, power and heat from the waters of the *San Luis Rey River* in the *County of San Diego, State of California*, and from other waters and substances; to condemn and obtain rights of way, easements and franchises for the purposes of marketing, selling, storing, furnishing, conducting and transporting water, light, power and heat to such places as may be deemed convenient by the Board of Directors of said Corporation; to sell, furnish and deal in electric light, heat and power, and to dispose of such portions thereof as

may not be used by this Corporation, to cities, towns, villages, private corporations and individuals; to erect, construct and operate such buildings, structures, machinery, apparatus, and devices as may be deemed necessary or convenient by the Board of Directors of said Corporation, for the purposes of the Corporation; to buy, sell and deal in such goods, wares, merchandise and materials as may be, by said Board of Directors, deemed necessary or convenient in furnishing men and means for carrying on said business; to locate, claim, divert and otherwise acquire water and water rights under the laws of the *State of California* for all purposes; to construct, acquire and maintain ditches, dams, tunnels, levees, viaducts, bridges, embankments and excavations, to, across and from any water course, lake, stream or water-way, and to sell, lease, grant or otherwise dispose of so much of the water or water rights thus secured, controlled or appropriated, as may not be used by this Corporation, to certain persons or corporations by certain special contracts or otherwise; to transmit electric light, power and heat to purchasers thereof and to such places as the Board of Directors shall deem proper, by means of poles and wires, conduits and subways, or otherwise, over or through any lands or waters, or both, in said *State of California* and elsewhere, if the purposes of said Corporation shall so require; to acquire by deed, gift, will, grant, or otherwise, lands, tenements, hereditaments, leasehold estates, water, water rights, bonds, notes, bills, claims, evidences of indebtedness, stock of incorporated companies, franchises, privileges, patent rights and licenses, property and every estate, right, interest and appurtenance in, to or concerning real and personal property of every name and nature, legal and equitable, and to have and to hold, use and enjoy, manage, control, grant, assign, transfer and convey, encumber by mortgage or deed of trust, and otherwise dispose of the same and every part thereof, or interest therein, and to engage in the business of manufacturing in all its departments; to engage in the business of

supplying light, heat and power by electrical appliances or otherwise; to sell or exchange the capital stock of the Corporation hereby created, or any part thereof, for the capital stock of other corporations, and for other property, rights or franchises, as the Board of Directors of this Corporation may deem necessary for the purposes of this Corporation and the prosecution of its business.

NO. 11.—PURPOSES OF RAILROAD COMPANY.

To purchase, construct, maintain, operate, and conduct a railroad of standard gauge, in the State of California, to be operated by steam, electricity, or any other motive power, for the carrying of passengers and freight thereon and thereover for hire, with all the necessary tracks, side tracks, spur tracks, and equipment for the same; also to conduct, purchase, own, and maintain a public or private electric telegraph and telephone line, or either of such lines, along the line of said proposed railroad, and to operate the same and the business thereof; and to lease said telegraph and telephone lines, or either of them, to other persons or individuals, or to contract with other persons or individuals for the construction, operation, and maintenance thereof, or of either thereof, and for either such construction, operation, or maintenance of said telegraph and telephone lines, or either of them; and to buy, build, maintain, operate, run, and conduct steamboats and ferry-boats for the transportation of passengers and freight, and to carry on a general express business in connection with the operation of said railroad; and to have and exercise such other powers as any railroad company may be allowed by law to exercise in the present or in the future; with full power to issue its stock in accordance with its By-Laws and the laws of the State of California; and to borrow money and issue bonds upon its road and property; and, in connection with said railroads and steam-

boats, to run and operate vessels and barges, with full power to purchase and build wharves, docks, and landings, and to buy or otherwise acquire all real estate necessary and proper for the exercise of the powers of said Corporation; and to purchase, construct, own, or lease warehouses, station buildings, engine houses, coal chutes, machine and car shops as may be deemed necessary for the carrying on of the business of said Company and the business of a common carrier; and to obtain and receive gifts of real and personal property and subscriptions towards the building of its road; and to purchase, construct, own, maintain, and operate in conjunction with said railroad such branch and side lines and railroads between said railroad and such points as the Board of Directors of said Company may from time to time determine to be necessary for the business of said road.

NO. 12.—PURPOSES OF LOAN AND TRUST CO.

That the purposes for which it is formed are to accept and execute trusts of any and every nature, kind and description that may be committed to it; to attend in legal manner to the management and settlement of estates, guardianships, assignments, receiverships, and other trusts, whether under appointment of Courts or otherwise; to act as executor, administrator, and guardian of estates; to act as pledge holder, attorney in fact, agent, assignee, receiver, depositary or trustee; to do a safe deposit business; to receive and keep in safe deposit vaults, or in other places of safe keeping, bonds, stocks, notes, papers, and valuables of every kind, and to collect and receive compensation for such keeping; to purchase, own, hold, sell, assign, and hypothecate personal property, bonds, choses in action, bank stock, capital stock of other corporations, and all classes of evidences of indebtedness; to issue and sell debentures and debenture bonds, secured by mortgages on real property or

otherwise secured; to receive on deposit, or otherwise, trust funds or moneys belonging to States, counties, cities, cities and counties, and other municipal corporations, and to deal therewith according to law; to do a general banking business; to issue certificates of deposit or indebtedness upon interest or otherwise, and with or without conditions as to time of payment; to invest or loan money upon commission or otherwise; to purchase, hold, own, sell, mortgage, and convey such real estate as may be necessary for carrying on the business of said Corporation, and such other real property as may be taken in security for or in payment of debts owing to said Corporation; and in addition to carrying on the business of said Corporation at its principal place of business, to establish agencies of said Corporation at other places within the State of —— for the accomplishment of any of the foregoing purposes.

NO. 13.—PURPOSES OF OIL COMPANY.

(1) To buy and otherwise acquire, to hold and own, manage, operate, improve, and develop, lands, mining claims, mineral rights, oil wells, and other real estate, and interests and rights in any of said properties.

(2) To engage in and carry on the business of boring and exploring for, producing, refining, distilling, treating, manufacturing, piping, carrying, handling, storing, dealing in, buying and selling oils, petroleum, natural gas, asphaltum, bitumen, bituminous rock, and other mineral and hydrocarbon substances, and products of all of such substances; and for such purposes to buy and otherwise acquire, hold, own, manage, and operate refineries, pipe lines, tanks, manufactories, machinery, wharves, tank cars, and steam and sailing vessels, for water transportation, and other works, property and appliances that may be incident or auxiliary to said business or that may be deemed necessary or convenient by the Board of Directors.

(3) Also to take and acquire by purchase, exchange, or other lawful modes, and to hold, own, sell and otherwise dispose of the capital stock and bonds of other corporations.

(4) Also to establish and carry on agencies, offices, storage tanks, and houses, and to sell articles and products manufactured by itself or other persons or corporations, in *California* and other States and Territories of the United States of America and in foreign countries.

NO. 14.—PURPOSES OF BAKING POWDER CO.

The objects for which the Corporation is formed are manufacturing, buying, selling, importing, exporting, refining and dealing in baking powders, argals, cream of tartar, tartaric acid, and all other chemicals which are or may be component parts of baking powder or may be conveniently produced or dealt in, in connection therewith, and generally to carry on any manufacturing or other business which can conveniently be carried on in conjunction with any of the matters aforesaid, or in or upon the premises of the Company. Also to purchase, acquire, hold and dispose of patent rights, letters patent, processes, devices, inventions, trade-marks, experience, formulas, good will and other rights, and also to purchase, hold, sell, assign, transfer, mortgage, pledge, and otherwise dispose of, the shares of the capital stock of, or any bonds, securities, or evidences of indebtedness created by, any other corporation or corporations of the State of New Jersey, or of any other State, and while owner of such stock to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon, and also to do and transact all acts, business and things incident to or relating to or convenient in carrying out its business, as aforesaid.

Said Corporation may conduct business in other States or in foreign countries, and have one or more offices out of the

State of New Jersey, and may hold, purchase, mortgage, and convey real and personal property out of the State of New Jersey.

The Directors may hold their meetings and have an office and keep the books of the Corporation (except the stock and transfer books) outside of the State of New Jersey.

PURPOSES: NON-STOCK CORPORATIONS.

NO. 15.—PURPOSES OF CHAMBER OF COMMERCE.

To foster and encourage commerce, to stimulate home manufactures, to assist in procuring a market for our products, to induce immigration, to bring about the subdivision, settlement, and cultivation of our lands, to assist in the development of the material resources of this region, and generally to promote the business interests of Southern California.

NO. 16.—PURPOSES OF BAR ASSOCIATION.

The said Corporation is to be called the Pennsylvania Bar Association, and the object of its formation is to advance the science of jurisprudence; to promote the administration of justice; to secure proper legislation; to encourage a thorough legal education; to uphold the honor and dignity of the Bar; to cultivate cordial intercourse among the lawyers of Pennsylvania; to perpetuate the history of the profession and the memory of its members, and such kindred purposes as the Association may from time to time determine, and to that end to obtain and enjoy all the rights, powers and privileges conferred by the above-mentioned act and the supplements thereto.

NO. 17.—PURPOSES OF THE CEMETERY ASSOCIATION.

That the purposes for which it is formed are to establish and maintain a cemetery; to take and to hold by purchase, donation or device the real estate necessary for such purposes, to be held exclusively as a cemetery for the burial of the dead; to subdivide, lay out, improve, embellish, repair and preserve the grounds, avenues, and superstructures of said cemetery; to purchase material for such improvement, embellishment, repair, and preservation; to offer for sale, sell and convey, lots, plats and graves in said cemetery; to transact generally all of the business usually done by such corporations; and to do any and all things which may lawfully be done in carrying out the purposes of this Corporation.

NO. 18.—PURPOSES OF PRESBYTERIAN CHURCH.

That the purposes for which it is formed are to establish, control and maintain the *Presbyterian Church of Orange*, in the town of *Orange*, County of *Orange*, and State of *California*, and in connection therewith to make suitable and customary provision for public worship, and to this end to purchase, hold and convey such real and personal estate as the purposes of the Corporation may require; to erect buildings and structures on said real estate for public worship, religious training and other purposes; and to do any and all things necessary and proper for the carrying out of said purposes in accordance with the laws of the State of *California*, and in conformity to the doctrine, government, discipline and worship of the Presbyterian Church in the United States of America.

NO. 19.—PURPOSES OF SOCIETY OF PIONEERS.

(1) To cultivate social intercourse and form a more perfect union among its members and create a fund for charitable purposes in their behalf.

(2) To collect and preserve information in connection with the early settlement and subsequent history of —— County.

(3) To form such libraries and cabinets and pursue such literary and scientific objects, as the Board of Directors may, from time to time, determine, and in all appropriate matters to advance the interests and perpetuate the memory of those whose sagacity, energy and enterprise induced them to settle in, and become the founders of, a new country.

(3) That it is designed to be and is a moral, beneficial, literary and scientific Association.

PART SECOND.

ORGANIZATION.

Under our system of incorporation through general laws, a private corporation is created upon the execution, by persons desirous of incorporating, of articles of incorporation, the filing of such articles in certain designated offices, and the certification of same by specified public officers; when this instrument is executed, filed, and certified to as required, the corporation instantly comes into legal existence.

Although now regularly formed, the corporation can not act; being an artificial person, it must act by means of agents, and it has no agents. Incorporation must be followed by organization. Organization means:—

(1) The adoption, by the stockholders, of by-law for the government of the corporation.

(2) The election, by the directors, of officers to transact the corporation business.

(3) The providing for payments to the capital stock, and for the issuance to the shareholders of evidences of their holdings, and the taking of such further steps as may be necessary to endow the legal entity with capacity to carry on the business for which it was created.

The following agenda, or memoranda of things to be done, may afford incorporators some suggestions in the way of organizing.

Hold first meetings within one month after filing articles of incorporation.

STOCKHOLDERS' MEETING.

Elect Chairman of meeting.
Elect Secretary of meeting.
Adopt By-Laws, and sign same.
Adjourn.

DIRECTORS' MEETING.

- (1) Elect Chairman of meeting.
 - (2) Elect Secretary of meeting.
 - (3) Elect permanent officers:
 - President.
 - Vice-President.
 - Secretary.
 - Treasurer.
 - Superintendent.
 - (4) Adopt corporate seal.
 - (5) Adopt form of stock certificate.
 - (6) Directors and Secretary certify to By-Laws.
 - (7) Authorize certain officers to sign and issue, and receive and endorse, checks and drafts.
 - (8) Accept deeds, and authorize execution of leases, etc., for property to be immediately acquired by corporation.
 - (9) Issue stock to incorporators.
 - (10) Adopt ways and means by—
 - (a) Calling in instalments,
 - (b) Levying assessments, or
 - (c) Sale of treasury stock.
- To provide funds to meet past and current expenses.
- (11) Take any other necessary steps, and adjourn.

BY-LAWS.

By-Laws Defined.—Requisites of By-Laws.—Adoption of By-Laws.—What By-Laws May Provide.

BY-LAWS DEFINED. The by-laws of a corporation are the written rules adopted by a majority of the stockholders or members for the conduct and regulation of the affairs of the corporation. They are general rules governing future action.

REQUISITES OF BY-LAWS. A by-law must be reasonable as well as constitutional and legal, and must be of uniform operation on all the members of the corporation.¹ The general rule is that the by-laws of a private corporation are binding upon none but its members and officers.²

A by-law enters into the compact between the corporation which adopts it, and every taker of a share. It is in the nature of a contract between them,³ and a stockholder is bound by the by-laws and articles of incorporation whether he has signed them or not.

The weight of authority may fairly be said to be in favor of holding that strangers to a corporation are not charged with a knowledge of its by-laws.⁴

A private corporation can not repeal a by-law so as to impair rights which have been given and become vested by virtue of the by-law; this, although the power is reserved, by charter, to alter, amend or repeal its by-laws.

¹ Paxon v. Sweet, 1 Gr. 196.

² Ward v. Johnson, et al., Am. Corp. Cases, 6-462.

³ Kent v. Quicksilver Mining Co., 78 N. Y., 182.

⁴ Smith v. Smith, 62 Ill. 493.

ADOPTION OF BY-LAWS. All by-laws should be in writing, but a code of by-laws, however skilfully drawn, is of no value until adopted. Where there is no provision in the statute or charter as to who shall adopt the by-laws, then the by-laws can only be adopted by the stockholders; but where the statute prescribes that the directors shall adopt the by-laws, then the stockholders, although the directors are merely their agents, have no power to adopt the by-laws, but must leave that matter entirely in the hands of their agents, the directors.

The by-laws should be adopted at the first meeting. Corporations of California must enter their by-laws in a "Book of By-Laws." In States where no provision is made as to how the by-laws shall be entered, the entire text of the by-laws, and the fact of their adoption, should be inserted in the minutes of the meeting at which they are adopted.

Every corporation of California must, within one month after filing its articles of incorporation, adopt by-laws, which must not be inconsistent with the laws of the United States, nor with the laws of said State. Such by-laws, when adopted by the stockholders, must be certified to by the Board of Directors and the Secretary of the company, and copied in a legible hand in some book to be kept in the office of the corporation, and to be known as the "Book of By-Laws," and no new, amended or repealed by-law takes effect until such entries are made. (See Corporate Books and Records.)

The by-laws of a California corporation may be adopted at a meeting of the stockholders held by written consent.

NO. 20.—BY-LAWS.

BY-LAWS OF THE

*Victor Coal Company of Elsinore, San Diego County,
California.*

Incorporated June 7, 1887.

The name of the corporation shall be the *Victor Coal Company*.

ARTICLE I.

CORPORATE POWERS.

The corporate powers of this corporation shall be vested in a board of *five* directors, who shall be stockholders, holding one or more shares of stock in their own names on the books of the corporation, and *three* shall constitute a quorum for the transaction of business.

ARTICLE II.

ELECTION OF DIRECTORS.

The directors shall be elected by ballot, at the annual meeting of the stockholders, to serve for one year, and until their successors are elected. Their term of office shall begin immediately after election.

ARTICLE III.

VACANCIES.

Vacancies in the Board of Directors shall be filled by the other Directors in office; and such persons shall hold office until the first meeting of the stockholders thereafter.

ARTICLE IV.

POWER OF DIRECTORS.

The Directors shall have power:

1st. To call special meetings of the stockholders when they deem it necessary. And they shall call a meeting at any time upon the written request of stockholders holding one-third of all the capital stock.

2d. To appoint and remove, at pleasure, all officers,

agents and employes of the corporation, prescribe their duties, fix their compensation, and require from them security for faithful service.

3d. To conduct, manage and control the affairs and business of the corporation, and to make rules and regulations, not inconsistent with the laws of the State of *California*, or the by-laws of the corporation, for the guidance of the officers and management of the affairs of the corporation.

4th. To incur indebtedness. The terms and amount of such indebtedness shall be entered on the minutes of the Board, and the note or obligation given for the same, signed officially by the President and Secretary, shall be binding on the corporation.

ARTICLE V.

DUTIES OF DIRECTORS.

It shall be the duty of the Directors:

1st. To cause to be kept a complete record of all their minutes and acts, and of the proceedings of the stockholders, and present a full statement at the regular annual meeting of the stockholders, showing in detail the assets and liabilities of the corporation, and generally the condition of its affairs. A similar statement shall be presented at any other meeting of the stockholders, when thereto required by persons holding at least one-half of the capital stock of the corporation

2d. To declare dividends out of the surplus profits, when such profits shall, in the opinion of the Directors, warrant the same.

3d. To supervise all officers, agents and employes, and see that their duties are properly performed. To cause to be issued to the stockholders, in proportion to their several interests, certificates of stock, not to exceed in the aggregate *ten thousand* dollars.

ARTICLE VI.

OFFICERS.

The officers shall be a President, Vice President, Secretary and Treasurer, which officers shall be elected by, and hold office at the pleasure of, the Board of Directors. The compensation and tenure of office of all the officers of the corporation (other than Directors) shall be fixed and determined by the Board of Directors.

ARTICLE VII.

PRESIDENT.

The Board of Directors shall, at their first regular meeting, elect one of their number to act as President; and if at any time the President shall be unable to act, the Vice President shall take his place and perform his duties; and if the Vice President from any cause shall be unable to act, they shall appoint some other member of the Board to do so, in whom shall be vested, for the time being, all the duties and functions of his office. The President, or in his absence, the Director appointed as above provided:

1st. Shall preside over all meetings of the stockholders and Directors and shall have the casting vote.

2d. He shall sign, as President, all certificates of stock, and all contracts and other instruments of writing which have been first approved by the Board of Directors and shall draw checks upon the Treasurer.

3d. He shall call the Directors together whenever he deems it necessary, and shall have, subject to the advice of the Directors, direction of the affairs of the corporation, and generally shall discharge such other duties as may be required of him by the by-laws of the corporation.

ARTICLE VIII.

SECRETARY.

The Board of Directors shall elect a Secretary:

1st. It shall be the duty of the Secretary to keep a record

of the proceedings of the Board of Directors and of the stockholders.

2d. He shall keep the corporate seal of the corporation and the book of blank certificates of stock, fill up and countersign all certificates issued, and make the corresponding entries in the margin of such book on such issuance; and he shall affix said corporate seal to all papers requiring a seal.

3d. He shall keep a proper transfer book, and a stock ledger in debit and credit form, showing the number of shares issued to and transferred by any stockholder, and the dates of such issuance and transfer.

4th. He shall keep proper account books, countersign all checks drawn upon the Treasurer, and discharge such other duties as pertain to his office and as are prescribed by the Board of Directors.

5th. The Secretary shall serve all notices required either by law or the by-laws of the company; and in case of his absence, inability, refusal or neglect so to do, then such notices may be served by any person thereunto directed by President or Vice-President of the company.

ARTICLE IX.

TREASURER.

1st. The Treasurer shall receive and keep all the funds of the corporation and pay them out only on the check of the President, countersigned by the Secretary.

2d. At each annual meeting of the stockholders he shall submit, for their information, a complete statement of his accounts for the past year, with the proper vouchers. He shall discharge such other duties, pertaining to his office, as shall be prescribed by the Board of Directors.

ARTICLE X.

SUPERINTENDENT.

A general superintendent shall be appointed by the Board

of Directors, and removable at their pleasure. It shall be his duty:

1st. To take charge of all of the property belonging to the corporation and to control and direct all labor and business pertaining to the interests, business and operations of the company at the mines (or in the field), but entirely subject to the direction of the Board of Directors or President of the company; and any member of the Board of Directors may be appointed and serve as superintendent.

2d. To make monthly returns to the Board of Directors of all persons hired or employed by him, and a statement of all expenditures, accompanying the same, with the necessary vouchers, and a similar statement of the operations in the field, showing the quantity and kind of material produced, disposition of same, and the general condition of the affairs under his supervision.

3d. To make requisition upon the Board of Directors for necessary funds, stating the precise objects for which the funds are required, and if approved by the Board of Directors, the money shall be transferred to him in such amount as the Board shall direct; but he shall not have power to sign notes or contracts for the company, nor to incur any indebtedness for or in behalf of the company unless specially authorized to do so by the President or Board of Directors.

(Repealed at stockholders' meeting held June 13, 1893.)

ARTICLE XI.

COMPENSATION OF OFFICERS.

1st. The Board of Directors shall receive *five dollars* per day for each day's attendance at the meetings of the Board, and shall be allowed their reasonable traveling expenses when actually engaged in the business of the company, to be audited and allowed as in other cases of demand against the company.

2d. The officers shall receive such compensation as the Board of Directors shall from time to time fix and determine.

ARTICLE XII.

CERTIFICATES OF STOCK.

Certificates of stock shall be of such form and device as the Board of Directors may direct; and each certificate shall be signed by the President and countersigned by the Secretary, and express on its face its number, date of issuance, the number of shares for which, and the person to whom it is issued.

The certificate book shall contain a margin, on which shall be entered the number, date, number of shares, and name of the person expressed in the corresponding certificate.

ARTICLE XIII.

TRANSFER OF STOCK.

1st. Shares of the corporation may be transferred at any time by the holders thereof, or by attorney legally constituted, or by their legal representatives, by indorsement on the certificate of stock. But no transfer shall be valid until the surrender of the certificate and the acknowledgment of such transfer on the books of the company.

2d. The receiver of the new certificate shall be required to sign the by-laws of the company. No transfer shall be valid upon which any assessments are due or unpaid, or the holders of which are indebted to the company on any account whatever, without the consent of the Board of Directors.

3d. No surrendered certificate shall be canceled by the Secretary before a new one is issued in lieu thereof; and the Secretary shall preserve the certificate so canceled as a voucher. If, however, a certificate shall be lost or destroyed, the Board of Directors may order a new certificate issued

upon such guarantees by the parties claiming the same as they may deem satisfactory.

ARTICLE XIV.

MEETINGS.

All meetings of the stockholders and of the directors, both regular and special, shall be held at the principal place of business of the corporation. Should any meeting, either of Directors or of stockholders, fall upon a Sunday or legal holiday, it may be held on the next succeeding business day, at the same hour.

STOCKHOLDERS' MEETINGS.

The regular annual meeting of the stockholders and election for Directors shall be held on the third Thursday of January in each year, at one o'clock P. M., and shall be called by a notice given by the Secretary and advertised in one or more newspapers published in the county of Los Angeles for at least two weeks before the day of meeting.

At such annual meeting of the stockholders, Directors for the ensuing year shall be elected by ballot, to serve for one year, and until their successors are elected. If, however, a majority of stock is not represented, or, for other cause, a stockholders' meeting shall not be held on the day above named or should the stockholders fail to complete their elections, or such other business as may be presented for their consideration, those present may adjourn from day to day, until the same shall be accomplished.

No meeting of stockholders shall be competent to transact business unless a majority of stock is represented, except to adjourn from day to day, or until such time as may be deemed proper.

Special meetings of the stockholders may be called by the President whenever he may deem it expedient, and he shall call such special meetings when requested so to do by the holders of at least one-third of the capital stock of the corporation. Notice of special meetings of the stockholders shall be given by the President, or, at his request, by the Secretary, by personal service of such notice, two weeks before the day of meeting, upon each of the stockholders. Or such special meetings may be held as provided by Section 317 of the Civil Code of California, to wit: That when all of the stockholders of the corporation are present at any meeting, however called or notified, and sign a

written assent thereto on the record of such meeting, the doings of such meeting shall be as valid as if had at a meeting legally called and noticed.

The President and the Secretary of the corporation shall act as President and Secretary, respectively, of each stockholders' meeting, unless the meeting shall otherwise decide.

DIRECTORS' MEETINGS.

Regular meetings of the Board of Directors shall be held immediately after the adjournment of each annual meeting of the stockholders, and also upon Tuesday of each week at the hour of one o'clock P. M., and no notice of such regular weekly meetings of Directors, as established by these by-laws, need be given. A majority of the Board of Directors shall constitute a quorum for the transaction of business. At all meetings of the Board of Directors all questions shall be decided by a majority of votes, and in case of an equality of votes, the President or Chairman shall have a second or deciding vote.

The Directors, at the meeting held immediately after the adjournment of the annual meeting, shall elect officers of the corporation.

Special meetings of the Board of Directors may be held at any time, and may be called by a notice in writing to be given by the President or, at his request, by the Secretary. The notice may be given by delivery to the Director in person or by leaving such notice at his last known place of business, or of residence, or by mailing same to him at his last known place of business or of residence, or by sending the same by telegraph. In either case, the service of such notice shall be complete upon the delivery to the Director. or upon the delivery thereof at his last known place of business, or of residence, or upon depositing same under cover, postage prepaid, in the United States mails in the City of Los Angeles, California, or, if telegraphic, upon the delivery of the telegram prepaid to a telegraph company in the City of Los Angeles, California. Any one of the above modes most likely to give service to the Director may be adopted, and the fact of such service shall be established by the statement of the Secretary, to be entered upon the minutes of said meeting, and after said minutes showing such service shall have been read and approved at a subsequent meeting, said minutes and records shall be conclusive upon the question of service.

The *Elsinore Eagle* is hereby designated as the newspaper in which all notices of the meetings and elections of the stockholders, required to be published, shall be published.

ARTICLE XV.

MANNER OF ELECTION AND VOTING.

At all corporate meetings, each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock. Such proxy shall be in writing, and filed with the Secretary. CUM

The ballots cast at elections of Directors shall have written or printed thereon the names of the persons selected by the voter, the number of votes cast or intended to be cast for each of said persons, the name of the owner of the shares voted thereby, and the name of the proxy, if any, casting or voting said ballot. Tellers shall be appointed by the stockholders present or represented at the meeting to receive and count the ballots and votes, and to announce the result of their count. The President or Chairman of the meeting, upon such announcement being made, shall declare the persons receiving the highest number of votes to be the elected Directors of the corporation, and such declaration shall be entered upon the minutes of the meeting.

ARTICLE XVI.

VOTING BY PROXY.

A stockholder who desires to exercise his right to vote on his stock by proxy, must furnish his agent with such written evidence of the latter's right to act for him as will reasonably assure the corporation that the agent is acting by the authority of his principal. Upon presentation of such written authority, the inspector or inspectors, or committee, appointed for that purpose, shall examine and decide upon the validity of the credentials and whether such written authority is sufficient to confer the requisite authority. The approval or rejection of such evidence shall be entered upon the minutes of the meeting.

ARTICLE XVII.

CONTRACTS.

No contracts made or entered into by any of the officers of the corporation shall be valid without the previous authorization or subsequent ratification of the Board of Directors.

ARTICLE XVIII.

BOOKS AND PAPERS.

The books and such papers as may be placed on file by vote of the stockholders or Directors, shall at all times in business hours, be subject to the inspection of the Board of Directors and of any stockholder.

ARTICLE XIX.

SEAL.

The company shall have a common seal, consisting of a circle having on its circumference the words, "*Victor Coal Company, Incorporated June 1, 1887.*"

ARTICLE XX.

CUSTODY OF BY-LAWS.

These by-laws shall always remain in the custody of the Secretary of the Company. They shall be copied into the "Book of By-laws," and such book shall then be open to the inspection of the public during office hours of each day, except holidays.

ARTICLE XXI.

AMENDMENTS.

These by-laws may be repealed or amended, or new by-laws may be adopted, at the annual meeting, or at any other meeting of the stockholders, called for that purpose by the Directors, by a vote representing two-thirds of the subscribed stock; or such repeal or amendment, or the adop-

tion of additional by-laws, may be effected by the written assent of the holders of two-thirds of the stock.

KNOW ALL MEN BY THESE PRESENTS :

That we, the undersigned, being the holders and owners of *more than two-thirds* of the capital stock of the *Victor Coal Company*, hereby assent to the foregoing by-laws, and adopt the same as the by-laws of the said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names, this *twelfth* day of *June*, A. D. eighteen hundred and *eighty-seven*.

<i>John Doyle</i> , holding.....	200 shares	} Stockholders.
<i>Eben Elliot</i> , holding.....	100 shares	
<i>R. F. Hatcher</i> , holding....	100 shares	
<i>Stephen Jones</i> , holding....	50 shares	
<i>W. L. Brown</i> , holding....	50 shares	

KNOW ALL MEN BY THESE PRESENTS :

That we, the undersigned, Directors and Secretary of the corporation known as and called the *Victor Coal Company*, do hereby certify that the above and foregoing by-laws were duly adopted as the by-laws of said corporation, on the *twelfth* day of *June*, A. D. eighteen hundred and *eighty-seven*; and that the same do now constitute the by-laws of said corporation.

<i>John Doyle</i> ,	} Directors.
<i>Eben Elliot</i> ,	
<i>R. F. Hatcher</i> ,	
<i>Stephen Jones</i> ,	
<i>W. L. Brown</i> ,	

Stephen Jones,

Secretary of the *Victor Coal Company*.

NO. 21.—CONSENT TO HOLDING FIRST MEETING.

Know all men by these presents, that we, the undersigned, being all of the stockholders of the *Victor Coal Company*, and actually present in person by mutual consent and understanding beforehand, at the office of *Mr. John Doyle*, at *Elsinore, San Diego County, California*, on this *Monday*, the *twelfth* day of *June*, 1887, at *nine* o'clock A. M., being within one month after the filing of the articles of incorporation of this corporation, and after the adoption of a code of by-laws for the government of said corporation, by the assent of all the stockholders of said corporation, do now hereby agree and consent that the first meeting of the said stockholders of said *Victor Coal Company*, shall be held immediately at the time and place aforesaid, and that all of the acts and proceedings of said meeting shall be as valid as if had at a meeting otherwise legally called and noticed.

WITNESS our hands and seals this *twelfth* day of *June*, 1887.

Eben Elliott [SEAL].
John Doyle [SEAL].
R. F. Hatcher [SEAL].
Stephen Jones [SEAL].
W. L. Brown [SEAL].

NO. 22.—MINUTES OF FIRST MEETING OF STOCKHOLDERS.

FIRST MEETING OF THE STOCKHOLDERS
OF THE*Victor Coal Company.*

June 12, 1887.

The first meeting of the stockholders of the *Victor Coal Company* was held at the office of *Mr. John Doyle*, at *Elsinore, San Diego County, California*, on

Tuesday, June 12th, 1887,

at ten o'clock A. M., in pursuance of an agreement in writing, signed by all of the stockholders of said corporation, as entered on page one of this record of the proceedings of the stockholders and directors of said corporation.

On motion, duly made and carried, *Mr. John Doyle* was elected Chairman and *Mr. Stephen Jones* was elected Secretary of the meeting. Each of these gentlemen accepted his office and discharged its duties until the close of the meeting.

There were present at said meeting—

<i>John Doyle</i> , holding.....	200 shares
<i>Eben Elliott</i> , holding.....	100 shares
<i>R. F. Hatcher</i> , holding.....	100 shares
<i>Stephen Jones</i> , holding.....	50 shares
<i>W. L. Brown</i> , holding.....	50 shares

In all.....500 shares

and being all of the subscribed shares of the capital stock of the corporation.

Stockholders
present.

Meeting competent.	<p>It appearing that all of the subscribed capital stock was represented, the chairman declared that the meeting was competent to proceed with the transaction of the business for which it had been called.</p>
Articles of Incorporation	<p>The chairman then stated that the articles of incorporation had been filed in the office of the County Clerk of <i>San Diego County, California</i>, on <i>May 28th, 1887</i>, and that the certified copy thereof had been filed in the office of the Secretary of State of the State of California, on <i>June 1st, 1887</i>, and that the certificate of incorporation of the <i>Victor Coal Company</i>, which he then exhibited for the inspection of the stockholders, had been issued from the office of said Secretary of State on <i>June 1st, 1887</i>.</p>
Book of By-laws.	<p>The Chairman also exhibited the book of by-laws of the corporation, and stated that the by-laws were entered therein in a legible hand, and that said by-laws had been adopted this day by the written assent of all of the stockholders of this corporation; and, on motion, duly made and carried, said by-laws, as entered in said book, on pages 2 to 17 inclusive, were duly declared to be the by-laws of this corporation.</p>
	<p>On motion, duly made and carried, the meeting adjourned.</p>
	<p style="text-align: right;"> <i>John Doyle,</i> Chairman. </p> <p style="text-align: left;"> Attest: <i>Stephen Jones,</i> Secretary. </p>

FORM No. 23.—MINUTES OF FIRST MEETING OF DIRECTORS.

DIRECTORS' MEETING.

We, the undersigned, being all of the members of the Board of Directors appointed in the Articles of Incorporation of the Victor Coal Company, a corporation, do hereby waive notice of the time and place of the first meeting of said Board of Directors, and of the business to be transacted at said meeting, and do designate Tuesday, the 12th day of June, 1887, at one o'clock P. M., as the time, and the office of John Doyle, in the city of Elsinore, California, as the place of said meeting; the purposes of said meeting being to elect officers of said corporation and to transact such other business as may be necessary and advisable to complete the organization of said company and to facilitate the carrying on of its contemplated business.

Dated at Elsinore, California, this 12th day of June, 1887.

JOHN DOYLE.
EBEN ELLIOTT.
R. F. HATCHER.
STEPHEN JONES.
W. L. BROWN.

Immediately after the adjournment of the meeting of the stockholders of the Victor Coal Company, held this 12th day of June, 1887, the Board of Directors named in the Articles of Incorporation, in pursuance of the foregoing written waiver and assent, convened and held a meeting at the time and place in said assent mentioned.

On motion, duly made and carried, *Mr. R. F. Hatcher* was elected Chairman, and *Mr. Stephen Jones* was elected Secretary of the meeting. Each of these gentlemen accepted his office and discharged its duties until the close of the meeting.

On motion, the Board proceeded to the election of permanent officers of the corporation.

On motion, duly made and carried, *Mr. John Doyle*, by a unanimous vote, was elected to the office of President of the company.

On motion, duly made and carried, *Mr. Eben Elliott*, by a unanimous vote, was elected to the office of Vice-President of the company.

On motion, duly made and carried, *Mr. Stephen Jones*, by a unanimous vote, was elected to the office of Secretary of the company.

On motion, duly made and carried, *Mr. W. L. Brown*, by a unanimous vote, was elected to the office of Treasurer of the company.

On motion, duly made and carried, the salary of the President was fixed at twenty-five hundred dollars per annum, all of the Directors present at said meeting, except said beneficiary, voting for and in favor of such compensation.

On motion, duly made and carried, the salary of the Secretary was fixed at one hundred and fifty dollars per month for the ensuing year, all of the Directors, except said beneficiary, voting for and in favor of said motion.

The code of by-laws of the corporation, as entered in the book of by-laws on pages 2 to 17 inclusive, was certified to by each member of the Board of Directors and by the Secretary of the corporation.

On motion, duly made and carried, *Room 4*, on the second floor of the *Brunswick Block*, in the town of *Elsinore, California*, was designated as the office of the principal place of business of the corporation.

The Secretary was instructed to procure a seal for the corporation, and also all necessary certificates of stock, account-books, and stationery.

On motion, the Board duly passed and adopted three several resolutions in the words and figures following, namely:—

“*Resolved*, That John Doyle, President, and Stephen Jones, Secretary, of this corporation, be and they are hereby authorized to sign checks and drafts for, and on behalf of, this corporation, and that each of them be and he is hereby authorized to endorse checks and drafts payable to this corporation.”

“*Resolved*, That a certain certificate, identified by the impression of the corporate seal of the *Victor Coal Company* thereon, and having the words ‘January 1st, 1888’—‘Form of Certificate’—‘Canceled’ written across the face thereof, be and the same is hereby adopted and declared to be the form and device of the certificate to be issued to the subscribers to the capital stock of the *Victor Coal Company*, and the Secretary is hereby directed to attach said form of certificate to the page of the minute book on which this resolution may be entered.”

“*Resolved*, That a seal, of the device, in the form and having words shown by the impression thereof in the margin hereof, be and the same is hereby adopted as the corporate seal of the *Victor Coal Company*, and the Secretary of this corporation is hereby authorized and instructed to impress the same upon the margin of the page of the minute book upon which this resolution may be recorded, for the purpose of identifying said seal.”

On motion, duly made and carried, the meeting adjourned.

R. F. Hatcher,
Chairman.

Attest: *Stephen Jones,*
Secretary.

PART THIRD.

THE GOING CONCERN.

The corporation is now an existing entity, provided with the machinery necessary for engaging in the varied activities of corporate life. Its constituent parts, the stockholders, have intrusted the management of the corporation to the Directors, and to the officers, who are selected by the Directors. These agents of the corporation are now to receive our attention.

DIRECTORS, OFFICERS AND AGENTS.

Office Defined.—Directors and Trustees Distinguished.—Qualifications of Directors.—Status of Directors.—Duties of Directors.—Liabilities of Directors.—The President.—The Vice-President.—The Secretary.—The Treasurer.—General Manager.—Holding Over.—Corporate Agents.—Compensation of Officers and Directors.—Bond of Officer.—Liability of Officer.—Removal of Officers and Directors.—Resignation.—Receiver.

AN OFFICE is defined to be a trust or employment, and he who performs the duties of an office, and receives the emoluments thereof, is an officer.

DIRECTORS AND TRUSTEES DISTINGUISHED. The primary agents of a business corporation are designated as "Board of Directors," and the primary agents of a corporation other than for profit are usually known as "Board of Trustees."

QUALIFICATIONS OF DIRECTORS. In California the powers, business and property of all business corporations must be exercised, conducted and controlled by a board of not less than five nor more than eleven Directors, to be elected from among the stockholders, or in corporations having no capital stock, from among the members thereof; and a majority of such persons must in all cases be citizens of California. Directors of corporations for profit must be holders of stock therein to an amount fixed by the by-laws of the corporation.

The requirement that a director should, at the time of his election and throughout his term of office, have a certain number of shares, manifests that it was the policy of the legislature that the management of the affairs of such corporations should only be committed to those having a personal, pecuniary interest in its success or failure, in the conduct of the business for which it was created; otherwise, the provision is without reason for its support.¹

STATUS OF DIRECTORS. The directors of a corporation act in a fiduciary or trust capacity. They hold and manage the property of a solvent or going corporation as trustees for the stockholders. When the corporation becomes insolvent the directors occupy the position of trustees for the creditor.²

The powers of private corporations are generally distinguished as legislative, electoral and administrative. Usually, for the sake of convenience, the direct management is intrusted by the charter to certain officers or board of managers, elected by the members at large, though deriving their ordinary powers from the act of incorporation. These officers exercise the legislative and administrative functions; the former in the institution of by-laws for the general government of the company, the latter in the superintendence and execution of its general business. When the corporate existence is devolved on a board of officers, they not only wield the whole corporate authority, but may apply for and agree to radical

¹ Chemical Nat. Bk. v. Colwell, Nat. Corp. Rep., 4-251.

² Beach v. Miller, 130 Ill. 162.

changes in the instrument to which they owe the corporate being.¹

The powers of the directors are such as are conferred by the charter of the corporation, and the laws pertaining thereto, and such corporate powers as are not conferred by law upon the directors, remain in the corporation to be exercised, or at least to be set in motion by its component parts, the shareholders. Within the sphere of their duties, the right of the directors to act is undoubtedly exclusive; and further, all corporate acts must be done through them, as they are the exclusive executive and administrative authority.²

It is a violation of his duty for any trustee or director, acting in his fiduciary capacity, to enter into any contract with himself connected with the trust or its management. Such a contract is voidable and may be set aside at the suit of the beneficiary. This rule has been recognized and enforced in a great number of cases. The underlying thought is that an agent or other fiduciary should not unite his personal and his representative character in the same transaction, and equity will not permit him to be brought into a situation where his own personal interests conflict with the interests of his principal, and with the duties he owes to his principal.³ As a gen-

¹ *Commonwealth v. Cullen*, 13 Pa. St. 113; *Nat. Corp. Rep.*, Vol. 4, p. 559.

² *Re. Metropolitan Elevated Ry. Co.*, 11 Daly 367; *Nat. Corp. Rep.*, Vol. 4, p. 583.

³ *Mallory v. Mallory-Wheeler Co.*, 4 *Nat. Corp. Rep.*, 151; *Banks v. Judah*, 8 Conn. 145; *Michoud v. Girod*, 4 How. 503; *Gardner v. Ogden*, 22 N. Y. 327.

eral rule, a contract between a corporation and its directors is not absolutely void, but voidable at the election of the corporation; the right to avoid it may be waived.¹

DUTIES OF DIRECTORS. Directors, by assuming office, agree to give as much of their time and attention to the duties assumed as the proper care of the interest intrusted to them may require. If they are inattentive to their duties, if they neglect to attend meetings of the Board, if they turn over the management of the business of the Company to the exclusive control of other agents, thus abdicating their control, then they are guilty of gross neglect with respect to their ministerial duties, and if loss results to the corporation by breach of trust or acts of negligence committed by those left in control, which by due care and attention on the part of the directors could have been avoided, they are responsible to the corporation. The diligence required from them has been defined as that exercised by prudent men about their own affairs, being that degree of diligence characterized as "ordinary." The salaried agents of the corporation, though usually selected by the directors, are not the agents of the directors, but the agents of the corporation, and the duties of the directors with respect to such is to supervise, direct, and control.²

LIABILITIES OF DIRECTORS. In Kansas, Texas, Kentucky, and North and South Dakota, the directors of a corporation are jointly and severally liable in

¹ Kelley v. Newburyport, etc., Horse Ry. Co., Am. Corp. Cases, 10-600

² Wallace v. Lincoln Savings Bank, 15 S. W. Rep. 448.

declaring and paying any dividend while the corporation is insolvent, or which will render it insolvent.

In California, the directors of corporations must not make dividends except from the surplus profits arising from the profits of the corporation; nor must they divide, withdraw or pay to the stockholders, or any of them, any part of the capital stock; nor must they create debts beyond the subscribed capital stock of the corporation. The directors under whose administration such a violation occurs (except those who may have caused their dissent therefrom to be entered at large on the minutes of the directors at the time, or were not present when the same did happen) are, in their individual and private capacity, jointly and severally liable to the corporation, and to the creditors thereof, in the event of its dissolution, to the full amount of the capital stock so divided, withdrawn, paid out, or reduced, or debt contracted.¹

Directors are not liable for mistakes of judgment, provided they are honest, and fairly within the scope of the powers confided to the managing body.²

THE PRESIDENT. Corporations usually act through their President, or those representing him. He, being the legal head of the body, when an act pertaining to the business of the company is performed by him, the presumption will be indulged that the act is legally done, and is binding upon the body,³ and all such acts must be regarded as official.⁴

1 Cal. Civil Code. Sec. 409.

2 Spring's Appeal, Am. Corp. Cases, 4-129.

3 Smith v. Smith, 62 Ill. 493.

4 Union Gold Mining Co. v. Nat. Bk., 2 Col., 575.

The doctrine seems to be well settled that the President, by virtue of his office, and independent of any express authority from the Board of Directors, can bind the corporation by contracts made in its behalf, when such contracts are by their nature directly connected with the purposes of the corporation, are made in the usual course of business of the corporation, and are within the scope of the apparent authority of the President.¹

THE VICE PRESIDENT. As a rule, in the absence of the President of the corporation, or where a vacancy occurs in the office, the Vice President may act in his stead. If the person elected to the office of President, refuses to act as such, the Vice President not only can act, but it becomes his duty so to act in the transaction of the business of the company.²

THE SECRETARY. The Secretary is the clerical officer of the corporation, and is presumed to act under the control of the Board of Directors, but not infrequently a great deal in connection with the everyday affairs of the corporation is left to his discretion and judgment. The books and papers of the corporation are intrusted to the custody of the Secretary, and he is the proper person to prove such books.

THE TREASURER. The Treasurer of a corporation is the officer charged, by law, with the custody of its funds, and is made responsible for their safe keeping.³

¹ Nat. Corp. Rep., Vol. 4, p. 489.

² Smith v. Smith, 62 Ill. 493.

³ Pearson v. Tower, Am. Corp. Cases, 5-540.

It is the duty of the Treasurer to keep the corporate funds distinct and separate from his private funds.

GENERAL MANAGER. When unrestricted by the by-laws, or where his duties are not defined by them, the general manager of a corporation has been defined to be the person who really has the most general control over the affairs of the corporation, and who has knowledge of all its business and property, and who can act in emergencies on his own responsibility. He is considered the principal officer, to whom is delegated the entire control and management of the corporate property, so far as operating the same is concerned. The duties of the President of a corporation are usually well defined by law or by the by-laws, and, in most cases, do not extend to the practical management of the property; while the Directors commonly act at intervals, when called together as a body. Upon the ability and integrity of the manager depends, to a great extent, the success or failure of the enterprise. If the property under the control of the manager is situated at a considerable distance from the office of the corporation, the manager would be capable of binding the corporation by his contracts, and parties dealing with a corporation through a manager, would have a right to assume, unless notified to the contrary, that all of the powers pertaining to the office of manager generally were possessed by the individual in question.

The person, by whatever name he may be designated, to whom a corporation surrenders the management of its business, stands in place of the corporation, and the authority conferred upon him should be commensurate to the power required to effectively carry on the affairs of the corporation.

Decision of character is the most important qualification of a manager. He who would command among men must excel them more in energy of will than in power of intellect. (Burnap.)

A manager should be able to fix his attention on details and be ready to give every kind of proposition a hearing. This will not encumber him, for he must have been practiced beforehand in the exercise of his intellect, and be strong in principles. He should be courageous. He should have a patient temperament and a vigorous, but disciplined, imagination; then he will plan boldly, and, with large extent of view, execute calmly, and not be stretching out his hands for things not yet within his grasp. He will think steadily over possible failure in order to provide a remedy or a retreat. There will be a strength of repose about him. He will possess reserve power. His sense of responsibility and love of truth will almost inevitably endow him with diligence, accuracy and discreteness, those commonplace but prime requisites of a good man of business. (Helps.)

He should be able to deliberate with caution, but act with promptitude, and to yield with graciousness or oppose with firmness. (Colton.)

In him, discipline, like the bridle in the hand of a good rider, will be active, both as a support and as a restraint, and its influence will be exercised without apparent effort. In the conduct of business, he will sedulously attend, pointedly ask, calmly speak, coolly answer, and cease when he has no more to say. (Lavater.)

HOLDING OVER. The officers of a private corporation do not form an integral part of the corporation, and the failure to elect a successor to an office or Director at the appointed time does not vacate the office. The incumbent continuing in office beyond the time for which he was chosen, is an officer or Director *de facto*; the acts of such officers are valid as to third persons, and the only ones in interest to complain are the state and the stockholders of the company.

CORPORATE AGENTS. The entry upon the records of a corporation of the resolution appointing an agent is not essential to the validity of the appointment, unless the charter, statute, or by-laws are not merely directory in this particular, but render it absolutely essential. The authority of an agent may be implied from the adoption or recognition of his acts by the corporation or its Directors.

The acts of an agent of a corporation, within the scope of his authority, bind his principal to the same extent and in the same manner as though he was acting for a natural person. And if the corporation knowingly receives the fruits of excessive exercise of

authority by an agent, it is held to have ratified the act.¹

The knowledge of an agent, in matters pertaining to his agency, and within the scope of his authority, is the knowledge of the principal.²

It is competent for an agent to sign simply the name of the principal. The fact that it was placed there by an agent need not appear on the paper.³

Where one deals with a corporation through one of its members, he must, though himself a member, take the peril of the authority of the one, through whom he deals, to act as agent of the corporation and that his acts are within the scope of his authority.⁴

COMPENSATION OF OFFICERS AND DIRECTORS. Officers of corporations are not entitled to pay for their services, unless the corporation expressly agrees to pay them, and such agreement must be made *before* the services are rendered.

If an officer of a private corporation wishes to obtain pay for his services, he should induce the directors, before his services are rendered, to vote him a salary.

A director, being a trustee for the stockholders, cannot vote himself a salary.

If an officer is also a director, it would be better for him not to be present when the question of giving him a salary is voted on. If he is present, he should see

¹ Wood Hy. Hose Mining Co., v. King, Am. Corp. Cases. 344

² Perry v. Simpson Waterproof Mfg. Co., Id. 4-309; 37 Conn. 250.

³ First Nat. Bk. of Rock Island v. Loyhed, Id. 8-11.

⁴ Rice v. Peninsular Club, Id. 10-621.

that there are enough other directors present, voting in favor of his salary, to constitute a quorum of the Board.¹

It is a doctrine of general acceptance that directors of a corporation are not entitled to compensation for their services as directors, unless such compensation is provided for or expressly sanctioned by the charter or by-laws. Without such authority, directors cannot vote compensation to themselves for the performance of their ordinary duties.

A director should not be allowed compensation for services rendered by himself to his corporation upon an implied contract, unless it be established by a clear preponderance of evidence—

1st. That the services were clearly outside his ordinary duties as director; and,

2d. That they were performed under circumstances sufficient to show that it was well understood by the proper corporate officers, as well as by himself, that the services were to be paid for by the corporation.²

BOND OF OFFICER. Sureties on the bond of an officer of a private corporation, whose office is annual, with power in him to hold over until his successor is elected, or appointed and qualified, are bound only for the year for which he was chosen, and for such further time as is reasonably sufficient for the election and qualification of his successor.³ (See No. 77.)

¹ Nat. Corp. Rep.

² Nat. Corp. Rep., Vol. 4, p. 489; *Brown v. Republican Silver Mines*, 30 Pac. Rep. 66; *Construction Co. v. Fitzgerald*, 137 U. S. 98; *Pew v. Bank*, 130 Mass. 395; *Cheney v. Railway Co.*, 68 Ill. 570.

³ *Mutual Loan and Building Association v. Price*, Am. Corp. Cases, 6-336.

But if the tenure of an office be for an indefinite period, and the bond be given for the faithful performance of the duties of the office, without limiting the time, the sureties are liable so long as the principal shall continuously hold office.¹

LIABILITY OF OFFICER. An officer of a corporation of California who willfully gives a certificate, or willfully makes an official report, public notice, or entry in any of the records or books of the corporation, concerning the corporation business, which is false in any material representation, is liable for all damages resulting therefrom to any person injured thereby.

The officers are appointed by the corporation, and if any loss results to strangers dealing with the corporation from their misrepresentation in matters within the general scope of their duties, it should fall upon the corporation, which is responsible for their appointment, rather than upon the parties, who have no means of ascertaining the facts, and must rely upon the assurances of such officers, or not deal with the corporation at all.²

Loss from gross negligence or willful misconduct must be clearly proven to make an officer liable for mismanagement.³

When an injunction is known to have been served on a corporation, its officers and agents are liable for contempt for violation of such injunction. An injunction is binding upon the officers even though they are not parties to the record.

¹ Trustees v. Dean, Am. Corp. Cases, 7-531.

² Miners' Ditch Co. v. Zellerbach, 37 Cal. 543.

³ Neall v. Hill, 16 Cal. 146.

REMOVAL OF OFFICERS AND DIRECTORS. The power of removing the private or ministerial officers of a private corporation belongs to the corporation alone. Courts cannot remove such officers. The aid of Courts can be invoked only as against such officers as are intrusted by law with the management of the affairs of the corporation, and as against these the remedy is at law, and not in equity.¹

In California, no director may be removed from office unless by a vote of two-thirds of the members or of the stockholders holding two-thirds of the capital stock, at a general meeting held after previous notice, stating the time, place and intention to make such removal, and by whose order the meeting is called. Such meeting may be called by the President, or by a majority of the directors, or by the members or stockholders holding at least one-half of the votes. In case of removal, the vacancy may be filled by election at the same meeting.²

RESIGNATION. The resignation of an officer, to be effectual, must be accepted by competent authority, and the power to accept such resignation is incident to every corporation; such acceptance may be by entry in the books, by vote or by resolution, or by treating the office as vacant and electing another to fill it. A person who has been elected to an office, cannot resign before he is made an incumbent thereof, and his attempt to do so is abortive and ineffectual.³

RECEIVER, Dissatisfaction by the minority of the

¹ Neall v. Hill, 16 Cal. 146.

² Cal. Civil Code, Sec. 310.

³ Boon on Corporations, Sec. 136.

stockholders of a corporation with its management by the majority, is insufficient, in the absence of fraud or insolvency, to authorize the Court to appoint a receiver at the instance of the minority. The power of the Court to appoint a receiver must be exercised with the utmost caution, and with a due regard for the interests as well as the legal rights of all parties.¹

To appoint a receiver for a business corporation is, as a usual thing, to sign its death warrant. Few corporations, however solvent, recover from the shock. If the directors, though incompetent, are honest, they will usually listen to suggestions from stockholders. If they will not, they may be retired to private life at the next election. It is only when there is fraud that the heroic remedy of appointing a receiver should be employed.²

¹ *Fluker v. Railway Co.* 30 Pac. Rep. 18.

² *Nat. Corp. Rep.*, Vol. 4, p. 440.

CORPORATE BOOKS AND RECORDS.

Corporate Books Classified.—Books of Account.—Voucher.—Check.—Cash Book.—Voucher Record.—Opening Entries in the Journal.—Books of Account as Evidence in Court.—Examination of Corporate Books.—Book of Stock Certificates.—Stock Journal and Stock Ledger.—Stock Certificate Register.—Dividend Book.—Book of By-Laws.—Agenda Book.—Minute Book.

Corporate books are divisible into two great classes, namely:—

- (1) Financial Books, or Books of Account.
- (2) Record Books.

“The great distinction between record books and financial books,” says an English authority, “is that the latter form an integral part of the system of double-entry, while the former do not, their object being merely to provide further detail in connection with the entries contained in the financial books.”

The Book of By-Laws is evidence that By-Laws have been adopted.

The Minute Book is evidence of who the officers are, and of all other acts and proceedings of the Board of Directors.

The Transfer Journal and Transfer Ledger are evidence of who the stockholders are. Upon the original issue, and any subsequent transfers, the Stock Certificate Book, Transfer Journal, Transfer Ledger, and Seal are brought into requisition.

BOOKS OF ACCOUNT. The theory and general principles of double-entry bookkeeping are of universal application, but all books of account should be adapted to the nature of the business transacted. There are several excellent text-books on corporation bookkeeping, and what is here written is offered in the way of suggestion merely, and upon the supposition that the majority of the readers of this work are familiar with the general principles of double-entry bookkeeping.

Let us suppose, by way of illustration, that the Victor Coal Company has completed its organization, as shown in Forms Nos. 22 and 23, and that its Secretary has procured the necessary books of account, stock certificates, corporation seal and stationery.

The subscription to the capital stock consists of the real estate, rights and property in connection with certain coal lands, owned jointly by the five subscribers to the capital stock, and conveyed by them to the corporation, and in order to provide funds with which to meet current expenses, we will suppose that the Board of Directors, at their first meeting, adopted a resolution authorizing the President and Secretary to borrow \$5,000 from the First National Bank, for six months, with interest at the rate of eight per cent per annum, and to execute and deliver the corporation note therefor. The note, together with a certified copy of the resolution authorizing the same, has been delivered, and the proceeds of the note placed to the credit of W. L. Brown, Treasurer Victor Coal Company, on the books of the First National Bank.

The Treasurer, W. L. Brown, writes a letter to the

First National Bank, transmitting with said letter the canceled check referred to, which check shows his own signature and the signatures of the President and Secretary. (See check below.) Said letter reads substantially as follows:

"I desire to open an account with you in the name of W. L. Brown, Treasurer Victor Coal Company. Checks will be drawn like the canceled sample inclosed, and will be countersigned by myself, and I hereby authorize you to pay all such checks when properly countersigned."

VOUCHER. A voucher is a paper or document which serves to establish the correctness of an account. For example: Peter Smith, who is in the employ of the company, presents his bill for \$50, which bill shows the kind of work in which he is engaged, the number of days and the rate per day for the time so engaged, in accordance with the terms of his employment, and such bill, when paid by the company and receipted by Peter Smith, becomes the voucher, or *written evidence*, of the company for the amount of money so disbursed by its officer, the Secretary. In order to secure uniformity in filing, vouchers, printed in the form following, and cut to a certain size, should be used by the Secretary, and bills against the company, which cannot be made out on such voucher blanks, such as freight expense bills, etc., may, when paid and receipted, be attached to the printed form for filing. The vouchers are numbered consecutively, and such numbers correspond to the numbers of the checks by which the vouchers are paid. When a voucher has been paid, the printed form on the back is filled up,

so as to show the number of the voucher, date of payment, name of payee, and the account or accounts to which it is to be charged.

.....
 VICTOR COAL COMPANY
 Voucher No. 1.
 March 10, 1892.
 Peter Smith.
 Mine labor, \$50.00.

CHECK. The Treasurer is nominally the custodian of the funds of the corporation, although in practice such funds are generally banked, subject to the order of the Treasurer. To obviate the necessity of having a separate order, or warrant, on the Treasurer, for each check drawn on the bank, the following form has been devised, which combines in one paper both a warrant and a check:

ELSINORE, Cal., *March 10, 1892.*

W. L. BROWN, Treasurer,

VICTOR COAL COMPANY.

Pay to the order of *Peter Smith, (\$50.00) Fifty Dollars.*

VICTOR COAL COMPANY.

Payable at

John Doyle, President.

First National Bank Stephen Jones, Secretary.

Elsinore, Cal.

W. L. Brown, Treasurer.

THE CASH BOOK. In writing up the cash book, the entries on the debit side are taken from the blotter, or day book, and those on the credit side are taken from the vouchers, which are arranged and entered in consecutive order. At the close of each page, the Treasurer is credited by the orders drawn on him, and

debited with the cash received, if any. Folios 2 and 3 of the cash book, when written up, would appear as follows:—

MARCH, 1892.		MARCH, 1892.			
7	BILLS PAYABLE. For our note, favor First National Bank, due six months after date, with interest at 8 per cent per annum.	\$5,000.00	10	MINE LABOR. [1] Peter Smith.	\$ 50.00
10	BLANDING & PIKE. On account.	305.25	10	GEN'L EXPENSE. [2] 2 cords wood.	6.50
11	W. L. BROWN, treas. Order No. 1, \$ 50.00 " " 2, 6.50 " " 3, 118.00	174.50	11	OTTO SPRUDEL. [3] On account.	118.00
			11	W. L. BROWN, treas. \$5,000.00 305.00	5,305.25

It will be noticed that the corresponding debit and credit sides of the cash book will balance when fully written up.

The vouchers, after being entered, are filed for ready reference, in packages of 100 each, commencing with the first number in the hundred series.

VOUCHER RECORD. The vouchers may also be entered, month by month, in a voucher record, with which the vouchers may be checked when being examined by the auditing committee. The aggregate for each month should equal the aggregate of the corresponding numbers as shown by the credit side of the treasurer's account in the company's ledger.

ANOTHER FORM. Below are shown the headings and rulings of a voucher record book of original entry, in which the vouchers are entered in consecutive order, their amounts distributed to the respective accounts, and the totals of these accounts posted direct to the ledger. No explanations are made, the vouch-

ers being referred to for these. It will be observed that the aggregate of the footings in all of the other columns must, at any time, equal the sum of the figures in the "Amt. of Order" column. The figures in the "Amt. of Order" column will show, without referring to the stubs of the check book, the amount of each check, and the sum of these figures, when deducted from the amount of money with which the treasurer is debited, must, at any time, equal cash in bank. This book may be ruled for fifty vouchers to the page, the accounts to extend across two pages. In a small business, a page will suffice for a month's expenditures. It is only necessary then to post once a month, but the total of any or all of the accounts may be obtained at any time. In posting, the totals are brought below a common red line, as shown, and then posted. The total of "Amt. of Order" column is posted to the treasurer's account. With the vouchers at hand, entered in a book in this manner, the accounts may be quickly audited by an auditing committee and the certificate of the committee indorsed on the book.

VICTOR COAL COMPANY.

VOUCHER RECORD FOR MONTH OF MARCH, 1892.

Date of Voucher.	N umber.	To Whom Paid.	Amount of Order.	General Ex- pense.	Office Ex- pense.	Mine Labor.	Freights.	Miscellaneous.	Ledger Folio.
Mch. 10	1	P. Smith,	\$50.00			\$50.00			
Mch. 1	2	J. Jones,	16.25	\$3.00	\$3.25				
Mch. 10	3	W.L. Brown	30.00					W.L. Brown	\$30.00 89
			<u>\$96.25</u>	<u>\$3.00</u>	<u>\$13.25</u>	<u>\$50.00</u>			
			56	13	15	22			

It is necessary to employ a cash book in connection with this form of voucher record, but the entries in it are made from the voucher record only once a month.

OPENING ENTRIES IN THE JOURNAL. The opening entry in the journal, so far as relates to the stock, would be about as follows:—

Mining Rights.....	\$150,000.00	\$150,000.00
To Capital Stock.....		

For 1,500 shares of the capital stock of the Victor Coal Co., issued as follows:

To W. L. Brown, fifty shares, etc., in full payment for the property, rights, and interest conveyed to this corporation by said W. L. Brown, *et al.*, by deed bearing date March 10, 1892.

If the stock of another corporation had been turned in as part of the property, the entry would be:

Clearwater Prospecting Co. Stock, \$2,000.00

For 20 shares of the capital
stock of the Clearwater
Prospecting Co.

Mining Rights.....\$148,000.00

To Capital Stock..... \$150,000.00

For 1,500 shares, etc.

When an assessment is levied, the entry will be about as follows:

Sundries: To Assessments.....\$3,750.00

For assessment No. 1, of \$2.50 per share,
levied March 10, 1893, on each and
every share of this corporation, and
payable immediately.

W. L. Brow..... 125.00

Assessment No. 1, of \$2.50 per share on
the 50 shares standing in the name of
W. L. Brown, etc.

If the assessment is payable in installments, the explanation will read: "Assessment No. 1, of \$2.50 per share, on the 300 shares standing in the name of W. L. Brown, payable as follows:

Installment No. 1, of \$1.00 per share,
payable immediately.

Installment No. 2, of \$1.50 per share,
payable April 10, 1893."

When a dividend is declared, the entries will be something like the following:

Profit and Loss.

To Dividends.

Transfer to pay dividend No. 1.

Dividends, To Sundries.

Dividend No. 1.

To W. L. Brown.

300 shares at 50 cents per share, etc.

The assessments and dividends, as paid, pass through the cash book, the assessments being credited to the parties paying them, and the dividends being charged to the parties to whom they are paid.

BOOKS OF ACCOUNT AS EVIDENCE IN COURT. A book is a witness that remains unchanged, unclouded, uncolored, always telling the same story, and a well-kept set of books has the same effect as a first-class witness. Scratches anywhere in a book weaken the whole book as a witness. A man who keeps books must be bound by them; they are unqualified evidence against him.

There are various rules of evidence. One of these is that all evidence must be original. Books of ac-

count are one of the exceptions to this rule. The primary evidence would be the recollection of the seller.

In order that books may be admitted as evidence, they must be:

First, ordinary books of account.

Second, the account must be a running, or current account. A single transaction will not suffice.

Third, they must be in the proprietor's handwriting, or in the handwriting of his bookkeeper, or some-one authorized to keep the books. If the clerk or bookkeeper can not be produced, it may be shown that the handwriting is his.

Fourth, the book admitted must be the book of original entries. The Supreme Courts have decided that the book of original entries must be a book, not tabs or slips. A slate kept by several clerks was ruled not to be a book of original entries. A butcher's day-book or blotter, where entries are made daily, the court decided to be a book of original entries. Where this blotter was destroyed, the books were held not to be books of original entries. If a record be temporary, it is not original.

A nicely-kept, clean set of books, free from scratches, blots and erasures, is of more weight before a jury than any other evidence.¹

EXAMINATION OF CORPORATE BOOKS. The attorney general, or district attorney, when required by the Governor, or the State Legislature, at any time,

¹ *The Accountant*, Vol. 2, p. 116.

may examine into the affairs and condition of any corporation in the State of California, and inspect the books, papers and documents belonging to such corporation, and may also examine its directors and officers under oath, in relation to its affairs and condition.

A person who is entitled to examine the books of a corporation personally, is entitled to examine them by attorney.¹

RECORD BOOKS.

BOOK OF STOCK CERTIFICATES. This consists of from one hundred to five hundred stock certificates and their stubs (see Form No. 53), and such certificates may be of such form and device as the corporation may decide upon. The certificates are signed by the President, and are filled out, and countersigned, and sealed by the Secretary, who takes the receipt of the transferee on the stub and also on the margin of the stock journal. When the transferee is unable to appear personally, as in the case of a non-resident, such receipt may be taken under power of attorney. (See Form No. 95.)

In making a transfer, it is the universal practice to have the old certificate properly endorsed, produced and surrendered before the new certificate is issued. The canceled certificate is attached to the stub from which it was originally detached.

It is the duty of the Secretary, as the custodian of the stock books, to see that all transfers of shares are properly made. If doubtful as to the identity of a

¹ Mitchell v. Rubber Reclaiming Co. 24 Atl. Rep. 407.

party presenting a certificate for transfer, or if not satisfied as to the genuineness of the power of attorney produced, he may require such identity or genuineness to be established before allowing the transfer to be made.

The certificates, as issued, or afterwards, from the stubs, are entered in the stock journal, and such entries are then posted to the stock ledger.

STOCK JOURNAL AND STOCK LEDGER. The stock journal and stock ledger in use in California have printed headings like the following:

(JOURNAL.)

Date.	By Whom Surrendered.	L. F.	Certificate Canceled.		
			No. Certificate.	No. Shares	Total No. Shares.

In Whose Name.	L. F.	Certificate Issued.			Signature. Received, subject to the by-laws of the company.
		No. Certificate.	No. Shares	Total No. Shares.	

(LEDGER.)

Date.	Certificate Canceled.			Certificate Issued. (The same.)
	J. F.	Certificate No.	No. Shares.	

In the stock ledger, the debit and credit sides are both on one page, but in the stock journal the entry extends across two pages.¹

¹ For sale by H. S. Crocker Co., San Francisco, Cal.

STOCK CERTIFICATE REGISTER.¹

STOCK CERTIFICATE

To Whom Issued.	Date.	No. Cert.	No. Sh'es.	Amount.	Issued in Lieu of	
					No. Cert.	No. Sh'es.

REGISTER.

Transferred.				To Whom Transf'rd.	No. Cert.	No. Sh's
Date.	No. Cert.	No. Sh's.	Amount.			

DIVIDEND BOOK.¹

DIVIDEND OF.....

Payable on and after.....18...

Name.	Residence.	Shares.	Amount.	Dividend of Per Cent.	Date of Receipt.	Rec'd P'ment in Full to Date.

BOOK OF BY-LAWS. Under the California statutes, the by-laws of a corporation, when adopted by the stockholders and certified to by a majority of the Board of Directors and the Secretary, must be copied "in a legible hand" in some book to be kept in the office of the corporation, and to be known as the "Book of By-laws." All new and amended by-laws must be copied in this book immediately after the entry of the original by-laws; and the fact of the repeal of a by-law, with the date of the meeting at which the repeal was made, must also be stated in such book,

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and no new, amended or repealed by-law takes effect until such entries are made.

AGENDA BOOK. This is simply a paged book, containing paper suitable for the pencil, in which the Secretary may enter, during the meeting, notes of the business done.

At the top of the page write day and date, whether the meeting is regular or special, the names of those present and absent, and a memoranda of the business to be transacted in the order in which it is to be taken up. When written resolutions are offered, the Secretary should write in his notes "Resolution No. ——— offered by ————," and when the written resolution is handed to him, he should place on it a corresponding number. At the close of the meeting the written resolutions should be attached to the page of the agenda book, and when the minutes have been entered in the permanent record, place page and date of meeting on written resolutions and file them in an envelope or other receptacle, which should be labeled to indicate its contents.

The agenda book may also serve as a docket in which the Secretary may enter, in the intervals between meetings, such matters as are necessary to be brought to the attention of the directors or stockholders for their action at a subsequent meeting.

Such a book will be found to be much more serviceable and satisfactory for preserving memoranda than would loose sheets of paper, which are liable to become lost or mislaid.

MINUTE BOOK. The minute book should contain

paper of good quality, and the minutes should be carefully entered therein in a neat, legible hand, and in chronological order, without omission, erasure or interlineation. Spelling, punctuation, capitalization, paragraphing, and arrangement should all be given attention; in short, the Secretary should exercise as much care in recording the minutes as if he were writing for the press an article which he would wish to have appear in print precisely, in all respects, as he had written it. Black ink, of uniform quality, should be used throughout the book, and emphasis may be given to dates and the introductory words of preambles and resolutions by underscoring same with red ink. Each page of the minute book should be ruled with a marginal line.

The first entry to be made in the minute book will be the record of the first meeting of the stockholders, and the second entry, the record of the first meeting of the Board of Directors. General entries, other than resolutions, are illustrated under "Miscellaneous Minute Book Entries."

The record of each annual meeting of the stockholders for the election of directors, etc., will be similar to the record of the first meeting of the stockholders, so far as the election is concerned, and the changes in respect to those present, etc., will be found under the caption "Miscellaneous Minute Book Entries."

In the margin, opposite each paragraph or resolution, "catchwords" in red or black ink may be written, so that when looking through the book for

the record of a particular transaction, it is only necessary to read the catchwords to find the matter sought. (See form No. 14.)

Whenever it is desirable to express a thought with more than ordinary definiteness, the best practice is first to make a pencil copy (which may be readily altered or amended), rather than to attempt to record a statement as it is being formulated in the mind. By making such pencil copy, unsightly erasures and interlineations, the bane of a hasty, careless writer, may be avoided.

If for any reason the Secretary, upon reading his minutes before the Board of Directors, is instructed by that body to cross off one or more sentences, or if the Secretary in entering the minutes should inadvertently repeat a sentence, such crossing off may be done by laying a ruler upon the page and drawing straight lines in red ink through the portion to be expunged.

The minutes of a special meeting should be signed by the Chairman and Secretary of the meeting, and the minutes of a general meeting should be signed by the Secretary of the company.

It is not necessary that the minutes of the proceedings of a corporation should be written up by the Secretary in his own handwriting, or that they should be approved by the board.¹

Where the corporate records show that a resolution was adopted, it is presumed that such resolution was adopted by the majority,² and if it be shown that a resolution was so adopted, it would be valid, though never entered on the company's minutes.³

Entries in the books of a corporation are, as a general rule, competent evidence of the proceedings of the corporation,⁴ but the omission of the Secretary to enter corporate resolutions, may be proved by parol.⁵

¹⁻³ *Wells v. Rahway White Rubber Co., Am. Corp. Cases, 3-592.*

² *Star Line Steamers v. Van Vleit, Id., 6-649.*

⁴ *Weatherbee v. Baker, Id., 9-547.*

⁵ *Bay View Ass'n v. Williams, 50 Cal., 553.*

CORPORATE MEETINGS.

Meeting and Session.—Kind of Meetings.—Where Held.—How Held.—Notice of Meetings.—Meetings of Stockholders or Members.—Elections.—Ballot.—Tally Sheet.—Vote.—Directors' Meetings.—Quorum.—Presiding Officer.—Recording Officer.—What the Record Should Disclose.—Taking Vote on Roll Call.—Adjourned Meeting.—Order of Business.

MEETING AND SESSION. A meeting denotes the uninterrupted and continued deliberations of the members present thereat from the moment of assembling until adjournment.

A session is the time during which the members are assembled, including the first, or regular meeting, and any and all adjourned meetings, until final adjournment without day, or to the next regular meeting.

The motto of the meeting should be "*Hoc agere*," which signifies "to attend to the business on hand."

KINDS OF MEETINGS. Meetings are general or special.

General meetings are held at stated times and places, pursuant to provisions of the by-laws of the corporation, or in conformity with the requirements of the statute of incorporation. "Regular" and "Stated" are terms also used to designate such meetings.

Special meetings are called on particular occasions and for specified purposes.

The business of the meeting may be **Ordinary** or **Extraordinary**. "Ordinary" is used to characterize the business usually transacted at a general meeting of the directors. The acts of the directors may be said to be "Extraordinary" only when they relate to some business which the stockholders have previously begun, or which the stockholders must subsequently continue and complete. The calling, by the directors, of a stockholders' meeting for the purpose of increasing or diminishing the capital stock, is extraordinary business. The election of directors, by the stockholders, is extraordinary business.

WHERE HELD. Meetings of the stockholders or Board of Directors must be held at the principal place of business of the corporation.

HOW HELD. Meetings may be held pursuant to notice thereof given.

1. By publication and personal service;
2. By personal service only;
3. By consent, when all of the stockholders or directors are present and sign such written consent on the minutes of the meeting;
4. Pursuant to adjournment { To a stated time.
Subject to call.

NOTICE OF MEETINGS. Where the time and place of holding general or stated meetings are provided for by resolution or by-law, each member is presumed to have a standing notice of such meetings, and the giving of a notice for each meeting is generally unnecessary. Where the statute fixes the day of meet-

ing, and provides that notice shall be given, or where the statute provides that the date of a meeting, such as an annual meeting, may be fixed in the by-laws, the fixing of such date by by-law is not a sufficient notice.

In the case of a special meeting, the giving of notice to each member is essential to the validity of the acts done at such meeting, unless all of the members are present in person, sign a written consent to the holding of the meeting, and participate in the proceedings of the meeting.

It is not only a plain dictate of reason, but a general rule of law, that no power or function intrusted to a body consisting of a number of persons can be legally exercised without notice to all the members composing such body.¹ The right to deliberate, and by their advice and counsel convince their associates, if possible, is the right of the minority, of which they cannot be deprived by the arbitrary will of the majority. (See also Notices.)

MEETINGS OF STOCKHOLDERS OR MEMBERS. At a meeting of the stockholders there must be a majority of the subscribed capital stock present or represented, either in person or by proxy.

In corporations having no capital stock, there must be a majority of the members present or represented.

Any regular or called meeting of the stockholders or members may adjourn from day to day, and from time to time, if for any reason a majority of the stock-

¹ *People v. Catchellor*, 22 N. Y. 134.

holders or members is not present, and a statement of such adjournment, and the reasons therefor, must be entered in the minute book.

When all of the stockholders or members are present in person at a meeting and sign a written consent to the holding of the meeting, they may elect officers to fill all vacancies then existing, and act upon such other business as might lawfully be transacted at a called or regular meeting.

ELECTIONS. When the statute confers upon the stockholders the power to elect directors, the corporation cannot deprive them of that right or confer it upon others.¹

All elections must be by ballot, and every stockholder has the right to vote in person or by proxy the number of shares of stock standing in his name for as many persons as there are directors to be elected, or to cumulate said shares and give one candidate as many votes as the number of directors multiplied by the number of shares shall equal, or to distribute them on the same principle among as many candidates as he shall see fit.² A similar rule prevails in Illinois, Michigan, Missouri, Pennsylvania, and Nebraska. In California, New York, and Indiana every person acting at such election must be a *bona fide* stockholder, having stock in his own name on the stock books of the corporation at least ten days prior to the election.

In corporations having no capital stock each mem-

¹ Brewster v. Hartley, 37 Cal. 15.

² Wright v. Central Cal. C. W. Co., 67 Cal. 532; Cal. Civil Code, Sec. 307.

ber of the corporation may cast as many votes for one trustee as there are trustees to be elected, or may distribute the same among any or all of the candidates. In either case, the candidate receiving the highest number of votes shall be declared elected.

The directors of a corporation must be elected annually, at the annual meeting of the stockholders or members, and if no time is fixed in the by-laws for the date of the election, such election, in California, must be held on the first Tuesday in June. If not so elected, the directors hold over until their successors are elected and qualified. Immediately after their election, the directors must organize by the election of a President, who must be one of their number, a Secretary and Treasurer.

The inspectors of election of a corporation of New York, before entering upon the discharge of their duties, must take and subscribe an oath that they will faithfully execute the duties of such inspector at such meeting with strict impartiality and according to the best of their ability; and the oath so taken, together with a certificate of the result of the vote had at such election, must be immediately filed in the office of the county clerk.

In New Jersey any person who is a candidate for the office of director of a corporation, cannot act as judge, inspector, teller, clerk, or conductor of any election (except the first election) for directors, and if any person so act and be elected a director, his election is void, and it is not lawful for the legally elected directors to appoint any such person as director within the twelve months next succeeding such election.

MOTION. A motion is a proposition made by one member or stockholder and seconded by another. An appeal to enforce an order of the meeting does not require a second. The proposition, when stated by the chair for acceptance or rejection, is termed a question, and taking a vote thereon is styled putting the question. A question, after it is stated by the chair, is open for debate. One motion can not be entertained while another is pending.

A motion may be amended, and the amendment may be amended, but further amendments are out of order. The second amendment must be decided before the first, and the first before the main question. An amendment may consist in adding words to the motion, or in striking out words, or in striking out and inserting words.

VOTE. In a viva voce vote, the presiding officer determines the result by his ear.

In a rising vote, or a division, those in the affirmative, and those in the negative, rise separately, to be counted. In some cases, tellers are appointed, who count the voters.

In voting by ayes and noes, the Secretary or Clerk calls the roll, and notes the responses, whether aye or no, opposite the names of the respective members voting.

A vote may be reconsidered, modified or repealed, provided the rights of third parties will not be affected thereby.

The books and records of a corporation determine who are its stockholders. The party who appears on the books of the corporation to be the owner has the right to vote the stock which stands in his name,

although the same may have been sold or pledged as collateral security.

The evidence of being a stockholder, to be produced at an election, comprises the stock ledger as well as the certificate book and transfer book.

Certificates of stock owned by the corporation, and certificates of stock illegally issued, can not be voted by any one person.

Each member has the clear right to cast his ballot as he pleases, wisely or unwisely, and no other stockholder can control his conduct or gainsay his discretion. And it can make no difference if several stockholders uniformly vote together, or so vote in obedience to a prior agreement that they will do so. The vote when cast is but the expressed wish of the stockholder, or at least must be so regarded, and no other stockholder can be supposed to be injured thereby. To hold otherwise would be to abridge the voter's right to cast his ballot as he pleases.

AN EXAMPLE OF CUMULATIVE VOTING.

STOCKHOLDERS	Palin.	Brown.	Gunn.	Smith.	Stoll.	Winters.
Brown, 550 shares.	425	425	1,900			
Smith, 5 shares.	5	5		5	5	5
Stoll, 1,480 shares	1,480	1,480		1,480	1,480	1,480
Palin, 200 shares.	100	100	600	100	100	
Winters, 10 shares.	10	10		10	10	10
Total. . . .	2,020	2,020	2,500	1,595	1,595	1,495

In the above example, there are five directors to be elected, and six candidates. Two of the stockholders,

Brown and Palin, cumulate their votes, Brown distributing his votes among three candidates and Palin among four, and the voting results in the election of the candidates receiving the highest number of votes, to wit: Palin, Brown, Gunn, Smith, and Stoll.

A majority of the directors is a sufficient number to form a board for the transaction of business, and every decision of a majority of the directors forming such board, made when duly assembled, is valid as a corporate act. The directors vote orally on questions brought before them, and they can not vote by proxy.

KNOWLEDGE IMPUTED TO DIRECTORS. The law imputes to directors a certain knowledge of the affairs of the corporation. Thus, in California, every director is deemed to possess such a knowledge of the affairs of his corporation as will enable him to determine whether any proceeding, act or omission of the directors is in violation of law, and if he is present at any meeting of the directors at which any such act, proceeding or omission occurs, he is deemed to have concurred therein unless he at the time causes, or in writing requires, his dissent therefrom to be entered in the minutes of the directors. Although not present at such meeting, a director is deemed to have concurred therein if the facts constituting such violation appear on the record of the proceedings of the Board, and the director remains a director for six months thereafter and within that time does not cause, or in writing require, his dissent from such illegality to be entered in the minutes of the directors.

QUORUM. Where the by-laws or charter is silent on the subject, a majority of all the directors of the corporation must be present to constitute a quorum for the transaction of business, and where notice has

been given to all of the directors, a majority of a quorum may act. One person cannot constitute a quorum; there must be at least two persons to constitute a "meeting." A majority of a committee constitutes a quorum.

Where a committee of two has special power, conferred upon them by resolution, requiring the exercise of judgment and discretion, such power cannot be exercised by one alone, and if one is disqualified from acting, neither can act.¹

PRESIDING OFFICER. It is usually the duty of the President of the corporation to preside at all meetings of the members, or of the stockholders, and of the Board of Directors, and to have the casting vote.

When the members are assembled, the President opens the meeting by calling them to order as stockholders or members of, or as the Board of Directors or Board of Trustees of the corporation—naming it.

He then requests or directs the Secretary to read the minutes of the preceding meeting, if such minutes are to be read. When the minutes have been read, he inquires of the meeting what its pleasure is with regard to them. If a motion be made that the minutes stand approved as read, and the motion be seconded, the President, in submitting the question to the meeting for its action, says:—

“It has been moved and seconded that the minutes stand approved as read; are you ready for the question? All in favor of the motion signify their assent

¹ Nat. Corp. Rep.

by saying 'aye.'" (Here the "ayes" are heard.) "Contrary?" inquires the President; "Carried," or "Carried unanimously."

The reading and approval of the minutes of a preceding meeting or meetings may, by unanimous consent, be deferred to a subsequent meeting.

In submitting a resolution to the meeting for adoption, the President says:—"The question is on the adoption of the resolution just read; are you ready for the question? All in favor of the adoption of the resolution will say aye; contrary, no. The motion is carried, and the resolution is adopted."

At an election for directors or officers, it is the duty of the presiding officer, after the tellers have announced the result of their canvass of the election, to declare elected the persons receiving the highest number of votes.

RECORDING OFFICER. It is the duty of the Secretary to attend all meetings of the stockholders and Board of Directors and to keep a full record of the proceedings of each in a book for that purpose. Such record should embrace statements as to the following facts:

1. Kind of meeting.
2. If special, its object, by whom authorized, and the notice thereof given.
3. Name of corporation.
4. Time and place where meeting was held.
5. The names of the presiding and recording officers.
6. Who were present and who were absent.
7. Every act done or ordered to be done.
8. And if any stockholder, member or director so request,

there must be entered at large on the minutes the time when such stockholder, member or director entered the meeting; the time when he obtained leave of absence therefrom; the protest of any stockholder, member or director to any action or proposed action. And on similar request, the ayes and noes must be taken on any proposition, and record thereof made.

WHAT THE RECORD SHOULD DISCLOSE. The Secretary's record should disclose only such things as are formally acted upon by the meeting. Matters which are merely proposed and discussed, and in reference to which no formal action is taken, should be omitted from the record. In the event, however, that the meeting is unable to arrive at a decision in respect to the special business for which it is called, owing to the opposition or obstruction of some member, or if there is not a quorum present, the record should disclose the fact. The Secretary's record should not contain any comment or criticism as to anything said or act done at the meeting.

ADJOURNMENT. An adjournment is where the business of the meeting is continued from one day to another day. A recess is a suspension of business for a certain time on the same day. If it is desired to adjourn to a special time, this should be fixed by a previous motion, as the motion for adjournment is simply to adjourn.

The stockholders or Board of Directors may transact at an adjourned meeting any business which could have been done at the original meeting. When a

motion for adjournment is made, the date and hour to which it is proposed to adjourn should be clearly stated, and so entered in the minutes.

ORDER OF BUSINESS. In meetings of stockholders or directors, the following is the usual

ORDER OF BUSINESS.

- (1) Calling of the roll.
- (2) Reading minutes of previous meeting.
- (3) Reports of board of officers.
- (4) Reports of standing committees.
- (5) Reports of special committees.
- (6) Unfinished or deferred business.
- (7) New business.
- (8) Adjournment.

RULES OF ORDER. The Rules of Order hereinafter given will no doubt be found more suitable and useful for members of city councils than for directors of private corporations.

NO. 24.—RULES OF ORDER FOR MUNICIPAL COUNCILS.

RULES OF PROCEEDINGS.

1. In case the Chairman does not attend, the Clerk, on the appearance of —— members, shall call the board to order, when a chairman *pro tem.* shall be appointed by the board for that meeting, or until the appearance of the Chairman.

2. In case the Clerk shall be absent, the board shall appoint a Clerk *pro tem.*, provided such substitution shall not continue beyond the day on which it was made.

3. Whenever it shall be moved and carried that the board go into a Committee of the Whole, the Chairman shall leave the chair and the members shall appoint a Chairman of the Committee of the Whole, who shall report the proceedings of the Committee.

4. The rules of the board shall be observed in the Committee of the Whole, except the rules regulating a call for *ayes* and *nays*, and limiting the time for speaking.

5. On motion, in committee, to rise and report the question, it shall be decided without debate.

6. No amendments shall be allowed in the board, or any question which has been decided in Committee of the Whole, unless by consent of two-thirds of the members present.

7. The Clerk shall make a list of the ordinances, resolutions or reports on the table, which shall be considered the "General Orders of the Day."

THE ORDER OF BUSINESS,

Which shall not be departed from, except by the consent of ——— members, shall be as follows:—

- (1) Calling the roll.
- (2) Reading the minutes of the last meeting.
- (3) Presentation of petitions.
- (4) Communications and reports from (city) county officers.
- (5) Reports of committees, except Finance Committee.
- (6) Disposition of street work.
- (7) Unfinished business.
- (8) Presentation of bills and accounts.
- (9) Report of Finance Committee.
- (10) Ordinances, motions, or resolutions.
- (11) Special orders of the day.
- (12) General orders of the day.

8. If any question under debate contains several points, any member may have the same divided.

9. When any question has been put and decided, it shall be in order for any member who voted in the majority

to move for the reconsideration thereof; but no motion for the reconsideration of any vote shall be made after the ordinance, resolution, or act, shall have gone out of the possession of the board; and no notice for reconsideration shall be made more than once upon the same question.

10. A motion to refer or lay on the table, until it is decided, shall preclude all amendments to the main question.

11. It shall be the duty of the Clerk to issue such certificates as may be directed by ordinances or resolutions, and to engross all ordinances, resolutions, or acts, requiring the signature of the Chairman, to the end that they may be placed on file, in addition to the records required to be kept by the act creating this board.

12. All accounts and bills presented shall be referred to committees, that they may report upon the same before action is taken by the board.

13. The Chairman shall preserve order and decorum, and shall decide questions of order, subject to an appeal to the board.

14. Every member, previous to his speaking, shall rise from his seat and address himself to the Chairman; and no motion shall be in order if made while the mover is seated or out of his place.

15. When two or more members shall rise at once, the Chairman shall name the member who shall speak first.

16. No member shall speak more than twice on the same question without leave of the board, nor more than once until every member choosing to speak shall have spoken, nor more than five minutes, except by permission of the Chairman.

17. No question, on a motion, shall be debated or put, unless the same be seconded. When a motion is seconded, it shall be stated by the Chairman before debate; and every such motion shall be reduced to writing, if any member desire it.

18. A motion having been stated by the Chairman, it shall be deemed to be in the possession of the board; but it may be withdrawn any time before decision or amendment, with the assent of the second.

19. When a question is under debate, no motion shall be received, unless:—

- (1) To adjourn.
- (2) To lay on the table.
- (3) The previous question.
- (4) To postpone to a day certain.
- (5) To commit or amend.
- (6) To postpone indefinitely.

Which several motions shall have precedence in the order in which they are arranged.

20. A motion to adjourn and a motion to fix the time of adjournment shall be decided without debate.

21. The previous question, until decided, shall preclude all amendments and debate to the main question, and shall be put in the form, "Shall the main question be now put?"

22. Every member who shall be present when a question is put, shall vote for or against the same, unless the board shall excuse him, or unless he be immediately interested in the question, in which case he shall not vote; but no member shall be permitted to vote upon a division when a division is called, unless present when his name is called in the regular order.

23. A member called to order shall immediately take his seat, unless permitted to explain, and the board if appealed to shall decide on the case, but without debate. If there be no appeal, the decision of the Chair shall be submitted to.

24. Upon the decision of the board, the names of those who voted for and those who voted against the question shall be entered upon the minutes, not only in the cases required by law, but when any member may require it; and

in all appropriations of public moneys, the *ayes* and *nays* shall be called by the Clerk and recorded.

25. All appointments of officers shall be by *ballot*, unless dispensed with by the unanimous consent of the board, and a majority of all the members of the board shall be necessary to a choice.

26. No member shall leave the board during its session without permission from the Chairman.

27. All Committees shall be appointed by the board, unless otherwise ordered. Committees appointed to report on any subject referred to them by the board, shall report a statement of facts, and also their opinion thereon, in writing; and no reports shall be received unless the same be signed by a majority of the committee.

28. Every remonstrance, or other written application intended to be presented to the board, must be delivered to the Chairman, or any member, not later than 12 o'clock on the day on which the Supervisors convene, except on extraordinary occasions, and the Chairman or member to whom it shall be given shall examine the same and endorse thereon the name of the applicant, and the substance of the application, and sign his name thereto, and deposit the same in the office of the Clerk of the board, so that the members may examine the same before meeting; *only* the endorsement of such remonstrance or application shall be read by the Clerk, unless a member shall require the reading of the paper, in which case the whole shall be read.

29. The members of the board shall not leave their places on adjournment until the Chairman leaves the chair.

30. Members, in speaking of each other, shall designate them by the number of their respective ward.

31. ——— members shall constitute a quorum to transact business, and no regulation, resolution, ordinance, or order of the board shall pass without the concurrence of at

least that number of members ; but a smaller number may adjourn from day to day.

32. Should there arise any questions or points of order not embraced in the *Rules*, the board shall be governed by the rules of the Senate and the authorities set forth in Cushing's Manual.

33. Every ordinance shall embrace but one subject, and the same shall be expressed in its title.

34. Two-thirds of the members of the board shall be required to alter, suspend or repeal any of the foregoing Rules.

MISCELLANEOUS MINUTE-BOOK ENTRIES.

NO. 25. MINUTES OF ANNUAL MEETING.

FOURTH ANNUAL MEETING

OF THE STOCKHOLDERS OF THE

Victor Coal Company.

The regular annual meeting of the stockholders of the *Victor Coal Company* was held at the office of said corporation at *Elsinore, San Diego County, California*, on *Tuesday, October 5th, 1894*, at the hour of one o'clock P. M., pursuant to notice of said meeting, given by publication in the *Elsinore Eagle*, a weekly newspaper of general circulation, published at said town of *Elsinore*, for at least two weeks previous to said meeting, and by service of copy of such notice upon each stockholder of the corporation at his last known post-office address, at least two weeks previous to said meeting, said notice being in the words and figures following:—

(Notice.)

The meeting was called to order and presided over by *Mr. John Doyle*, President of the Company, the Secretary

of the Company, *Mr. Stephen Jones*, being present and acting as Secretary of the meeting.

There were present in person at said meeting the following named stockholders of said corporation:—

John Doyle, holding 100 shares, etc.

There were present at said meeting by proxy the following stockholders of said corporation:—

Coldwater Prospecting Co., a corporation, represented by *Mr. John Doyle*, who held the proxy in writing of said *Coldwater Prospecting Company*, for 50 shares of the capital stock of this corporation, etc.

There were absent from said meeting the following named stockholders of said corporation:—

—— holding — shares.

On motion, Messrs. *Brown* and *Hatcher* were appointed a Committee to examine and pass upon the validity of the proxies aforesaid, and said Committee, after such examination, reported said proxies to be valid and sufficient in all respects to confer the requisite authority upon the holders thereof.

On motion, the report of said Committee on proxies was duly accepted.

The Secretary stated that he had served notice of the meeting upon all of the stockholders of the corporation, and had caused said notice to be published in the *Elsinore Eagle*, and in proof of such publication offered the affidavit of *Hiram Hilgard*, the publisher of said newspaper; and, on motion, said affidavit was ordered filed in the office of the corporation.

The President then stated that as the notice appeared to have been properly given, and as more than a majority of the capital stock was present and represented, the meeting was competent to proceed with the transaction of business.

The Secretary read the minutes of the preceding annual meeting, held on *October 3d, 1893*, as the same are recorded on pages 159-163 of this journal, and said minutes, on motion, were duly approved as read.

On motion, the Annual Report of the Board of Directors, the same being indorsed "Annual Statement, Victor Coal Co., September 30th, 1894," was presented, read, approved, and ordered filed.

On motion, the meeting duly passed and adopted the following resolution: (No. 50, *modified, however, where the directors and officers have been elected annually.*)

On motion the stockholders proceeded to elect a Board of five Directors to serve for the ensuing year.

On motion, the Chairman appointed Messrs. *Hatcher* and *Brown* tellers to receive and count the ballots and votes to be cast for the directors.

The election then took place, the ballots having thereon the names of the persons selected by the voter, the number of votes cast for each of said persons, and the number of shares voted thereby.

The tellers received and counted the ballots and votes and announced that there were 487 shares in all voted, and that *John Doyle, Eben Elliott, Stephen Jones, R. F. Hatcher* and *W. L. Brown* had each received the requisite number of votes, and the Chairman thereupon declared said persons to be the duly elected Board of Directors of this corporation to serve for the ensuing year, and until their successors are elected and qualified.

Each of said Directors thereupon accepted his office.

On motion, the meeting adjourned.

Attest: *Stephen Jones,*
Secretary.

John Doyle,
President.

NO. 26.—SPECIAL MEETING OF STOCKHOLDERS FOR CREATION OF BONDED INDEBTEDNESS.

A special meeting of the stockholders of the —— Company was held at the office of said corporation, in room No. — of the —— Block, at ——, —— County, —— (the same being the building where the Board of Directors

of said corporation usually meet), on ———, the — day of ———, 189—, in accordance with the order of the Board of Directors calling said meeting, and the notice thereof given, which notice is in the words and figures following, to wit:

(Copy of Notice.)

On motion, ——— was elected Chairman, and ——— was elected Secretary of the meeting.

There were present and acting at said meeting the following stockholders of said corporation, holding or representing the number of shares of the capital stock of said corporation set opposite their respective names, to wit:

NAMES OF STOCKHOLDERS.	NUMBER OF SHARES.
------------------------	-------------------

.....

The Secretary exhibited and read to the meeting the proof of legal service of the foregoing notice upon each stockholder of the corporation. Such proof is in the words and figures following, to wit:

(Affidavit of the Secretary of the Company as to service of notice.)

The Secretary also read the affidavit of ———, publisher of the ———, a secular newspaper of general circulation, printed and published in said county, showing that said notice had been published weekly for ten weeks consecutively in said ———, of which affidavit the following is a true copy:

(Affidavit of Publisher.)

The Chairman thereupon declared that the notice of said meeting had been given in accordance with the requirements of the statute, and that more than two-thirds of the capital stock of said corporation was present or represented at the meeting, and that the meeting was competent to proceed with the transaction of the business for which it had been called.

On motion, the Chairman caused to be read the resolution of the Board of Directors calling the meeting, said resolution being as follows:

(Copy(Copy of Directors' resolution.)o. 39.)

Thereupon Mr. ——— offered the following resolution, and moved its adoption upon roll call:

(Copy of Stockholders' resolution,)

Upon calling the roll, the foregoing resolution was adopted by the following vote:

NAMES OF STOCKHOLDERS.	NUMBER OF SHARES.
------------------------	-------------------

... ..voting.....

The Chairman then declared that said resolution, having been voted for by stockholders representing ——— shares, the same being more than two-thirds of the entire number of shares of the capital stock of said ——— Company, had been duly and legally adopted, and that a bonded indebtedness of said ——— Company, to the amount of ——— dollars, had been and was thereby created, under the terms expressed in said resolution.

There being no further business to be transacted, the meeting, on motion, adjourned.

Chairman.

Attest:

Secretary.

NO. 27.—GENERAL MINUTE BOOK ENTRIES. (IES.

INTRODUCTORY WORDS.

DIRECTORS' MEETING.

A regular meeting of the *Victor Coal Company* was held at the office of the company, at *Elsinore, Cal.*, on
Tuesday, August 5th, 1888,
at *one o'clock P. M.*

Pursuant to adjournment *from Tuesday, April 10th, 1892*, an adjourned regular meeting of the Board of Directors of the *Victor Coal Company* was held at the office of the corporation, *Room No. 4, of the Brunswick Block, in the town of Elsinore, California,*

on *Tuesday, April 17th, 1892,*

at the hour of *one o'clock P. M.*

At the adjourned hour, to wit, at *1:30 P. M., on Wednesday, January 17th, 1887*, all of the members of the Board who were present at the morning session of the meeting, again assembled at the office of the corporation, at ———.

CONSENT TO HOLDING MEETING.

KNOW ALL MEN BY THESE PRESENTS:—that we, the undersigned, being and constituting all of the holders of the entire capital stock of the *Victor Coal Company*, and being now all present in person at the office of said corporation, at *Room No. 4 of the Brunswick Block, in Elsinore, California,* at the hour of *one o'clock P. M., on Thursday, the 5th day of May, 1892*, hereby waive the issuance and service of notice, and hereby consent that a meeting of said stockholders shall be held immediately, at the place aforesaid, and that all of the proceedings had and done thereat shall be as valid as if had at a meeting otherwise legally called and noticed.

Witness our hands and seals this 5th day of May, 1892.

(Signatures.)

In pursuance of the foregoing written consent, a meeting of all of the stockholders of this corporation was held at the office, etc.

STOCKHOLDERS' MEETING.

A special meeting of the stockholders of the *Victor Coal*

Company was held at the office of the corporation, at *Elsinore, San Diego County, California*, on

Wednesday, April 14th, 1887,

at one o'clock P. M., pursuant to the call of the Board of Directors made on *March 29th, 1887*, and notice thereof given on *March 30th, 1887*, as provided in the by-laws, viz., by personal service of such notice upon each and all of the stockholders, the acceptance thereof by each and all of the stockholders being filed with the Secretary; said notice and the acceptance thereof being in the words and figures following, to wit: (See No. 80.)

ANNUAL MEETING.

The regular annual meeting of the stockholders of the *Victor Coal Company* was held at the office of the said corporation, *Room No. 4* of the *Brunswick Block*, in the town of *Elsinore, Cal.*, on *Tuesday, the 13th day of October, 1892*, at the hour of *two o'clock P. M.*, notice of said meeting having been given by publication thereof in the *Elsinore Eagle*, a secular newspaper published weekly at the principal place of business of said corporation, and by personal service of printed copy of such notice upon each and all of said stockholders; said notice is in the words and figures following: (See. No. 81).

PRESENT AND ABSENT.

There were present and acting at said meeting the following named directors of the corporation:

(Names.)

There was absent from said meeting ——— of said Directors, viz.,———.

(Names.)

Directors present.
(Names.)

Directors absent.
(Names.)

At said annual meeting, there were present in person the following stockholders of this corporation, namely:

— —, owning and holding in his own name on the stock book of this corporation five shares of its capital stock.

— —, owning and holding in his own name, as Trustee, on the stock books of this corporation, five shares of its capital stock.

There were also present at said meeting by proxy the following stockholders of this corporation, namely:

— —, represented by — —, holding the proxy in writing of said — —, which proxy was for — — shares of the capital stock of this corporation, then owned and held by said — —, in his own name on the stock books of this corporation. (Repeat for each proxy.)

Each of said stockholders so present and acting at said meeting, in person or by proxy as aforesaid, were *bona fide* stockholders of this corporation, having stock in his own name, or in its name individually, or as trustee, as aforesaid, on the stock books of this corporation for more than ten days prior to the — day of —, 189—, the date of said meeting. (Balance similar to form No. 14.)

PRESIDING AND RECORDING OFFICER.

The meeting was called to order and presided over by the President, —, the Secretary, —, being present and acting in his official capacity.

READING AND APPROVAL OF MINUTES.

The minutes of the preceding meeting, held on —, were read by the Secretary, and, on motion, approved.

The minutes of the meetings of this Board held on —, as the same are recorded in this record, on pages — to —, were read by the Secretary, and on motion it was unanimously

Resolved, That said minutes contain a full, true and correct record and transcript of all and singular the acts and doings of said last-named meeting, and the said minutes are hereby in all respects ratified and approved.

The reading of the minutes of the preceding meeting was, by unanimous consent, dispensed with.

PROXY EXAMINED AND APPROVED.

On motion, duly made and carried,— were appointed a committee to examine and decide upon the validity of the proxy in writing of — to —, and the said committee reported that the said proxy was valid and sufficient in all respects to confer the requisite authority.

OBJECTS OF THE MEETING.

The President stated in detail the purposes for which the meeting had been called, and then, on motion, the stockholders proceeded to consider the proposition made by the Board of Directors in the said call and notice, to wit: —.

COMPENSATION OF OFFICERS.

On motion, the compensation of the Secretary was, by a unanimous vote, fixed at one hundred dollars per month for the ensuing year.

On motion, it was unanimously voted that no salary attach to the office of Vice President, the compensation for any special services rendered by that officer to be determined by the Board.

RESIGNATION OF DIRECTOR.

W. L. Brown, being present in person at said meeting, resigned his office as such Director, and filed with the Secretary his written resignation in the words and figures following:

"ELSINORE, Cal., July 9, 1891.

"To *Stephen Jones, Esq., Secretary Victor Coal Company, Elsinore, Cal.*

"SIR: I hereby resign my office as a Director of the *Victor Coal Company*, such resignation to take effect as soon as my successor shall be elected or appointed.

(Signed) "W. L. Brown."

On motion, it was unanimously

Resolved, That the said resignation of *W. L. Brown* as a Director of this corporation be and the same is hereby accepted.

APPOINTMENT OF DIRECTOR TO FILL VACANCY.

On motion, it was unanimously

Resolved, That *Jason Drake* be, and he is hereby appointed a Director of this corporation, to serve until the annual election of Directors, and until his successor shall be elected, to fill the vacancy caused by the resignation of *W. L. Brown* as aforesaid.

Said *Jason Drake* being present at the meeting, thereupon accepted his said election and appointment, and thereafter acted as Director of this corporation at said meeting, and participated in all and singular the proceedings had, and voted upon all and singular the resolutions offered thereat.

NOTIFICATION TO DIRECTORS OF THEIR ELECTION.

On motion, the Secretary was instructed to notify the Directors elected at this meeting of their election as Directors of this corporation, and request them to file with the Secretary their acceptance of office.

ACCEPTANCE OF OFFICE.

(Salutation.)

(Date.)

"I acknowledge receipt of notification of my election as a Director of the *Victor Coal Company*, to serve for the year commencing *June 12, 1892*, and I hereby accept said office,

and will, so far as the duty devolves on me, honestly and diligently administer the affairs of said corporation."

(Signature.)

CALL AND NOTICE OF SPECIAL MEETING.

On the — day of ———, four Directors of this corporation addressed a request in writing to ———, President of this corporation, to call a special meeting of the Board of Directors, which said request is now on file in the office of this corporation, and is in the words and figures following:

(Salutation.)

(Date.)

"You will please call a meeting of the Board of Directors of the ———, to be held at the office of said corporation on ———."

(Signatures.)

In compliance with the above request, the President of this corporation duly executed and delivered to the Secretary an order in writing, instructing the Secretary to call a special meeting of said Board of Directors to be held at the time and place hereinbefore mentioned. Said order is now on file with the Secretary of this corporation, and is in the words and figures following:

(Salutation.)

(Date.)

"I have been requested by four of the Directors of the ——— to call a meeting of the Board of Directors of said corporation to be held (here give day, date and hour), and you will please execute and deliver to each of the Directors of said corporation the usual and proper notice of such meeting."

(President.)

In pursuance of said written order, the Secretary of this corporation, on the — day of ———, did personally serve upon, deliver to or leave with each of the Directors of this corporation, or personally did deposit in and register at the post office at ——— under cover, postage prepaid, addressed to the last known address of such of said Directors on whom he was unable to serve notice personally, a written notice, in the words and figures following:

(Salutation.)

(Date.)

"You will please take notice that a special meeting of the Board of Directors of the —— will be held at the office of the corporation at (give day, date and hour, as above).

"By order of the President,"

(Secretary.)

Pursuant to the foregoing call, order and notice, the Board of Directors of this corporation duly assembled and held a meeting at the time and place hereinbefore designated, to wit, on ——.

It appearing that the notice of this meeting had been given by publication for the requisite length of time, the stockholders proceeded to consider the proposition, and the following resolutions, offered by —— and seconded by ——, were, by a unanimous vote, duly adopted, viz.:

ADOPTION OF RESOLUTIONS.

On motion it was unanimously Resolved, etc.

On motion, the Board duly passed and adopted a resolution in the words and figures following:

The foregoing resolution was duly adopted and passed by the unanimous vote of the entire Board of Directors, each and all of said five Directors voting for and in favor of said resolution.

The motion for the adoption of the foregoing resolution having been duly made and seconded, the resolution was

unanimously adopted by a vote taken upon roll call, as follows.

_____ voting _____ shares.

The President asked leave to vacate the chair for the purpose of offering a resolution, and, at his request, Mr. _____ took the chair and presided, whereupon the President offered the following resolution:

The President then resumed the chair, and thereafter continued to preside until the close of the meeting.

ADJOURNMENT.

On motion, the meeting adjourned.

Owing to there not being a quorum present, the meeting was declared adjourned.

On motion, the meeting adjourned to meet at the office of the company, on (give day, date, and hour).

A majority of the stockholders not being present, the meeting was adjourned to meet at the office of the corporation on _____.

RESOLUTIONS.

A resolution is a formal proposition, usually set forth in writing, brought before a corporate body or an association of individuals for discussion, decision and adoption by vote.

Resolutions may be classified under the following heads: Authorization—Clothing an agent or agents with specific authority; Declaration—A formal expression of a distinct statement; Ratification—The approval and adoption of the unauthorized act of an agent.

The best practice is to put in writing all important resolutions before the same are offered for adoption. The record of the motion for the adoption of a resolution should state, in the majority of cases, the names of the movers for adoption, so that the record may bear evidence as to who were advocating a certain course of action.

Resolutions to be adopted by the stockholders are designated by (S), and those to be adopted by the directors are designated by (D).

AUTHORIZATION.

NO. 28.—TO CONSOLIDATE PROPERTIES. (S)

Whereas, The purposes, business and operations of the corporations known as the *Bon Ton Mining Company* and

the *Clearwater Prospecting Company* are closely allied and connected ;

And Whereas, The true interests of this corporation (the *Bon Ton Mining Company*) and of its stockholders, and of every person interested in or affected thereby, will be largely promoted and greater economy and efficiency be secured in concentrating the properties, active operations and business of the corporations aforesaid ;

And Whereas, The proportion allotted to this corporation in accomplishing this arrangement is fair and just to it and to its stockholders ;

Now, Therefore, and for other similar reasons :

Resolved, That the Board of Directors of this corporation be and they are hereby specially authorized and empowered to sell, convey, and cause to be conveyed, assigned, transferred and set over, in due form of law, to the *Clearwater Prospecting Company*, its successors and assigns, the following described real estate (or "personal property" or "leases") of the said *Bon Ton Mining Company*;

(Description here.)

Also Resolved, That the stockholders of this corporation hereby consent to each and all of the matters hereinabove set forth, and hereby ratify and confirm the same, and whatsoever said Board of Directors shall lawfully do in the premises. (See also Form No. 55.)

NO. 29.—TO TRANSFER PROPERTY. (D)

Resolved, By the Board of Directors of the *Victor Coal Company*, that the President and Secretary of this corporation be and they are hereby authorized and directed, in the name, under the seal and on behalf of this corporation, to convey, assign, transfer and set over unto *Hugo Holmes*, his heirs or assigns, the real estate, easements, rights and other property hereinafter described, and their appurtenances, and to perform any and all acts and execute all papers, or cause the same to be done, which are or may be necessary or

proper to fully carry out and complete such transfer ; said real estate and other property of said *Victor Coal Company*, to be conveyed and transferred as aforesaid to the said *Hugo Holmes*, are described as follows, to wit :

(Here give description.)

NO. 30.—TO ACCEPT PAYMENT FOR PROPERTY. (S)

Resolved, That the Board of Directors of this corporation be and they are hereby authorized, empowered and directed to take and receive from the *Clearwater Prospecting Company*, in consideration of and payment for the sale, conveyance and transfer recited in the foregoing resolution, eight hundred shares of the capital stock of the *Clearwater Prospecting Company*, to be issued to and in the name of the *Bon Ton Mining Company* and delivered to it upon the execution and delivery of the conveyances, transfers and assignments aforesaid, it being understood that the entire capital stock of the *Clearwater Prospecting Company* consists of 2,500 shares of the par value of one hundred dollars each.

NO. 31.—TO SELL LANDS AND WATER RIGHTS. (D)

Resolved, That the President and Secretary of this corporation, the *Delta Land and Water Company*, be and they are hereby authorized and empowered to sell the lands of this corporation in such parcels, and for such prices, and upon such terms as they may deem proper ; and with the lands so sold, to sell such undivided interest in the waters of this corporation, developed and undeveloped, as they may deem proper ; and to execute and deliver to the respective purchasers, in the name and under the corporate seal of this corporation, all necessary and proper contracts, bonds and deeds of conveyance for the lands and waters so sold, and with such conditions as said President and Secretary may deem proper.

NO. 32.—TO RECONVEY PROPERTY. (D)

Whereas, The _____, a corporation duly organized

and existing under the laws of the State of California, made, executed, acknowledged and delivered to this corporation a deed of trust to secure the payment of five hundred certain bonds by it issued, numbered consecutively from one to five hundred, both inclusive, each of said bonds being for the sum of five hundred dollars, with interest as therein specified, all of which fully appears from said deed of trust, which has been recorded in the office of the County Recorder of San Diego County, California, in Book 2 of Deeds, at page 123 thereof, by which deed of trust there was conveyed to this corporation the following described property, to wit:

(Here give description of property.)

And Whereas, The bonds mentioned in said deed of trust were duly signed by said _____, and certified by this corporation, but have never been put into circulation nor negotiated by said _____, and have remained in its possession, and were this day produced, and in the presence of the Secretary of this company and in the presence of the Secretary of said _____ were counted and then destroyed, such destruction thereof having been duly authorized by resolution of the Board of Directors of said _____, and said latter corporation having requested a reconveyance of the property conveyed by said deed of trust, and having satisfied all charges and claims to remuneration of this corporation as such trustee, and the trust created by said deed having been fully satisfied; now, therefore, be it

Resolved, That this corporation, the _____, reconvey to the _____, a corporation, by deed, grant, bargain and sale in form, all of the property conveyed by said deed of trust, and hereinbefore referred to, which deed was heretofore duly accepted by this corporation, and that the trust created by said deed be declared fully satisfied and discharged; and that _____, the President, and _____, the Secretary of this corporation, be and

they are hereby authorized, empowered and directed, for, on behalf and in the name of this corporation, to execute, acknowledge and deliver to said ————— a deed, grant, bargain and sale in form, conveying to it all of said property in said deed of trust and hereinbefore described, and declaring said deed of trust to be fully satisfied.

NO. 33.—TO RECEIVE CONVEYANCES, ETC. (D)

Resolved, By the Board of Directors of the *Victor Coal Company*, that this corporation purchase and receive from the *Bon Ton Mining Company* the following described leases, rights and property and their appurtenances, and all papers, duly executed, which are or may be necessary for the transfer and assignment thereof to this corporation; said leases, rights and property of the *Bon Ton Mining Company* are described as follows :

(Description here.)

And the President and Secretary of this corporation are hereby authorized and directed to receive said papers properly executed, transferring and assigning said leases, rights and property to this corporation, and to pay to said *Bon Ton Mining Company* the sum of five thousand dollars, gold coin of the United States of America, in full payment for said leases, rights and property, and their appurtenances, so transferred and assigned to this corporation.

NO. 34.—TO LEASE. (D)

Resolved, That this corporation, the *Vincent Gas Company*, lease to the *Wheeling Development Company* for the term of *fifty* years from and after the *first* day of *January*, 1889, all of its plant, consisting of its gas works, and their appurtenances, in the town of *Vincent, W. Va.*, together with all of its mains, sub-mains, pipe lines, and their appliances, for a yearly rental of \$3,600.00, payable in monthly installments of \$300.00 each, upon the condition that said *Wheeling Development Company* shall, at its own cost and expense, use,

operate and maintain and keep in good repair all of said plant and property, and whenever and as often as necessary, renew, replace, and supply the whole or any part of said works and their appurtenances, which may be lost, broken, destroyed, or irreparably injured, by wear and tear, or by flood, fire, or other act of God, or by any other cause whatsoever, and that it shall do and provide everything necessary for keeping, preserving, maintaining, renewing, and perpetuating for and in the name and behalf of the *Vincent Gas Company* all rights, privileges, and easements in any way connected with said leased property; also on condition that said *Wheeling Development Company* shall, at its own cost and outlay, make any and all alterations in said works and mains and their appliances which may be deemed necessary and convenient for carrying on said business; and also that it shall provide, at its own cost and expense, any and all extensions and enlargements of, or improvements or additions to, said plant and works; but such alterations and improvements shall only be made after obtaining the written consent thereto of this corporation. And the President and Secretary of this corporation be and they are hereby authorized and directed, in the name, under the seal, and on behalf of this corporation, to make, execute, and deliver an instrument in writing, leasing said property to said *Wheeling Development Company*, for the term of years, with the reservation of rent, and upon the terms and conditions hereinabove recited.

NO. 35.—TO RESCIND AND RENEW CONTRACT. (D)

Resolved, That this corporation propose to the *Unique Brick Company* that the contract made by and between this corporation, as party of the first part, and the *Sespe Brownstone Company* as party of the second part, under date of April 5, 1886, be surrendered, extinguished, and forever rescinded and made of no force and effect from and after the *fifth* day of *April*, 1887; and that this corporation, in lieu thereof,

make and execute to the *Unique Brick Company* a new contract, for the term expiring on *January 1, 1900*, and containing such modified provisions and conditions as may be agreed upon; and in the event that this proposition be accepted by said *Unique Brick Company*, that the President and Secretary of this corporation be and they are hereby authorized and directed to execute and deliver, in the name and on behalf of this corporation, and under its corporate seal, all necessary and proper instruments for such purpose.

NO. 36.—TO BORROW MONEY.

In the matter of the maturing obligations of this company, the President stated that he had arranged with the bank of ——— for a loan to this corporation of the sum of ——— to be evidenced by the promissory note of this corporation, and on motion it was unanimously

Resolved, that this corporation will borrow from ——— the sum of ——— dollars, and execute its promissory note therefor, and that the President and Secretary of this corporation be and they are hereby authorized, for and on behalf of this corporation, to execute said promissory note, payable — days from date, bearing interest from date at the rate of ———, and that in said promissory note there be contained such clauses and stipulations regarding prompt payment and counsel fees to the holder thereof in case of suit, as shall be satisfactory to said President and Secretary.

NO. 37.—TO BORROW MONEY, ATTACH COLLATERAL, ETC.

Resolved, That this corporation, *Victor Coal Company*, borrow from the American Bank, San Francisco, on July 3d, 1891, Five Thousand Dollars (\$5,000.00) for one year with interest at the rate of seven (7) per cent per annum until paid, interest payable monthly, and if not so paid, to be compounded monthly; all payments of both principal and interest to be made in United States Gold Coin; and that said corpora-

tion secure the payment of its promissory note for the sum aforesaid, and the interest to grow due thereon, by a pledge to Andrew Branch, Pledgee, of one hundred (100) shares of the capital stock of the *Clearwater Prospecting Company*, and said note to be further secured, at the request of said American Bank, by the individual endorsement of a majority of the Directors of this corporation; and that said Andrew Branch, the President of said American Bank, be and he is thereby appointed and constituted the attorney of this corporation, irrevocably, with power of substitution, to sell at any time after said note or interest is due, without any previous demand, and with or without notice, at his option, the whole or any part of said shares of stock, at either public or private sale, at his discretion, and to deliver the same to the purchaser or purchasers thereof, in case of the non-payment of the said promissory note or the interest thereon, when due, and in such case the proceeds of such sale to be applied to the payment of said debt, interest thereon, assessments and all expenses or costs incurred or paid by said American Bank, in respect of said loan, or security, and the surplus to be subject to the order of this corporation:

And the President and Secretary of this corporation are hereby authorized and empowered, in the name and behalf and under the seal of this corporation, to execute the promissory note of this corporation to said American Bank for the said sum of \$5,000, upon the terms and conditions and for the time aforesaid, and also to execute a pledge and agreement and power of attorney in the usual form required by said American Bank in such cases.

NO. 38.—CERTIFIED COPY OF RESOLUTION TO BORROW MONEY.

I hereby certify that a regular meeting of the Board of Directors of the Victor Coal Company was held at the office of the said Company on the 10th day of August, A. D. 1899,

at the hour of one o'clock in the afternoon; that said meeting was duly called in accordance with the provisions of the By-Laws of said Company; that each of the Directors of said Company had due and legal notice of the time and place of said meeting in strict compliance with the provisions of said By-Laws, and that a quorum of said Board of Directors was present and voted at said meeting.

That at said meeting, on motion duly seconded, it was unanimously resolved as follows:—

“That the President and Secretary of said Corporation be, and they are hereby authorized and empowered to borrow for account, and in the name, of this Corporation, a sum or sums of money, not to exceed in the aggregate \$5,000, payable three months after the date of said loan, with interest thereon, payable monthly and in advance, at a rate not exceeding six per centum per annum, and that said President and Secretary be and they are hereby further authorized and empowered to make, execute and deliver to the lender or lenders of said sum or sums of money, the promissory note or notes of this Corporation, under the seal of this corporation, payable in United States gold coin, not to exceed in the aggregate the amount of said loan or loans, upon the terms above specified.”

That the said resolution has been duly written up in the minute book of said Corporation, and has never been revoked, and is now in full force and effect.

That I was, at the time of said meeting, and am now, the duly elected and acting Secretary of said Corporation.

That the President and Secretary of said Corporation have not yet exercised the authority conferred by the foregoing resolution, and have not borrowed any money in pursuance thereof.

Dated at Elsinore, Cal., August 10, 1899.

Adam Badeau,
Secretary.

ELSINORE, Cal., August 8, 1899.

\$5000.

Three months after date, for value received, the Victor Coal Company promises to pay to the order of the American Bank and Trust Company, of San Francisco, in the City and County of San Francisco, State of California, the sum of \$5,000, in gold coin of the United States, with interest thereon from date, payable monthly in advance in like gold coin, at the rate of six per centum per annum until paid.

Victor Coal Company.

By *Sam Small,*
President.
Adam Badeau,
Secretary.

[CORPORATE SEAL.]

NO. 39.—AMENDMENT TO BY-LAWS. (S)

Resolved, That Section 1 of Article IX of the By-Laws of this Corporation be and the same is hereby amended to read as follows, and that the following shall hereafter take the place of said Section 1:—

NO. 40.—AMENDMENT TO BY-LAWS. (D)

Whereas, An assent in writing, bearing date October 1, 1886, signed by the holders of more than two-thirds of the capital stock of this Corporation, consenting to an amendment to the By-Laws, being an amendment to Section 4 of Article XIV, relating to the powers of the Board of Directors in respect to incurring and creating indebtedness of this Corporation, has been obtained, and is now on file in the office of this Corporation:—

Now, Therefore, Be it

Resolved, That the Board of Directors and Secretary of this Corporation certify to said amendment, and the Secretary is hereby directed to copy said amendment, so certified,

in the book of By-Laws immediately following the original By-Laws of this Corporation.

NO. 41.—CALL FOR SPECIAL MEETING OF STOCKHOLDERS. (D)

Resolved, That a special meeting of the stockholders of the *Victor Coal Company* is hereby called, to be held at the office of the company at *Elsinore, San Diego County, California*, on *Wednesday, the 14th day of April, 1887*, at *one o'clock P. M.*, for the purpose of considering and acting upon the proposition hereby made, whether or not (here state proposition).

NO. 42.—ASSESSMENT. (D)

Resolved, That the sum of *Twenty-five Hundred Dollars*, gold coin of the United States, be and is hereby called in from the stockholders of this Corporation, for the purpose of raising funds to pay off the indebtedness of this Corporation, and that an assessment of *ten per cent*, being *ten dollars* per share, be and is hereby levied upon each and every share of the subscribed capital stock of the Corporation, payable on or before the *15th day of October, 1887*, to the Secretary of the Corporation, at the office of the Corporation, at the town of *Elsinore, San Diego County, California*; and that *Wednesday, the first day of November, 1887*, be and is hereby fixed as the day on which said assessment shall become delinquent, and *Saturday, November 20th, 1887*, be and is hereby fixed as the day for the sale of delinquent stock; and the Secretary of the Corporation be and is hereby authorized and directed to give notice, as provided by law, of this assessment, notice of delinquency and of the sale of delinquent stock.

NO. 43.—ATTORNEY APPOINTED. (D)

Resolved, That *Clarence Judson* be and is hereby constituted and appointed the lawful attorney and agent of this

Corporation, the *Unique Brick Company*, and in its name, place and stead, and as its corporate act and deed, to appear and vote as its proxy and representative, the number of votes which said Corporation would be entitled to cast, if actually present, at any and all meetings, whether regular or special, and at any and all adjournments of said meetings of the stockholders of the *Victor Coal Company*, with full power of substitution and revocation; and full power and authority are hereby conferred upon said *Clarence Judson* to consent to and sign in writing any and all papers, or any proposition whatever, requiring such assent of the *Unique Brick Company*, as the owner and holder of 50 shares of the capital stock of said *Victor Coal Company*, standing in the name of said *Unique Brick Company* on the books of said *Victor Coal Company*; and the President and Secretary of this Corporation be and they are hereby authorized and directed to make, execute, and deliver, in the name, on behalf and under the corporate seal of this Corporation, an instrument in writing, or power of attorney, expressing the authorization hereby given.

NO. 44.—DIVIDEND DECLARED. (D)

Resolved, That a dividend of $1\frac{1}{2}$ per cent on the capital stock of the Corporation, amounting to \$1,500, be and the same is hereby declared out of the surplus earnings of the Corporation, already accrued or hereafter to accrue, payable in United States gold coin to the stockholders of the Corporation in proportion to their respective holdings of stock, on the *15th* day of *April*, and on the *15th* day of each month thereafter, in the year 1884.

NO. 45.—DISQUALIFICATION OF DIRECTOR. (D)

Whereas, ——— is disqualified from acting as one of the directors of this Corporation by reason of his ceasing to hold any of the shares of the capital stock of this Corporation, and is not now acting as such director; now, therefore, be it

Resolved, That the office of said ——— as such director be and the same is hereby declared to be vacant, and that ——— be and is hereby appointed a director of said ——— Company to fill the vacancy in its Board of Directors caused by said ——— ceasing to be a director as aforesaid.

NO. 46.—INCREASE OF CAPITAL STOCK. (S)

Resolved, That the capital stock of this Corporation, the *Victor Coal Company*, be and the same is hereby increased from two hundred thousand dollars (\$200,000), the present capital stock, to three hundred thousand dollars (\$300,000), to be divided into three thousand (3,000) shares of the par value of one hundred dollars (\$100) each.

Resolved, That the President and Secretary of this Corporation be and they are hereby authorized, empowered, and directed to take the necessary steps to carry out the foregoing resolution.

NO. 47.—INCREASE OF NUMBER OF DIRECTORS. (S)

Resolved, That whereas, all of the stockholders of this Corporation, owning and holding the entire capital stock thereof, are desirous of increasing the number of its Directors;

Now, Therefore, the number of the Directors of this Corporation, the ———, be and the same are hereby increased from the original number, five, to seven; and the President and Secretary of this Corporation be and they are hereby authorized and directed to cause the proper certificate of such increase to be filed in the offices required by law.

NO. 48.—REMOVAL OF PRINCIPAL PLACE OF BUSINESS. (D)

Whereas, There has been duly obtained and filed in the office of this Corporation, the written consent of all of the stockholders of this Corporation to the removal and change

of the principal place of business of this Corporation from the city of ———, State of ———, to the town of ———, in the county of ———, State aforesaid;

Now, Therefore, such principal place of business is hereby ordered removed from ——— to ———, county of ———, such removal to take effect on the ——— day of ———, 189—; and the Secretary is hereby directed to advertise such intended removal by publication of notice thereof once a week for three successive weeks, in the (give name of newspaper).

NO. 49.—REGRET UPON DECEASE OF PRESIDENT.

Whereas, Since the date of the last meeting of the Board of Directors of the ———, its members have been called to mourn the loss of their venerable and distinguished colleague, Mr. ———, who held the office of President of this Corporation for the term of — years, with no less honor to himself than credit to the Corporation; therefore, be it

Resolved, That with a high appreciation of the varied, abundant and intelligent labors which the late ——— brought to the discharge of every duty throughout the whole of his long, useful and honorable career, and with a grateful sense of the manifold services he rendered to this Corporation, for whose welfare he worked with never-flagging zeal; with profound sorrow for his death, mingled with reverence for his happy memory, and with thanksgiving for the serene and peaceful close of a finished life, as full of years as it was full of honors, we hereby testify and record our admiration of the exalted Christian character with which he dignified and adorned every station; and in special recognition of the grateful charm which his presence never failed to shed on the deliberations of this Board, possessing, as he did, a dignity of bearing and an amenity of manners which made him as courteous in debate as he was wise in counsel, and as gracious in all relations of private life as he was inflexible in the maintenance of Christian honor,

Resolved, That this preamble and resolution be spread on

the minutes of this board, and that a copy of this resolution be transmitted to the family of our deceased friend.

RATIFICATION.

NO. 50.—OF ACTS OF DIRECTORS. (S)

Whereas, The regular annual meeting of the stockholders of this Corporation was not held, as provided by the by-laws, on the *first Tuesday in October*, in the year 1888; and,

Whereas, No special meeting of the stockholders of this Corporation has since been held for the purpose of electing a Board of Directors of this Corporation; and,

Whereas, The Directors, viz.: *Eben Elliott, John Doyle, W. L. Brown, Stephen Jones*, and *R. M. Hatcher*, elected by said stockholders at their first meeting, held on *June 12th, 1887*, have ever since served as the directors of this Corporation; and,

Whereas, The respective officers of this Corporation, viz.: *John Doyle*, President; *Eben Elliott*, Vice-President; *Stephen Jones*, Secretary; and *W. L. Brown*, Treasurer, elected by the Board of Directors at their first meeting, held on *June 12th, 1887*, have ever since said date, acted for and in behalf of this Corporation as such officers;

Now, Therefore, Be it

Resolved, That all the acts and proceedings of said directors, as the same appear of record in the minute book of this Corporation on pages 7 to 31 inclusive, and all of the corporate acts of the officers aforesaid, be and are hereby, in all respects, ratified and approved and declared to be the acts and deeds of this Corporation.

NO. 51.—OF EXECUTION OF INSTRUMENT. (Instrument Recited.) (D)

Resolved, By the Board of Directors of the *Victor Coal Company*, that the acts of the President and Secretary of this Corporation, in executing, acknowledging, and delivering, in the name, under the corporate seal and on behalf of this Corporation, a certain instrument in writing, bearing date the — day of —, and hereinafter recited, be and the same are hereby ratified, approved, and confirmed as the acts and deeds of this Corporation; said instrument is in the words and figures following, to wit:—

STOCK AND STOCKHOLDERS.

Capital Stock.—Capital.—Distinction between the Two.—Importance of Subscribed Stock.—Common and Preferred Stock.—Issuing Stock.—Certificate of Stock.—Transfer and Transmission.—Conversion.—Pledge of Stock.—Assessments.—Dividends.—Liability of Stockholders.—Rights of Stockholders.—Suits by Stockholders.

The capital stock of a corporation is the amount, in money or property, subscribed and paid in, or secured to be paid in, by the stockholders. The amount of capital stock, the number of shares into which it is divided, and the par value of each share are determined upon by the original subscribers, and

embodied in the articles of association, and the amount of the capital stock so fixed remains invariably the same, unless changed by the stockholders in pursuance of legislative authority.

The capital stock of a corporation is a substitute for the personal liability of the individual members of private copartnerships, and those who deal with the corporation have a right to rely upon its capital stock for their security. Unpaid stock is as much a part of the assets of the corporation as the money that has been paid in upon it. Creditors have the same right to insist upon its payment as upon the payment of any other debt due the corporation, so far as it is necessary to the satisfaction of debts due from the corporation. During the existence of the life of the corporation, its capital stock is a trust fund to be managed for the benefit of the stockholders; but, in the event of the dissolution or insolvency of the corporation, its capital stock becomes a trust fund for the benefit of its creditors. If, in such case, the assets are not sufficient to pay all its debts in full, each creditor is equitably entitled to receive a ratable share of the assets which remain.

The capital of a corporation is the estate, whether in money or property, or both, at its actual value, owned by the corporation.

Capital stock, therefore, differs from capital in these particulars:—

(1) That it remains the same as fixed by the articles

of association, unless changed by legislative authority; and, (2) that the term capital stock is never properly used to indicate the value of the property of the corporation.

Subscribed stock is a controlling element in matters corporate. Where, under a statute, shares of a corporation are spoken of, reference is usually had to subscribed or issued or outstanding shares. Thus—

(1) By-laws may be adopted by the assent of stockholders representing a majority of all of the subscribed capital stock.

(2) Assessments are levied upon the subscribed capital stock.

(3) Dividends are declared upon the subscribed capital stock. A dividend is payable to the stockholders in proportion to their respective holdings of stock, and ownership of stock is essential to the recovery of a dividend.

(4) At all elections or votes for any purpose, there must be a majority of the subscribed capital stock represented in person or by proxy.

(5) Whenever a part of the capital stock of a corporation is acquired by the corporation, a majority of the remaining shares is a majority for all purposes of election and voting.

(6) The liability of a stockholder for the debts of the corporation, in California, is such portion as his share bears to the whole of the subscribed capital stock or shares.

Common stock and general stock are synonymous terms and have reference to that kind of stock where each stockholder bears the burdens of, and receives benefits from, the business of the corporation in proportion to the number of shares held by him.

Preferred shares are such as entitle the holder to a priority of dividends over the holders of common shares; but in the absence of statutory authority, or power in the articles of association, or by-laws, a corporation has no power to issue preferred stock without the express consent of the stockholders, one and all. The right of every stockholder to his proportion of the property and profits is a vested right, of which he cannot be divested without his consent. In some of the States, notably in New Jersey, Delaware and West Virginia, two or more kinds of stock may be created, of such classes, with such designations, preferences and voting powers, or restrictions, or qualifications, as may be expressed in the articles of incorporation. In Delaware, the total amount of the preferred stock must not at any time exceed two-thirds of the actual capital paid in cash or property; and the holders of the preferred shares are entitled to receive, and the corporators are bound to pay, a fixed yearly dividend on the preferred stock before any dividend can be set apart or paid on the common stock, and such dividends may be cumulative. The holders of the preferred shares of a Delaware corporation are not personally liable for the debts of the corporation.

Preferred shares, therefore, have special privileges attached to them.

The laws of some of the States require that stock shall not be issued at less than par. In Massachusetts, the whole amount of the capital stock must be paid in at the time of incorporation; in New York, the valid payment for stock is limited to cash or property; and in California, no corporation may issue stock or bonds except for money paid, labor done, or property actually received.

If it is the intention of a corporation, having power to do so, to issue certificates of stock prior to such certificates being fully paid, a clause, similar to the following, should be added in the by-laws, under the article relating to certificates of stock:—

“Certificates of stock may be issued, prior to full payment, under the following restrictions and for the following mentioned purposes, namely: For the purpose of providing stockholders with the evidence of their rights and to enable them to deal with their shares freely by endorsement; such certificates shall have written or printed across their face the words, ‘Not fully paid,’ and on their back, or reverse side, the date and amount of each payment thereon.”

A certificate of stock is merely an evidence of ownership, which declares that the person designated therein is entitled to a certain number of shares in the corporation, and that he has capacity to transfer such shares. The certificate is only the symbol, not the stock itself.

In the case of corporeal things which are moveable,

a manual delivery is ordinarily necessary to perfect the transfer of the title. Where actual delivery is not possible, as in the case of things incorporeal, symbolical delivery is permitted to take its place; hence, a share or shares is represented by a symbol, called the certificate, and by endorsement upon this evidence of ownership and delivery of the same, the title to a share or shares passes from the transferer to the transferee. The subscribers, severally, or all collectively, may transfer their shares to other persons, without change of identity in the corporation, the substituted shareholders becoming entitled to all of the privileges, and liable to all of the burdens, of the original subscribers, provided the transfer is free from fraud.

A transfer is the act by which the owner of property delivers it to another with the intention of passing to that other the rights which the owner has in it.

The passing of the title to shares of stock from one person to another is effected by transfer or by transmission.

The right of transfer is the right of property, and the person who remains the owner of the stock retains the right to sell it.

By transmission is meant the passing of the title of shares of stock of a deceased stockholder whereby his heirs, executors, or administrators acquire the right to deal therewith.

The purchaser of the certificates is assured, under the seal of the corporation, that the shareholder is entitled to so much stock, which can be transferred on the books of the corporation, in person or by attorney, when the certificates are surrendered, but not otherwise. This is a notification to all persons interested, to know that whoever in good faith buys the stock, and produces to the corporation the certificates, regularly assigned, with power to transfer, is entitled to have the stock transferred to him. And the notification goes further, for it assures the holder that the corporation will not transfer the stock to any one not in possession of the certificates.

It is to the interest of all concerned that a transfer of stock be placed of record on the books of the corporation; to the present holder, because he will not be relieved from his liability as a stockholder until the transfer is registered; to the person claiming under the transfer, because the corporation is not bound to recognize him as a stockholder, nor is he entitled to vote upon his shares, nor to receive dividends upon them, until the transfer is registered; to the corporation, that its officers may know who are its members, and who are bearing the burden of liabilities and entitled to the privileges of the corporation.

It has frequently been held that the provisions in the by-laws of a corporation, requiring that stock transfers be made on the books of the company, are intended solely for the protection of the corporation;

can be waived or asserted at its pleasure; are without effect, except for the protection of the corporation; and do not operate to prevent the passing of the entire title, legal and equitable, in the shares as between the parties, by the delivery of the certificate with assignment and power of transfer.

Where a corporation has neither by statute, nor its charter, nor its by-laws, a lien on the stock of a stockholder to secure a debt due by the stockholder to the corporation, it is in no position to resist or prevent a transfer of the stock.

Where the charter or by-laws of a corporation prescribe that its stock shall be transferred only on its books, a purchaser, who receives a certificate with power of attorney, acquires the entire title, legal and equitable, as between himself and the seller together with all the rights the latter possessed. As between himself and the corporation, however, he acquires only an equitable title, which the corporation is bound to recognize and permit to be ripened into a legal title when he presents himself, before any effective transfer on the books has been made, to do the acts required by the charter or by-laws in order to make a legal transfer. Until these acts be done, he is not a stockholder, and has no claim to act as such.

Shares held by a married woman may be transferred by her, and she may receive dividends on such shares, and give her receipt therefor, the same as though she were unmarried.

Stock shares, by common usage, pass by the deliv-

ery of the certificate, and the rightful owner may demand a transfer on the corporation books, which if refused, entitles him to two remedies: either to sue the corporation for damages for conversion of his shares, or to sue in equity to compel the issuance of a new certificate and his admission as a shareholder.

“Conversion,” as here used, means the refusal on the part of the corporation to deliver a certificate of stock to the rightful owner on demand.

A pledge is a deposit of personal property by way of security for the performance of another act.

Collateral Security is a term used to signify the property pledged.

The person depositing the pledge is termed the “Pledgor,” and the person with whom the pledge is deposited is designated as the “Pledgee.” The pledgor and the pledgee may agree upon a third person with whom to make the deposit, and if such third person accepts the deposit, he is called a “Pledge Holder.”

The general property in the thing pledged remains in the pledgor, and only the special property vests in the pledgee. A delivery of the thing pledged is essential to the contract, and until that act is performed, the special property that the pledgee is entitled to hold, does not vest in him. Incorporeal property, being incapable of manual delivery, can not be pledged without a written transfer of title. Debts, negotiable instruments, stocks in incorporated companies, and choses in action, generally are pledged in

this mode. The transfer of title, like the delivery of possession, constitutes the evidence of the pledgee's right of property in the thing pledged.

The right of redemption is incident to every pledge, and the pledgee of stock, who holds such stock for the payment of money borrowed, holds subject to the pledgor's legal right to demand and receive the shares upon the payment of the debt. The pledgee has not right to sell such shares without first demanding payment of the debt from the pledgor, or giving him notice of the intention to sell.

It is a salutary and sound principle that agents to sell can not be purchasers; and it is a general rule that trustees of every description, who are invested with power to sell, can never, directly or indirectly, become the purchasers of the trust property. The pledgee can not himself purchase the pledge at the sale. The pledgor may lawfully stipulate that the pledgee may purchase, and this stipulation may be made at the time of the pledge. The pledgor may afterwards authorize the pledgee to purchase, or he may ratify such purchase after it has been made. Such ratification may even be inferred from circumstances. But such purchases are certainly voidable and presumably void, though not conclusively so. The burden of showing authority for the pledgee to become the purchaser, or ratification, is cast upon the purchaser in such case.

An assessment, or call, is a rating, levied upon the stockholders, in proportion to their

respective holdings of stock, for the purpose of providing means for carrying on the business of the corporation.

Before an assessment can be legally made, the amount of the entire capital stock, the number of shares into which it is divided, and the amount of each share, must be specifically fixed by the articles of incorporation, or subscription contract, and the capital so fixed must be fully subscribed.

The foregoing is the general rule. The directors of corporations of California may, after one-fourth of the capital stock has been subscribed, levy and collect assessments on the subscribed capital stock for the purpose of conducting business, or paying expenses or debts, and no one assessment must exceed 10% of the capital stock as named in the articles of incorporation, unless the whole of the capital stock has not been paid up, and the corporation is unable to meet its liabilities or satisfy its creditors, when the assessment may be for the full amount unpaid upon the capital stock, except where a less amount is sufficient. No assessment must be levied while any portion of a previous assessment remains unpaid, unless (1) the power of the corporation has been exercised in accordance with the statute for collecting the previous assessment, or (2) the collection of the previous assessment has been enjoined. Railroad corporations may assess the capital stock in installments of not more than 10% per month, and fire and insurance companies may assess such percentage as they may deem proper. The order levying the assessment must specify the amount thereof, when, to whom and where payable, and fix a day, subsequent to the full term of publication of the assessment notice (not less than 30 nor more than 60 days from the time of making the order) on which the unpaid assessments shall become delinquent, and a day for the sale of delinquent stock, not less than 15 nor more than 30 days from the day the stock is declared delinquent. The dates fixed in any notice of assessment or of delinquent sale may, by order of the Board of Directors, be extended from time to time, for not more than 30 days, and such notice of extension or postponement must be published with the order to which it relates.

For notice of assessment and notice of delinquent sale, see NOTICES. The notice of delinquent sale must specify every certificate of stock on which the assessment is unpaid, the number of shares it represents, and the amount due thereon.

By publication of the notice of delinquent sale, the corporation acquires jurisdiction to sell and convey a perfect title to all of the stock described in the notice, upon which the assessment or costs of advertising remain unpaid at the hour appointed for the sale.

On the day, at the time and at the place appointed in the notice, the Secretary must, unless otherwise ordered by the Board of Directors, sell, or cause to be sold, at public auction, to the highest bidder for cash, so much of each parcel of stock so advertised as may be necessary to pay the assessments and charges thereon remaining unpaid. If no bidder offers the amount of the assessment and charges due, the stock may be bid in by the corporation, through its President, Secretary, or any Director; the stock so purchased must be transferred to the corporation on its books, and the amount of the assessment and charges credited as paid in full; and while the stock remains the property of the corporation, it is not assessable, nor can dividends be declared thereon.

DIVIDEND. The term dividend, as applied to a corporation, means a sum which the corporation sets apart from its profits, to be divided among its members.¹ A dividend must be declared from realized, and not from estimated, profits.

A Cash Dividend is a sum, payable in money, set apart by a solvent corporation out of its surplus net earnings.

A Scrip Dividend is a dividend in the form of negotiable paper, maturing at a future date.

¹ *Lockhart v. Van Alstyne*, 31 Mich. 76, Am. Corp. Cases, 5-479

A Stock Dividend is where the monies earned by a corporation are retained by it for corporate purposes, and stock certificates, representing the value of the dividend, issued in lieu of money payment.

In declaring a dividend, the corporation cannot discriminate between its stockholders, and the dividend must be general on all the stock. The right of a stockholder to a dividend attaches whenever he acquires the stock. Whoever owns the stock at the time the dividend is declared, is entitled to such dividend, but a stockholder is not entitled to a dividend until the corporate debts are paid.

The application of net earnings to the improvement of the business of the corporation, or their distribution as dividends, is in the discretion of the Board of Directors.¹

A corporation, having declared a dividend, owes each stockholder a certain sum of money, and cannot thereafter decline to pay the dividend, or refuse to name a date of payment.²

A dividend cannot be sued for until after the demand for payment.

A bank may hold a dividend as a pledge for an indebtedness of a stockholder to the bank, and a demand by the shareholder for the payment of such dividend, made while the lien continues, is premature.³

The right of a corporation to withhold a dividend from a stockholder who is indebted to it is undis-

¹ *Minot v. Paine*, Am. Corp. Cases, 1-597.

² *Beers v. Bridgeport Spring Co.*, Am. Corp. Cases, 6-307.

³ *Nat. Corp. Rep.*, Vol. 4, p. 248.

puted. It is the right of set-off, for a dividend is simply a debt owing from the corporation to the shareholder, but in order to exercise such right the dividend must be due and payable by the corporation to the person from whom the obligation to the corporation is demandable.

The incorporators, when the corporation is formed, become the stockholders. The liability of stockholders for the debts of the corporation is regulated by the laws of the State under which the corporation is organized or in which it is doing business.

In New Jersey, stockholders are not liable for corporate debts, and there is no personal liability of stockholders or directors in West Virginia. In New York, stockholders are liable until all stock issued and outstanding has been paid in.

Under the Constitution and Statutes of California, each stockholder is liable for his proportion of the corporate debts, contracted when he was a stockholder, as a principal debtor, and not as a surety. The liability commences, and a right of action accrues, against the corporation and stockholders at the same time. Suspension of the remedy against the corporation does not suspend the remedy against, or affect the liability of, the stockholders. A judgment against the corporation does not create a new liability, nor extend the time prescribed by the statute of limitations for bringing suit against the stockholders. The liability of stockholders is created by statute, and an action to enforce that liability must be brought within

three years after cause of action accrues. In a complaint, in order to determine what amount of liability is sought to be charged against a stockholder, three known factors must be pleaded; namely, the whole number of subscribed shares, the number of shares held by the stockholder, and the amount of the debt, for the reason that as is the number of shares held by the stockholder to the whole number of subscribed shares, so is his proportion of the debt to the total amount of the debt. e

RIGHTS OF STOCKHOLDERS. The rights of a stockholder are to meet at stockholders' meetings, to participate in the profits of the business, and to require that the corporate property and funds shall not be diverted from their original purpose. If the company become insolvent, it is the right of the stockholders to have the property applied to the payment of its debts. Of course, a stockholder has originally a right to a certificate for his stock, to transfer it on the company's books, and to inspect these books.

SUITS BY STOCKHOLDERS. The general rule is well established that the courts will not interfere with the internal management of a corporation at the suit of a stockholder. The interests of the stockholder are dependent; the title to all the property is in the corporate entity; to maintain a suit the stockholder must be able to show that there will otherwise be a failure of justice.

The right of the stockholder to sue where the corporation is the proper party to bring the suit is admitted, but is limited, outside of the Federal Courts, to cases where the directors are guilty of fraud or a breach of trust, or are proceeding *ultra vires*. In such suit the objects of the corporation must be set out.

SUBSEQUENT CHANGES IN THE ARTICLES OF INCOR- PORATION.

The statute under which the corporation is created must be looked to for the authority to make changes in the articles of incorporation subsequent to the filing of the original instrument. The steps necessary to effect these changes must be taken by the corporation itself. These changes may be: Change of name; change of principal place of business from one county to another county in the same State; modification of the powers of the corporation; increase or decrease in number of directors; increase or diminution of capital stock; or creation or increase of bonded indebtedness. The first step is the passing of a resolution by the directors declaring that the proposed change is advisable, and calling a meeting of the stockholders in accordance with law to take action thereon. The stockholders, at such meeting, by their vote, adopt or reject the proposed change.

The instrument evidencing the change takes the form, in some instances, of amended articles of incorporation, and in other instances that of a certificate of the officers of the meeting at which the change is authorized. In the creation or increase of bonded indebtedness, or in the case of increasing or diminishing the capital stock, the law in some

of the States provides for the filing of a certificate reciting the facts. Upon increasing or reducing the number of directors, or changing the corporate name, or modifying the powers of the corporation, the articles of incorporation are amended. The form of amended articles (Form No. 52) may be varied to meet the required change. In California, the assent in writing of two-thirds of the stockholders, and in Delaware the assent in writing of two-thirds in interest of each class of stockholders, must be filed with the amended articles, and such assent is embodied in the form shown. The articles can be amended to contain only such provisions as it would be lawful and proper to insert in the original articles.* In most of the States, a person or corporation desiring to change his or its name is required to apply for permission to the Courts of the county in which the person resides or in which the corporation has its principal place of business. The application, in the case of a corporation, may be substantially as per the form No. 56. The proceedings necessary for the formation of a corporation cannot be carried on or completed without the

*NOTE.—The law of California in respect to increasing and diminishing capital stock, and to creating or increasing bonded indebtedness, is too lengthy to be intelligently abridged and inserted here. See Sec. 359 of the Civil Code of California. See also the following: Sec. 321a, for change of principal place of business from one county to another; Sec. 361, for consolidation of mining corporations owning adjoining claims; Sec. 362, for amendment of articles or certificate of incorporation; and Sec. 363 for correction of erroneous filing of articles of incorporation.

aid of the State, acting through its Secretary; but in making subsequent changes in the articles of incorporation, everything necessary to be done may be done by the corporation without the aid or co-operation of the State.

Certificates must be filed in the office of the County Clerk where the original articles of incorporation were filed, and also in the office of the Secretary of State of the State of California, upon increasing or decreasing the number of directors, increasing or diminishing the capital stock, or creating or increasing bonded indebtedness. Upon changing the name of a corporation, a certified copy of the decree of the Court is required to be filed in the office of the Secretary of State.

No. 52.—AMENDED ARTICLES OF INCORPORATION.

AMENDED ARTICLES OF INCORPORATION

OF THE

TIMBER CANON OIL COMPANY.

Whereas, At a meeting of the Board of Directors of the *Timber Canon Oil Company*, a Corporation, regularly and legally called and held at the office of said Corporation, at the Town of Santa Paula, County of Ventura and State of California, at 2 o'clock, P.M., on the 12th day of August, A.D. 1899, all of the members of the said Board of Directors being present and voting, it was determined by resolution passed and adopted by unanimous vote, duly recorded, to amend the Articles or Certificate of Incorporation of said Corporation, which were heretofore, to wit, on the 18th day of

October, A. D. 1897, filed in the office of the County Clerk of the County of Ventura, State of California, and the said Amended Articles, as hereinafter set forth, were read, duly considered and adopted by said Board of Directors of said Corporation:

Now, Therefore, These Amended Articles of Incorporation, Witness:—

First. That the name of said Corporation is, and shall be, *Timber Canon Oil Company*.

Second. That the purposes for which it is formed, are:

(Here insert the original purposes of the Corporation.)

Third. That the place where its principal business is, and is to be, transacted is the Town of Santa Paula, in the County of Ventura, State of California.

Fourth. That the term for which it is to exist is fifty (50) years from and after the date of its original incorporation.

Fifth. That the number of Directors under the original Articles of Association and Certificate of Incorporation was nine; that the names and residences of the Directors who were duly elected as such at the regular Annual Meeting of this Corporation held on the 18th day of October, A. D. 1898, to serve until the election of their successors, are as follows, to wit: *Abel Adams*, Santa Paula, California, etc.

But that the number of Directors is now and shall be diminished from nine (9) to five (5), and that the following named persons, who are members of the Corporation and duly qualified under the By-Laws of the Corporation, to wit, *Abel Adams*, etc., shall serve as the said five Directors from the time of the filing of the copy of these Amended Articles of Incorporation, as provided by law, until their successors shall be elected.

Sixth. The amount of the Capital Stock of this Corporation is fifty thousand dollars (\$50,000), and the number of shares into which it is divided is five hundred (500) shares, of the par value of one hundred dollars (\$100) each.

Seventh. That the whole amount of said Capital Stock, to wit, five hundred (500) shares, is actually subscribed, and the following are the names of the persons by whom the said Capital Stock has been subscribed and is held, and the amounts subscribed and held respectively by each of them at the date hereof, to wit:

NAME OF SUBSCRIBER.	NO. OF SHARES.	AMOUNT.
Huron Oil Company.	110	\$11,000
Abel Adams	80	8,000
etc., etc.		
Total	500	\$50,000

IN WITNESS WHEREOF, The undersigned, *Huron Oil Company*, a Corporation, organized and existing under the laws of the State of California, having its place of business at Santa Paula, in said State, and being a present subscriber and holder of Capital Stock of said Corporation, has hereunto, this 12th day of August, A. D. 1899, caused its name to be subscribed and its corporate seal to be affixed by its President and its Secretary, being hereunto authorized by its Board of Directors by resolution duly passed and adopted; and we, the other undersigned, all of whom are residents of the State of California and present subscribers and holders of the Capital Stock of said Corporation, have hereunto, the said 12th day of August, A. D. 1899, set our hands and seals; and the said Corporation and other undersigned, comprising more than two-thirds of all of the holders of the Capital Stock of said *Timber Canon Oil Company*, do hereby respectively signify our assent to the Amended Articles of said Incorporation, as hereinabove set forth.

Huron Oil Company,
 By its President,
Abel Adams.
 By its Secretary,
Caleb Cushing.
Abel Adams. [SEAL]
 Etc., etc.

[CORPORATE SEAL
of Huron Oil Co.]

(Certificates of Acknowledgment, as in Form No. 4.)

STATE OF CALIFORNIA, }
 COUNTY OF VENTURA. } SS.

Abel Adams and *Caleb Cushing*, being duly and severally sworn, do depose and say, and each for himself deposes and says, that said *Abel Adams* is the President, and said *Caleb Cushing* is the Secretary of the Board of Directors of the *Timber Canon Oil Company*, a Corporation, duly incorporated under the laws of the State of California, and having its principal place of business at Santa Paula, County of Ventura and State of California; that the foregoing AMENDED ARTICLES OF INCORPORATION were duly approved and adopted as the Amended Articles of Incorporation of said Corporation by resolutions duly passed and adopted by said Board of Directors of said Corporation at a meeting of said board duly and regularly called and held at the Town of Santa Paula, in said county, at 2 o'clock P. M., on the 12th day of August, A. D. 1899, at which meeting were present all of the members of said board, and which resolution was adopted and passed by a unanimous vote, and has been duly entered upon the minutes of the Board of Directors; that all of the Corporations and other persons whose names are signed to the said Amended Articles of Incorporation were, on the said 12th day of August, A. D. 1899, stockholders in said Corporation; that said stockholders so signing as aforesaid, taken together, held, at the time aforesaid, more than two-thirds of all the subscribed capital stock of said Corporation, to wit, four hundred and eighty-three (483) shares; and we further certify that the said Amended Articles of Incorporation are correct.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the seal of said Corporation this 12th day of August, A. D. 1899.

[CORPORATE SEAL
 of Timber Oil Co.]

Abel Adams,
 President.
Caleb Cushing,
 Secretary.

Subscribed and sworn to before me this 12th day of August, A. D. 1899.

W. A. Carney,
Notary Public in and for Ventura County, California.

NO. 53.—CERTIFICATE AS TO DIMINISHING OF CAPITAL STOCK.

CERTIFICATE AS TO THE DIMINISHING OF THE
CAPITAL STOCK

OF THE

SANTA ANA HARDWARE COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That we, Leopold Blum and Casper Friand, the Chairman and the Secretary respectively of a meeting of the stockholders of the Santa Ana Hardware Company, held at the principal place of business of said Corporation, on the 12th day of April, 1899, for the object and purpose, and in pursuance of the notice hereinafter mentioned; and,

That we, Hans Brinker, Rip Winkle and Van Bibber, who are Directors of said Corporation, and who constitute a majority of its Board of Directors,

DO HEREBY CERTIFY:

That the said Santa Ana Hardware Company is a Corporation, duly incorporated and organized under the laws of the State of California, on or about January 30, 1896; that said Corporation, at the date of its incorporation, had, and ever since said date has had, a capital stock of seventy-five thousand dollars (\$75,000), divided into seven hundred and fifty (750) shares of the par value of one hundred dollars

(\$100) each, and that at all the times hereinafter mentioned, seven hundred and fifty shares of said stock were issued and outstanding, and that said shares are fully paid up ;

That at a meeting of the Board of Directors of said Corporation, duly held on the 8th day of February, 1899, a resolution was duly passed and adopted, and entered in the minutes of said meeting, calling a special meeting of the stockholders of said Corporation for the object and purpose of considering and voting upon the proposition to diminish the capital stock of said Corporation from seventy-five thousand dollars, divided into seven hundred and fifty shares of the par value of one hundred dollars each, to twenty-five thousand dollars (\$25,000), to be divided into two hundred and fifty (250) shares of the par value of one hundred dollars (\$100) each, which said resolution directed and specified that such meeting should be held at the principal place of business of said Corporation, to wit, at Room 12, of the Belcher Block, in the City of Santa Ana, in Orange County, State of California, being the building and place where the Board of Directors of the said Corporation usually meet, and that the time of said meeting should be at one o'clock in the afternoon of Tuesday, the 12th day of April, 1899; and which said resolution further directed that notice of said meeting should be given by the Secretary of said Corporation by publication in the *Santa Ana Blade*, published weekly at the said City of Santa Ana, in said Orange County, State of California, once a week for at least sixty days and until the said 12th day of April, 1899, and in addition to said notice by publication, that the Secretary should mail a notice to each one of the stockholders whose names then appeared on the Company's books, sufficiently addressed to his place of residence, if known, and if not known, then at the principal place of business of the Corporation, and that each and all of said notices should be mailed to such stockholders at least thirty days before the day appointed for such meeting ;

That at the time and place specified in said notice, namely, on Tuesday, the 12th day of April, 1899, at one o'clock P. M., said meeting was held at the principal place of business of said Corporation, and in the building where the Board of Directors usually meet, to wit: at Room No. 12, of the Belcher Block, in said City of Santa Ana, in Orange County, California ;

That said meeting was called to order by the President of said Corporation, Leopold Blum, who presided thereat as the Chairman thereof, in accordance with the by-laws of said Corporation defining the duties of the President, and that the Secretary of said Corporation, Casper Friand, was elected to act, and did act, as the Secretary of said meeting;

That the amount of stock represented at said meeting, as ascertained upon the roll call, was seven hundred and fifty (750) shares, of the par value of one hundred dollars (\$100) each, or, in the aggregate, seventy-five thousand dollars (\$75,000); that there were present at said meeting, either in person or by proxy, stockholders of said Corporation owning and holding the aforesaid seven hundred and fifty (750) shares of the capital stock of said Corporation ;

That the Secretary of said Corporation and of said meeting stated that in pursuance of the resolution adopted by the Board of Directors of said Corporation on the 8th day of February, 1899, and as required by law, he had given notice of said meeting, specifying the time, place, and object of the meeting and the amount to which it was proposed to diminish said capital stock, by publication in the *Santa Ana Blade* once a week for at least sixty days next preceding said meeting, to wit : once a week from the tenth day of February, 1899, to the twelfth day of April, 1899; and in addition to said notice by publication, that he had addressed a printed copy of such notice to each of the stockholders whose names then appeared, and now appear, on the Company's books, sufficiently addressed to their

respective places of residence (all of such places of residence being known to said Secretary), and that he had mailed said notices with the proper postage thereon prepaid on the 10th day of February, 1899, at least thirty days before the said 12th day of April, 1899, the day appointed for said meeting of stockholders; and in proof thereof, the said Secretary produced at said meeting an affidavit of the publisher of the said *Santa Ana Blade*, certifying to the publication therein, as aforesaid, of said notice, and an affidavit, made by said Secretary, certifying to the mailing and addressing by him of such notices to each of said stockholders as aforesaid; and thereupon the said stockholders accepted said proofs as satisfactory and sufficient on the question of the publication of said notice, and the service thereof, as required by law, and ordered that said affidavits be filed in the office of the Corporation;

That the proposition to reduce said capital stock of said Corporation, as submitted by the Board of Directors of said Corporation in the aforesaid resolution and notice, was then discussed and considered by said stockholders, and thereupon, by a vote of shares of stock, had upon roll call, all the stockholders present at said meeting duly passed and adopted a resolution in the words and figures following, that is to say:—

“Resolved, That the capital stock of the Santa Ana Hardware Company be and the same is hereby diminished from seventy-five thousand dollars (\$75,000), divided into seven hundred and fifty (750) shares of the par value of one hundred dollars (\$100) each, fully paid, to twenty-five thousand dollars (\$25,000), divided into twenty-five hundred (2,500) shares of the par value of one hundred dollars (\$100) each, fully paid;”

That the foregoing resolution, reducing the capital stock of said Santa Ana Hardware Company from seventy-five thousand dollars (\$75,000) to twenty-five thousand dollars (\$25,000), was adopted by the vote, cast in favor thereof, of

stockholders representing seven hundred and fifty (750) shares of the capital stock of the Corporation as originally incorporated, and being more than the requisite two-thirds of the said capital stock; that no votes were cast against the adoption of said resolution, and that the same is the whole vote by which said object was accomplished; and that said capital stock, as diminished, is greater in amount than the indebtedness of said Corporation;

That all of the essential prerequisite steps and proceedings in the matter of the calling and the holding of said meeting, and the adoption of said resolution, and of the diminishing of said capital stock as effected, or authorized to be effected, by said resolution, hereinabove recited, are in compliance with the law in that behalf made and provided, and are fully set forth and recorded in the minute book of said Corporation;

And, finally, that all of the matters and facts set forth in this certificate are true.

IN WITNESS WHEREOF, we have hereunto set our hands and caused the corporate seal of said Corporation to be hereunto affixed, at the said City of Santa Ana, County of Orange, and State of California, this twelfth day of April, A. D. 1899.

Leopold Blum,

Chairman of the above-mentioned meeting.

[CORPORATE SEAL]

Casper Friand,

Secretary of the above-mentioned meeting.

Hans Brinker,

Rip Winkle,

Van Bibber,

Directors of the Santa Ana Hardware Company, and constituting a majority of the Board of Directors of said Company.

STATE OF CALIFORNIA, } ss.
COUNTY OF ORANGE.

LEOPOLD BLUM and CASPER FRIAND, each being duly sworn, deposes and says: That they are respectively the President and the Secretary of the SANTA ANA HARDWARE COMPANY, the corporation mentioned in the foregoing certificate; that they have read the foregoing certificate, and know the contents thereof, and that the same is true.

Leopold Blum,

Casper Friand.

Subscribed and sworn to before me
this 12th day of April, A. D. 1899.

S. S. Smith,

Notary Public in and for the County of
Orange, State of California.

[NOTARIAL SEAL]

NO. 55.—CERTIFICATE OF BONDED INDEBTEDNESS.

Certificate of Proceedings at Stockholders' Meeting Authorizing the Creation of a Bonded Indebtedness of the Stockton and Kern Railway Company.

KNOW ALL MEN BY THESE PRESENTS :

That we, the undersigned, George Skinner, one of the Directors of the Stockton and Kern Railway Company, and Chairman of the meeting of the stockholders of said Company held on the 16th day of June, 1899, at 3 o'clock in the afternoon of said day, at the principal place of business of said Company, in the building where the Board of Directors of said Company usually meets, viz., at the office of said Company, Number 32 Front Street, in the City and County of San Francisco, in pursuance of the notice hereinafter set forth, and John Jones, the Secretary of said Company and the Secretary of said meeting ; and,

That we, James Buchanon, Charles Fredenburg, and Daniel McDonald, who are Directors of said Corporation, and who constitute a majority of the Directors of said Company,

DO HEREBY CERTIFY, as follows, to wit :

That the said Stockton and Kern Railway Company is a corporation, which was duly incorporated and organized under the laws of the State of California, on or about the 5th day of October, 1897 ; that said Corporation, at the said date of incorporation, had, and ever since said date has had, a capital stock of six million dollars (\$6,000,000); divided into sixty thousand (60,000) shares of the par value of one hundred dollars (\$100) each, and that at all the times hereinafter mentioned fifty thousand (50,000) shares of said stock were subscribed and issued and outstanding ;

That at a regular meeting of the Board of Directors of the Stockton and Kern Railway Company, held at the office of said Company at Number 32 Front Street, in the City

and County of San Francisco, on the 7th day of April, A. D. 1899, the following resolution was duly passed and adopted and entered upon the minutes of the Corporation, to wit:—

“SAN FRANCISCO, April 7, 1899.

“Whereas, It is the sense of the Directors of this Corporation that this Corporation should issue its bonds to be secured by a mortgage or trust deed upon its railroad, land, franchises, and all other property acquired or to be acquired within the State of California, for the sum of six million dollars (\$6,000,000) for the purpose of raising money to complete the construction and equipment of the railroad of this Corporation from the City and County of San Francisco, to the town of Kern, County of Kern, State of California ;

“Now, Therefore, Be it resolved, That a meeting of the stockholders of this Corporation be called for the purpose of creating a bonded indebtedness as hereinbefore specified, and that such meeting be held at the principal place of business of the Corporation, which is the building where the Board of Directors usually meets, namely, at 32 Front Street, in the City and County of San Francisco, State of California, at 3 o'clock on the 16th day of June, 1899, and the Secretary is hereby directed to give notice of said meeting to the stockholders of this Corporation by publication in a newspaper, namely, the *Call*, *Chronicle*, and *Examiner*, published in the City and County of San Francisco, State of California, at least once a week, for each week, until the 16th day of June, 1899; and in addition thereto, said Secretary shall mail a notice to each of the stockholders whose name appears on the Company's books, sufficiently addressed to his place of residence, if known, and if not known, then at the principal place of business of said Corporation, and that each and all of said notices shall be mailed to said stockholders at least thirty days before the day hereinbefore appointed for such meeting.”

That in pursuance of said resolution, a notice, of which the following is a copy, to wit:—

“NOTICE IS HEREBY GIVEN by Order of the Board of Directors of the Stockton and Kern Railway Company, that a meeting of the stockholders of said Company has been called by said Board, to be held on Tuesday, the 16th day of June, 1899, at 3 o'clock in the afternoon, at the principal place of business of said Company, at the building where the said Board of Directors usually meets, namely, at the office of said Company, Number 32 Front Street, in the City and County of San Francisco, in the State of California; that the object of said meeting is to consider and act upon the proposition that said Company create a bonded indebtedness of six million dollars (\$6,000,000) in gold coin of the United States, for the purpose of raising money to complete the construction and equipment of the railroad of this Corporation from the City and County of San Francisco to the Town of Kern, in the County of Kern, State of California, and to purchase and pay for any other property within the purposes of said Company, and to secure the bonded indebtedness, so proposed to be created, by a mortgage or trust deed upon the railroad and railroad lines and other property of said Company now owned or hereafter to be acquired by said Company.

“By order of the Board of Directors of the Stockton and Kern Railway Company.

[CORPORATE SEAL]

“*John Jones,*

“Secretary Stockton and Kern Railway Company.”
was published as specified in said resolution calling said meeting, viz., in the *Call*, and the *Chronicle*, and in the *Examiner* (which are newspapers published daily in the City and County of San Francisco aforesaid), at least once a week, for each week from the said 7th day of April, A. D. 1899, to the 16th day of June, A. D. 1899, in all respects as required by said resolution, and by law; and in addition to such notice by publication the Secretary of said

Company, in pursuance of said resolution, addressed a notice to each of the stockholders of said Corporation (all of whose names then appeared and now appear on the books of the Corporation), sufficiently addressed to their respective places of residence, all of such places of residence being then and now known, and mailed said respective notices to said respective stockholders, by depositing in the United States Post-office at said San Francisco, envelopes containing said notices, respectively, each properly addressed to said respective stockholders, and each with the proper postage prepaid thereon, more than thirty days before the said 16th day of June, A. D. 1899; and,

WE FURTHER CERTIFY AND DECLARE:

That at the time and place specified in said notice, to wit, on the 16th day of June, A. D. 1899, at 3 o'clock in the afternoon of said day, at the principal place of business of said Company, in the building where the Board of Directors of said Company usually meets, viz., at the office of said Company, Number 32 Front Street, in said City and County of San Francisco, State of California, a meeting of the stockholders of said Company was duly and regularly held in pursuance of said notice, and the following proceedings were had thereat, viz.:—

That the meeting was duly called to order by Mr. George Skinner, and thereupon, by unanimous vote, the said Mr. George Skinner was elected Chairman of said meeting, and he thereupon accepted the office and presided as the Chairman of said meeting; and that Mr. John Jones, the Secretary of said Company, was duly elected as Secretary of said meeting and acted as the Secretary thereof;

That the amount of stock of said Company represented at said meeting, as ascertained upon roll call, was fifty thousand (50,000) shares;

That the said Chairman stated it appeared, from proofs adduced at said meeting, that all essential prerequisite steps and proceedings in the matter of creating a bonded indebted-

edness of this Corporation in the amount specified in said notice, had been taken, and that same were regular and in compliance with the law in that behalf made and provided; and the said Chairman then fully explained the object of said meeting, as specified in said notice, and thereupon the following resolution was duly moved by Mr. Alfred Berg, and duly seconded by Mr. Richard Bambanner, to wit:—

“Resolved, That a bonded indebtedness of the Stockton and Kern Railway Company to the amount of six millions of dollars, in gold coin of the United States of the present standard of weight and fineness, be created for the purpose of constructing, acquiring, completing and equipping its railroad and railroad lines, and all else relative thereto, and of paying and discharging all debts and contracts incurred in or about such construction, completion and equipment, and all else relative thereto, and for the purchase of property within the purposes of said Corporation; and that such bonded indebtedness be represented by six thousand bonds of said Company in the sum or denomination of one thousand dollars each, negotiable in form, payable on the 1st day of October, A. D. 1940; or, if default be made in the payment of any installment of interest on any of said bonds when the same shall be payable and payment thereof shall be demanded in writing, and such installment of interest shall remain unpaid for six months after such demand, the whole amount of principal of said bonds shall become due and payable; said bonds to bear interest at the rate of five per cent per annum, payable semiannually, in gold coin, above mentioned, on the 1st day of October and the 1st day of April of each year, either at the office of said Company in the City and County of San Francisco, or at the office of its financial agency in the City of New York; and,

“Resolved further, That such bonded indebtedness be secured by a deed of trust of the railroad and railroad lines of said Company, and all the franchises and rights of every kind and nature whatsoever which the Company now has,

and which it may hereafter acquire; which deed of trust shall be to such trustee or trustees, and with such provisions, and upon such terms and conditions, and under such regulations and restrictions, as the Board of Directors of the Company shall deem proper; and,

“Resolved Further, That the Board of Directors of the Company be, and it is hereby authorized, empowered, and directed to take any and all steps that it shall deem necessary or proper in or about the making, execution, issuance, and disposal of said bonds, and the execution and delivery of said deed of trust.”

And, after discussion, the said motion, so moved and seconded as aforesaid, was duly put and was duly carried, and said resolution was duly passed and adopted by said meeting by the following vote:—

VOTE UPON SAID RESOLUTION:

The following persons, viz., Eric Browing, J. P. Grant, Alfred Berg, and Silas Tweddle, who were all present in person at said meeting, and who then and there were, and for more than ten days next prior to said meeting had been, *bona-fide* joint owners and holders of twenty-three thousand eight hundred and five (23,805) shares of the capital stock of said Railway Company, and in whose joint names all of said twenty-three thousand eight hundred and five shares then and there stood upon the books of said Company, and had so stood upon said books for more than ten days next prior to said meeting, voted all of said shares in the affirmative and in favor of the passage and adoption of said resolution.

And each of the following persons, viz., Charles Fredenburg, James Buchanon, Daniel McDonald, and George Skinner, each of whom was present in person at said meeting, and each of whom then and there was and for more than ten days next prior to said meeting had been a *bona-fide* owner and holder of fifty (50) shares of the capital stock of said Company, and each of whom had at and during all

of said time his said fifty shares standing in his own name upon the books of said Company, voted respectively all of his said respective stock in the affirmative and in favor of the passage and adoption of said resolution.

And Henry Hoskins, who then and there was and for more than ten days next prior to said meeting had been a *bona-fide* owner and holder of fifty (50) shares of the capital stock of said Company, and in whose name all of said fifty shares then and there stood upon the books of the Company, and for more than ten days next prior to said meeting had so stood upon the books of said Company, and who was not present in person at said meeting, but who was represented thereat by his attorney and proxy, Silas Tweddle, voted all of said fifty shares, by and through his said attorney and proxy, Silas Tweddle (who was present at said meeting), in the affirmative, and in favor of the passage and adoption of said resolution.

Said proxy from said Henry Hoskins to said Silas Tweddle was in writing, duly executed by said Hoskins, and filed with the Secretary, and was and is in the words and figures as follows :—

“KNOW ALL MEN BY THESE PRESENTS:

“That I, the undersigned, Henry Hoskins, a stockholder in the Stockton and Kern Railway Company, having stock in my own name upon the books of the Company, have made, constituted, and appointed, and by these presents do make, constitute and appoint, Silas Tweddle my true and lawful attorney and proxy (with full power of substitution and revocation) for me and in my name, and in my place, and stead, and as my proxy, to vote all shares of stock standing in my name upon the books of the Company at a meeting of stockholders of said Company to be held in the City of San Francisco, on the 16th day of June, A. D. 1899, or at any adjournment thereof, and at any and all meetings whatsoever, upon the proposition stated in the notice of such meeting, and upon any modification, change,

or amendment thereof, and upon any and all propositions and questions whatsoever, whether stated or referred to in any notice or meeting or not, with all the powers I would have if personally present.

“Hereby ratifying and confirming whatever my said attorney or his substitute or substitutes shall lawfully do in the said matter.

“IN TESTIMONY WHEREOF, I have hereunto set my hand and seal this 9th day of June, A. D. 1899.

“*Henry Hoskins.* [SEAL]”

(Repeat for each proxy.)

That the said stock of said stockholders above mentioned, so represented at said meeting and voted in the affirmative and in favor of the passage and adoption of said resolution, as aforesaid, constituted more than two-thirds, to wit, all of the subscribed stock of said Corporation; that no shares of said stock were voted in the negative or against the passage and adoption of said resolution;

Whereupon the Chairman declared that the owners and holders of more than two-thirds, to wit, all of the fifty thousand (50,000) shares of the subscribed capital stock of the Corporation had voted in favor of the adoption of said resolution, and that the said resolution had been adopted by the vote of all of the stockholders of the Corporation;

That all of the matters and things hereinabove set forth appear of record in the minutes of the said meetings of the Board of Directors and of the stockholders of said Corporation as said minutes are preserved in the records of said Corporation; and,

WE FURTHER CERTIFY:

That by the proceeding aforesaid, a bonded indebtedness to the amount of six million of dollars in gold coin of the United States of America, of the present standard of weight and fineness, has been created, or authorized to be created,

and that the creation of said bonded indebtedness was accomplished by the vote of all of the subscribed stock of said Corporation as aforesaid; and,

WE FURTHER CERTIFY:

That all of the stockholders of said Corporation were present at said meeting, either in person or by proxy, as above stated, and signed upon the record of said meeting in the books of said Corporation, a consent to said meeting and to all of the proceedings had and done thereat, which consent is as follows:--

“KNOW ALL MEN BY THESE PRESENTS:

“That we, the undersigned, being the holders of all of the subscribed capital stock of the Stockton and Kern Railway Company, and each holding the number of shares of said stock set opposite our respective signatures, hereby consent to the meeting of said stockholders of said Company, called for the creation of a bonded indebtedness of said Company in the sum of six millions of dollars in gold coin of the United States of the present standard of weight and fineness, and agree that said meeting shall be held immediately, to wit, at 3 o'clock in the afternoon of this, the 16th day of June, 1899, at the office of said Company, No. 32 Front Street, in the City and County of San Francisco, and we hereby consent to all of the proceedings to be had and done at said meeting.

“*George Skinner* (holding 50 shares),

“*Charles Fredenburg* (holding 50 shares),”

Etc., etc.

AND WE FURTHER CERTIFY:

That the above signatures to said consent last above set forth are the genuine, original signatures of said stockholders, as they purport to be; and that the said consent, as recorded on the books of the Company, was and is also signed with the genuine, original signatures of all of above stockholders as above shown; also, that all of the matters and facts set forth and made known in this certificate are true.

IN WITNESS WHEREOF, we have hereunto set our hands and caused the corporate seal of said Corporation to be hereunto affixed, at the City and County of San Francisco, State of California, this sixteenth day of June, A. D. 1899.

[CORPORATE SEAL]

George Skinner,
Chairman of the above-mentioned meeting.

John Jones,
Secretary of the above-mentioned meeting.

James Buchanon,

Charles Fredenburg,

Daniel McDonald,

Directors of the Stockton and Kern Railway Company, and constituting a majority of the Board of Directors of said Company.

STATE OF CALIFORNIA, }
CITY AND COUNTY OF SAN FRANCISCO. } ss.

GEORGE SKINNER and JOHN JONES, each being duly sworn, deposes and says: That they are respectively the President and Secretary of the STOCKTON AND KERN VALLEY RAILWAY COMPANY, the corporation mentioned in the foregoing certificate; that they have read the foregoing certificate, and know the contents thereof, and that the same is true.

George Skinner.

John Jones.

Subscribed and sworn to before me
this 16th day of June, A. D. 1899.

F. J. Drake,

[NOTARIAL SEAL]

Notary Public in and for the City and County
of San Francisco, State of California.

No. 56.—PETITION FOR CHANGE OF CORPORATE NAME.

In the Superior Court of the County of *San Francisco*, State of California.

In the matter of the application of the *Bank of San Francisco*, a Corporation, for a change of its name. No. ———, Petition ———.

Now comes the *Bank of San Francisco*, a Corporation, and by a majority of its Board of Directors, duly authorized thereto, respectfully shows to your Honorable Court:—

1st. That said *Bank of San Francisco* is a Corporation duly organized and existing under the laws of the State of California;

That it was organized under said laws on the *10th* day of *October*, A. D. 1886, for the purpose of engaging in general banking business; and since the said date it has been and is now engaged in carrying on said business in the city of

San Francisco, County of *San Francisco*, and State of California, with its principal place of business in what is known as the *Briggs' Block*, in said city, county and state;

And that its present Board of Directors is composed of five members, and their names are as follows: *Samuel Simpson*, *Joab Jordan*, *N. O. Stine*, *T. W. Chites* and *James Gorham*.

2d. That it was organized under the name of *Bank of San Francisco*, and since, hitherto, that has been and it now is its present name.

3d. That it is now proposed by said Corporation that its name be changed from its present name of *Bank of San Francisco* to the name of *American Banking Company*.

4th. That the reason for such change of name and why your petitioners propose the same, is as follows:—

(1) That the name, *Bank of San Francisco*, is one among the names of a number of banks in the City of *San Francisco* having the words "*San Francisco*" for a part of its name. And it has been found that some confusion arises in the minds of strangers as to the identity of the several banks having such words for a part of their names.

(2) That the name *Bank of San Francisco* has been found to suggest to those unacquainted with its business, and the scope thereof, the idea that it is devoted solely and exclusively to banking matters and business in the city, or connected with the city; and to suggest the idea further that it is not carrying on a general banking business with the world at large, or with whomsoever may call upon it to deal.

(3) That the proposed name, *American Banking Company*, contains no such suggestion, that the corporation bearing it is a small or local affair.

(4) That your petitioners have made inquiry and ascertained from the Secretary of State that there is no corporation in the State of California that has ever selected the name *American Banking Company* for its name.

(5) That in the opinion of your petitioners the proposed name has none of the objections, and will not encounter any of the objections, that have heretofore occurred to the present name of said Corporation; and,

Lastly, That, in the opinion of your petitioners, the proposed name is a most excellent and desirable one, and one which will be more advantageous and beneficial to the said Corporation and its stockholders than the present name it bears.

5th. That at a special meeting of the Board of Directors of said Corporation, *Bank of San Francisco*, duly and regularly called and held on the 11th day of October, A. D. 1886, by resolution duly adopted and entered in the journal of its proceedings, it was resolved that these proceedings be inaugurated for the purpose of procuring the aforesaid change of name.

Wherefore, Your petitioners pray that your Honorable Court will appoint a time for hearing this application; and that in your order appointing such time, you designate a newspaper in which publication of this notice may be had, for a period of four weeks, prior to said day of hearing;

And that upon the said hearing your Honorable Court make an order changing the name of said Corporation, the *Bank of San Francisco*, to that of *American Banking Company*.

Joab Jordan,
N. O. Stine,
Samuel Simpson,
T. W. Chiles,
James Gorham,

Directors of *Bank of San Francisco*, a Corporation.

Eli Black,

Attorney for petitioner.

CORPORATE CONTRACTS, DEEDS AND NOTES.

Contracts.—Contracts Ultra Vires.—Deeds.—Ratification.
—Estoppel.—Corporate Notes.—Mining Ground.—
Securing Consent of Stockholders.

It is well settled that contracts of corporations stand upon the same footing as those of natural persons, and depend upon the same circumstances for their validity and effect. The doctrine of ratification and estoppel is as applicable to corporations as to individuals.

An executory contract, made without authority, can not be enforced; but where a contract has been executed, and the corporation has had the benefit of it, the validity of the contract can not be called in question.

A contract, regular on its face, and executed by the President and Secretary of a corporation, for a purpose within the scope of its business, is *prima facie* evidence of their authority to execute it, and the corporation can not escape liability thereon by reason of

the fact that the requisite authority had not been conferred in due form.

A corporation can only be bound by corporate acts. An undertaking by all of the stockholders, acting as individuals, severally, in behalf of a corporation, will not bind it. Where joint action is required, by law, individual action is of no avail.

A distinct impression of the seal on the instrument itself is sufficient ensealing of an instrument.

A contract which is outside of the objects for which the corporation was created, and beyond the powers conferred upon the corporation by the legislature, is said to be *ultra vires*. Such a contract is wholly void and can not be ratified by either party because it could not have been authorized by either. The doctrine of *ultra vires* rests upon three distinct grounds: The obligation of any one contracting with a corporation to take notice of the legal limits of its powers; the interest of the stockholders not to be subject to risks which they have never undertaken; and, above all, the interest of the public that the corporation shall not transcend the powers conferred upon it by law.

A title by deed, to be good, must be one which is free from litigation, palpable defects, and grave doubts; should consist of both legal and equitable titles, and should be fairly deducible of record. A deed or other instrument of a corporation which is to be

recorded, should show affirmatively that the officers executing it were authorized by the Board of Directors or Trustees to execute the instrument. This may be done by reference to, or by recital of, the resolution of authorization; the reference alone is sufficient where the company has a corporate seal and the seal is affixed; but to support the deed of a corporation which is without a corporate seal, it is incumbent on the party relying on it to show affirmatively that it was executed by the authority of a resolution of the Board of Directors or Trustees, or that it was ratified by such resolution.

Neither the President nor the Secretary, by virtue of his office, has the power to convey or mortgage the corporate property, nor have they both together the power which neither has separately. The stockholders have no such power. The powers of the corporation must be exercised, and its property controlled, by the Board of Directors or Trustees. The board must be duly assembled, and their transactions should be recorded. The Directors, when not acting as a board, have not the necessary power.

The power of a corporation to sell is coextensive with its power to purchase; or, rather, whatever it owns, or can own, it can dispose of, being itself the judge in each instance as to the circumstances and inducements under which it will exercise the power.

The deed of a private corporation, apparently regu-

lar, executed in pursuance of the powers conferred by its charter, under the corporate seal, and attested by the signatures of the officers upon whom the control of its affairs devolves, by law, is the most direct, formal and solemn assurance that can possibly be given by those authorized to give assurances.

As the Secretary or other officer of a corporation may have occasion to introduce into a deed, lease, or other written instrument, a resolution authorizing the making and execution of such instrument by officers of the corporation, it has been thought best to show in these pages the manner and form of such introduction.

This Indenture, made this *13th* day of *August*, in the year of our Lord one thousand eight hundred and *eighty-eight*, by and between the *Victor Coal Company*, a corporation, organized and existing under the laws of the State of California, having its office and principal place of business at *Elsinore, San Diego County, California*, the party of the first part, and *Hugo Holmes*, of the Town of *Elsinore*, County and State aforesaid, the party of the second part,

Witnesseth: That, Whereas, A certain resolution was duly passed and adopted by the Board of Directors of the *Victor Coal Company*, at a regular meeting of said board, held on the *fifth* day of *August*, A. D. 1888, which resolution is in the words and figures following, to wit:

(Resolution.)

(Here give description.)

Now, therefore, in pursuance of the resolution aforesaid, and in consideration of *one thousand* dollars, gold coin of the United States of America, to it in hand paid by the said

party of the second part, the receipt whereof is hereby acknowledged, the said party of the first part has granted, etc., etc.

TESTATUM CLAUSE.

In Witness Whereof, The corporation aforesaid, party of the first part hereto, has hereunto caused its corporate name to be subscribed and its corporate seal affixed, by its President and its Secretary, the day and year herein first above written, said officers of said corporation being thereunto duly authorized by the resolution of its Board of Directors hereinabove recited.

Victor Coal Company.

By its President, *John Doyle.*

[SEAL]

By its Secretary, *Stephen Jones.*

Whenever a state, county, corporation, partnership or person has power originally to do a particular thing, it has the power to ratify and make valid an attempted effort to do such thing, although the same may have been done ever so defectively, informally, and even fraudulently in the first instance. Ratification need not be manifested by a vote, or formal resolution, or be authenticated by the seal of the corporation. It will be inferred from failure to promptly disavow the act when it comes to the knowledge of the corporation. Ratification usually requires some positive, assertive act, and in making affirmance or disaffirmance, the ratifiers must have had an opportunity to act, and to act with perfect freedom, and must also have been fully advised of all material facts

in the case. In order that acquiescence alone should become ratification, the delay must be so long continued that it can be accounted for only on the theory that there has been some affirmative act.

The principle of estoppel has its foundation in a wise and salutary policy. It promotes fair dealing and is a means of repose. If one man knowingly, though he does it passively by looking on, suffers another to purchase and expend money on land under an erroneous opinion of title, without making known his own claim, he shall not afterwards be permitted to exercise his legal rights against such person. It would be an act of fraud and injustice, and his conscience is bound by this equitable estoppel.

In executing a corporate note, the name of the corporation should first be signed, as the principal, to be followed by the names and titles of the officers, as agents. The name of a corporation, so placed, raises the implication of a corporate liability. To so place it requires the hand of an agent. The name of an officer of such corporation, to which name the official title is appended, put beneath the corporate name, implies the relation of principal and agent. It means that inasmuch as every corporate act must be done by a natural person, this person is the agent by whose hand the corporation did the particular thing.

The acquisition, mortgaging or disposition by a mining corporation of the whole or any part of its

mining ground, must, under the California statutes, be ratified by the holders of at least two-thirds of the capital stock of such corporation. Such ratification may be made in writing, signed and acknowledged by the stockholders, or by resolution duly adopted at a meeting of stockholders called for that purpose. The proper way is to attach the certificate of ratification to the instrument whereby the mining ground is acquired or disposed of, prior to the recording of such instrument, thus making the title clear as to the action of the stockholders. The manner in which such ratification is made is shown in form No. 58.

If it is not possible to secure the written consent of *all* the stockholders individually to a proposed action requiring such assent, thereby making the assent unanimous, the assent in writing of a majority should be obtained at a meeting, due and legal notice of which had been given to every stockholder, thus affording each stockholder an opportunity to be present, either in person or by proxy, and have a voice in the proceedings of such meeting; otherwise, any absent or non-assenting stockholder will not be bound by the action of a majority, no matter how large.

In cases where the statute provides that the written consent of the holders of two-thirds of the capital stock shall be obtained, prior to the doing of an act requiring such written assent, the best practice is to secure the written consent of all the stockholders, thereby avoiding any possible dissent.

NO. 57.—CORPORATION NOTE, WITH PLEDGE OF STOCK AND POWER OF ATTORNEY.

ELSINORE, San Diego County, California, }
 \$5,000.00. June 10th, 1892. }

For value received the Victor Coal Company, a corporation, organized and existing under the laws of the State of California, and having its principal place of business at Elsinore, San Diego County, California, promises to pay to the American Bank, or order, one year after date, without grace, five thousand dollars, at the office of said American Bank, in the city of San Francisco, California, with interest from date until paid, at the rate of ten per cent per annum, interest payable monthly, and if not so paid, to be compounded monthly; all payments of both principal and interest to be made only in gold coin of the Government of the United States of America.

Victor Coal Company,
 By its President, *John Doyle.*
 By its Secretary, *Stephen Jones.*

[CORPORATE SEAL]

And said Victor Coal Company hereby transfers and deposits with Andrew Branch, the President of said Bank, as collateral security for the payment of the above promissory note, and the interest and expenses which may accrue thereon, the following personal property, of which it is the sole owner, namely: one hundred shares of the capital stock of the Clearwater Prospecting Company, also a corporation, organized under the laws of the State of California, and having its principal place of business at Elsinore, county and State aforesaid, evidenced by certificate No. 52 of the capital stock of said Clearwater Prospecting Company, issued at the request and direction of said Victor Coal Company to and in the name of Andrew Branch, pledge holder, to be held by said Andrew Branch, as such pledge holder, for the purpose of securing the payment of said note. And

it is agreed that said American Bank shall have the right to collect all dividends upon any shares of stock thereby transferred and to apply them to the debt hereby secured and to pay all assessments which shall be levied on said stock, and that all sums so paid for assessments shall bear interest at the rate aforesaid and be secured thereby.

And said Victor Coal Company hereby gives said American Bank a further lien on such other or further collaterals as it may hereafter give for securing any other note or notes.

In case of non-payment of said promissory note, or the interest thereon when due, the said Victor Coal Company hereby appoints and constitutes said Andrew Branch, the President of said American Bank, its attorney irrevocable, with power of substitution, to sell at any time after said note or interest is due, without any previous demand, and with or without notice, at his option, the whole or any part of said security, either at public or private sale, at his discretion, and to deliver the same to the purchaser or purchasers thereof; and the proceeds of such sale to be applied to the payment of the above promissory note, interest due, assessments, expenses of sale, all law expenses, counsel fees, fees for advice of counsel, and all other expenses or costs incurred or paid by said American Bank in respect of said note or security, together with the usual per cent commission on sales; and any surplus after payment of said note, interest, assessments, commission and expenses, to be subject to the order of said Victor Coal Company. In like manner, said Victor Coal Company agrees to pay on demand, to said American Bank, its successors or assigns, whatever deficit may result in the settlement of the above accounts.

Should any such sale be made, said American Bank, directly, or in the name of any other person, shall have the right to purchase.

In case of the deterioration of any of the above securities, or fall in the market value of the same, the said Victor Coal

Company hereby promises and agrees to reduce the amount of the debt, or to increase the security in proportion to such deterioration or decrease of value; and to increase the security or reduce the amount of the debt at any time, and in whatever proportion said American Bank may desire; and in default of which, this note is to be considered immediately due under the above stipulation.

In Witness Whereof, The said Victor Coal Company has hereunto caused this instrument to be executed in its name, on its behalf and under its corporate seal, and by its President and its Secretary, this tenth day of June, A. D. 1892.

Victor Coal Company.

By its President, *John Doyle.*

[CORPORATE SEAL]

By its Secretary, *Stephen Jones.*

No. 58.—RATIFICATION BY STOCKHOLDERS OF ACQUISITION OF MINING GROUND.

(To be attached to deed, lease, etc.)

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned stockholders of the Blue Bird Oil Company, a corporation, organized and existing under the laws of the State of California, and having a capital stock of Fifty Thousand Dollars (\$50,000.00), divided into Five Hundred (500) shares of the par value of One Hundred Dollars (\$100.00), each, and severally the owners and holders on the books of said corporation of the number of shares of said corporation set opposite our respective signatures, and together owning and holding more than two-thirds of the entire issued and outstanding shares of said corporation, do ratify, approve and confirm a certain deed, dated the tenth day of April, 1905, made by John Kingsley and Ella Kingsley to this corporation, whereby this corporation acquired the additional mining ground therein described and the rights and interests therein set forth for the consideration therein mentioned; and we do also hereby ratify and approve the act and acts of the Board of Direct-

ors and officers of the said Blue Bird Oil Company in the acquisition of the additional mining ground in said conveyance mentioned.

In Witness Whereof, we have hereunto set our hands and seals this 11th day of April, 1905.

Name.	No. of shares,
<i>F. X. Brown,</i> (Seal)	213
<i>L. W. Coyne,</i> (Seal)	5
<i>Samuel Silent,</i> (Seal)	87
<i>Peter Prior,</i> (Seal)	112
<i>Roger Brown,</i> (Seal)	27
<i>Prester John,</i> (Seal)	12

(Acknowledgments of Stockholders.)

I, the undersigned Secretary of the Blue Bird Oil Company, a corporation, hereby certify that the capital stock of said corporation is divided into Five Hundred (500) shares of the par value of One Hundred Dollars (\$100.00) each, aggregating Fifty Thousand Dollars (\$50,000.00), all of which has been issued and is now outstanding, and that the books of said corporation show that the following persons are the owners and holders of the number of shares of said stock set opposite their respective names, to wit:

Name.	No. of Shares.
<i>F. X. Brown,</i>	213
<i>L. W. Coyne,</i>	5
<i>Samuel Silent,</i>	87
<i>Peter Prior,</i>	112
<i>Roger Brown,</i>	27
<i>Prester John,</i>	12
<i>Manuel Mason,</i>	44

And that the persons whose names are signed to the foregoing ratification, aggregating 456 shares, constitute the holders of more than two-thirds of the issued and outstanding shares of the capital stock of said corporation.

Witness my hand and the seal of said corporation this 11th day of April, 1905.

(Corporate Seal) .

Prester John,

Secretary of Blue Bird Oil Company.

(Acknowledgment of Secretary.)

MISCELLANEOUS FORMS.

Affidavits.—Certificates.—Consent.—Powers of Attorney.—
Release.—Notices.—Bond.

NO. 59.—OATH OF DIRECTORS OF NATIONAL BANK.

STATE OF _____, }
COUNTY OF _____. } ss.

We, the undersigned, directors of the _____, of _____, in the State of _____, being citizens of the United States, and residents of the State of _____, do each for himself, and not one for the other, solemnly swear that we will, severally, so far as the duty devolves on us, diligently and honestly administer the affairs of said association; and that we will not knowingly violate, or willingly permit to be violated, any of the provisions of the Statutes of the United States under which said association has been organized; and each for himself does solemnly swear that he is the owner in good faith and in his own right, of the number of shares of stock required by said statutes subscribed by him or standing in his name on the books of said association, and that the same is not hypothecated or in any way pledged as security for any loan or debt.

Name.	Residence.
.....

[Jurat]

NO. 60.—AFFIDAVIT AS TO SALE OF DELINQUENT STOCK.

STATE OF CALIFORNIA, }
COUNTY OF SAN DIEGO. } ss.

Stephen Jones, being duly sworn, deposes and says: That he is the Secretary of the *Victor Coal Company*, a corporation organized and existing under the laws of the State of *California*.

That the following is a copy of notice of sale of the shares of the capital stock of said corporation, upon which there

was due and unpaid at the date of said notice the amounts set opposite the respective certificates in said notice set forth:

(Copy of Notice.)

That on the — day of —, 189—, the date specified in said notice, and under and by virtue of said notice, he caused to be offered for sale at the office of said corporation, at room No. 4 of the Brunswick Block, in the town of Elsinore, California, the following shares of stock of said corporation, represented by the certificates hereinafter mentioned, and that the same were sold to said *Victor Coal Company*, viz.:

Certificate No. —, for — shares of the capital stock of said corporation, standing in the name of — on the books of said corporation, was sold to said *Victor Coal Company*, through *Eben Elliott*, its Vice President, for the sum of \$112.25:

(Repeat for each certificate.)

That said sums for which said sales of said stock were so made, were the full amount of said assessment and of all costs and charges due on each parcel of said stock so sold, and that said stock was so sold to said *Victor Coal Company* only after each of said parcels of stock had separately been offered for sale, in pursuance of said notice, and no bids had been made thereon or on any part or portion thereof.

Deponent further says that the said sale, made at the time and place aforesaid, was in all respects honestly, fairly and legally conducted, to the best of his knowledge and belief, and that said shares of said stock were purchased by said corporation fairly and in good faith.

Deponent further says that at his request the offering for sale of said stock was made by *Augustus Pelham*, a licensed auctioneer.

Stephen Jones.

Subscribed and sworn, etc.

STATE OF CALIFORNIA,
COUNTY OF SAN DIEGO. } ss.

Augustus Pelham, being duly sworn, deposes and says: That he is a duly licensed auctioneer, having his office in the

town of *Elsinore, California*; that he has read the foregoing affidavit of *Stephen Jones*, and that the same is in all respects true:

That at the request of said *Stephen Jones*, Secretary of said *Victor Coal Company*, he offered for sale and sold at public auction the stock in said affidavit mentioned; that said stock and all thereof was bid in by said *Victor Coal Company*, as in said affidavit mentioned, and that none of said stock was so bid in until said stock had been offered for sale in separate parcels, according to the number of each certificate of stock so sold, and no bid had been made thereon, or for any portion thereof, by any person whomsoever; and that said stock was bid in by said corporation, as aforesaid, only after such offering for sale and failure to receive bids thereon as aforesaid.

Augustus Pelham.

Subscribed and sworn, etc.

NO. 61.—NOTARY'S CERTIFICATE—CORPORATION ACKNOWLEDGMENT.

(CALIFORNIA.)

(Form of acknowledgment for corporations under Amendment of 1905.)

State of California, } ss.
County of..... }

On this.....day of....., in the year.....before me,, a Notary Public in and for said county, personally appeared.....known to me to be the.....President, andknown to me to be the.....Secretary of the corporation that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

.....,
Notary Public in and for the County of
....., State of California.

NO. 62.—CERTIFICATE OF SECRETARY.

I, *Stephen Jones*, Secretary of the *Victor Coal Company*, hereby certify the foregoing to be a full, true and correct copy of a resolution unanimously passed and adopted by the Board of Directors of said corporation, at a meeting of said Board, duly held on this *5th* day of *August*, A. D. 1888, and that the same has not been revoked.

Stephen Jones,

[SEAL]

Secretary *Victor Coal Company*.

NO. 63.—CERTIFICATE OF SECRETARY.

Office of the *Victor Coal Company*, }
Elsinore, San Diego County, California. }

I, the undersigned, Secretary of the *Victor Coal Company*, a corporation organized and existing under the laws of the State of California, do hereby certify and declare that the foregoing is a full, true and correct copy of a resolution adopted at a regular meeting of the Board of Directors of said corporation, duly and regularly convened and held at the office of said company, in the town of *Elsinore*, State of *California*, on the *20th* day of *December*, 1887, at *one* o'clock P. M., and that said resolution has been duly entered as a part of the record of the proceedings of said meeting in the minute book of said corporation, on pages 9 and 10 of said book.

In Witness Whereof, I have hereunto subscribed my name and affixed hereto the corporate seal of said *Victor Coal Company*, this *21st* day of *December*, A. D. 1887.

Stephen Jones,

[SEAL]

Secretary *Victor Coal Company*.

NO. 64.—AFFIDAVIT OF SECRETARY AS TO SERVICE OF NOTICE.

STATE OF _____ }
 COUNTY OF _____ } ss.

_____, being duly sworn, deposes and says: That he is the Secretary of the _____, a corporation organized and exist-

ing under the laws of the State of _____, and having its principal place of business at _____, county of _____, State of _____; that on _____, the — day of _____, 189—, he personally desposited in the United States post-office at _____, County and State aforesaid, under cover, postage prepaid, a printed notice, directed to each of the following named persons at the addresses given, to wit:—

NAMES.

ADDRESSES.

Said printed notice is in the words and figures following, to wit:—

(Here give copy of notice.)

_____ Secretary of _____.

Subscribed and sworn, etc.

NO. 65.—CERTIFICATE OF CORPORATION STOCK.

No. 532.

200 Shares.

THE COLORADO MINING COMPANY.

Incorporated under the laws of the State of *Colorado*, April 1, 1882. Capital stock, \$2,000,000. Shares, \$10 each.

This is to certify that *Pelig Prouty* is the owner of *two hundred* shares of the capital stock of

The Colorado Mining Company.

Transferable only on the books of the company, in person or by attorney, upon the surrender of this certificate.

Pueblo, Colorado, December 5th, 1887.

Jason Jenkins,
Secretary.

Edward Enderby,
President.

[CORPORATE SEAL]

(Stub.)

Issued for No. _____.

No. of Certificate _____.

No. of shares _____.

By whom _____.

Date _____, 189—.

Received the above certificate subject to the Articles of Incorporation and By-Laws of the Company.

Canceled by issue of No. —.

Date of Cancellation _____.

NO. 66.—CONSENT OF STOCKHOLDERS TO ANY PROPOSITION. (To be signed by stockholders and entered in the minute book.)

KNOW ALL MEN BY THESE PRESENTS:

That, Whereas, A meeting of the stockholders of the *Victor Coal Company* has been called, to be held at the office of the corporation, at *Elsinore, San Diego County, California*, on *Wednesday, April 14th, 1887*, for the purpose of considering the proposition to be submitted at said meeting of said stockholders, whether or not—

(Here state proposition.)

And, Whereas, It appears to us that such proposed arrangement would be for the best interests of the stockholders of the *Victor Coal Company*, and for ourselves, as such stockholders, and that the same, if effected, will be consistent with the articles of incorporation and by-laws of said corporation;

Now, Therefore, This is to certify and declare that we do now consent that (here state to what consent is given) shall be made, and that we will consent and are hereby consenting to such —, if the same be made.

Dated at *Elsinore, Cal.*, this *10th* day of *April*, A. D. 1887.
 ——— (holding ——— shares).

NO. 67.—POWER OF ATTORNEY TO VOTE, ETC

[Blank Published.]

KNOW ALL MEN BY THESE PRESENTS:

That I, *Uriah Heap*, do hereby constitute and appoint *Stephen Jones* my true and lawful attorney, for me and in my name, place and stead, to vote *as my proxy at the annual meeting of the stockholders of the Victor Coal Company, to be held on Tuesday, the 8th day of June, A. D. 1891, on Cer-*

tificates Nos. 31 and 32, each for 50 shares of the capital stock of said corporation, standing in my name on the books of said corporation, and according to the number of votes to which I would be entitled if personally present; with full power of substitution and revocation.

Witness my hand and seal at *San Diego*, California, this first day of *June*, 1891.

Uriah Heap. [SEAL]

Witness: *Wesley Todd.*

NO. 68.—POWER OF ATTORNEY TO VOTE, ETC. (From Corporation.)

KNOW ALL MEN BY THESE PRESENTS:

That the *Unique Brick Company*, a corporation, organized and existing under the laws of the State of California, has constituted and appointed, and does hereby constitute and appoint, *Clarence Judson* its true and lawful attorney and agent for said corporation, and in its corporate name, place, and stead, and as its corporate act and deed, to appear and vote as its proxy and representative, the number of votes which said corporation would be entitled to cast, if actually present, at any and all meetings, whether regular or special, and at any and all adjournments of said meetings of the stockholders of the *Victor Coal Company*, a corporation, organized and existing under the laws of the State of California; with full power and authority to act and vote as the proxy and representative of this corporation, at all and singular the said meetings, and at any and all adjournments thereof, and in every respect and for every purpose as if the said *Unique Brick Company* were itself personally present and acting and voting therein; and full power and authority are hereby conferred upon said proxy and representative, in the name of this corporation, and in its behalf, and as its corporate act and deed, to consent in writing to any and all votes and proceedings thereof, upon the records of said meetings; and full power and authority are hereby conferred upon said *Clarence Judson*, at any time, and from time to time, to substitute in his place and stead, as the proxy and representative of this corporation, any other person or persons whom he may, at any time and from time to time, designate as such proxy or representative, with full power and authority to said *Clarence Judson*, at any time and from time

to time to cancel and revoke such substitution and substitutions; the person or persons so substituted from time to time, to have all and singular the power and authority hereby conferred upon said *Clarence Judson*, as such proxy and representative.

And full power and authority are hereby conferred upon said *Clarence Judson*, to consent to and sign in writing any and all papers, or any propositions whatever, requiring such assent of the *Unique Brick Company* as the owner and holder of 250 shares of the capital stock of the *Victor Coal Company*, standing in the name of said *Unique Brick Company* on the books of said *Victor Coal Company*.

In Witness Whereof, Said corporation has hereunto caused its corporate name and seal to be affixed, by its President and its Secretary, thereunto duly authorized by resolution of its Board of Directors, duly passed and adopted, this *fifth day of April*, A. D. 1888.

Unique Brick Company.

By its President: *L. M. Richmond.*

By its Secretary: *Jose Esquevel.*

[SEAL]

NO. 69.—POWER OF ATTORNEY FROM SEVERAL STOCKHOLDERS.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned stockholders of the ———, Company, a corporation of the State of ———, having its principal place of business at ———, and severally the owners and holders on the books of said corporation of the number of shares of said corporation set opposite our respective signatures, have nominated, constituted, and appointed, and by these presents do nominate, constitute, and appoint ——— our attorney for us and in our names, places, and stead, to subscribe the by-laws or any other record of said corporation, in which or to which our subscription as such stockholders may be requisite or proper or conformatory to the rules, by-laws or regulations of said corporation:

Also to transfer by endorsement, by our signatures respectively, any and all certificates of stock, and to make delivery thereof, and to transfer the same at any time or in any manner which said ——— may, in his discretion, deem proper, and to do any and all other acts which are or may be requisite or necessary to effect such transfer:

Also, as our proxy, to appear at, participate in, and vote all of our said stock or certificates or shares of stock at any and all meetings and elections of the stockholders of said corporation, which may be had for any purpose, and to vote said shares at any meeting, deliberation, or proceeding in which said stock or certificates of stock may be entitled to representation or participation, or in which we or any of us may be entitled to representation or participation, as fully and amply as we might do were we severally present in person

Hereby ratifying and confirming, etc.

NO. 70.—POWER OF ATTORNEY. (To Sell Stock.)

KNOW ALL MEN BY THESE PRESENTS:

That I, _____, of _____, by these presents do make, constitute, and appoint _____ my true and lawful attorney for me, and in my name, to sell, assign and transfer, to such person or persons, corporation or corporations, at such price and upon such terms as to him may seem expedient, the following number of shares of the stock of the corporations hereinafter named, and to that end to execute any and all papers which are or may be necessary to fully complete and carry out such transfer; the stock to be sold, assigned, and transferred as aforesaid, is described as follows, to wit:

(Here give description.)

Giving and granting unto my said attorney full power and authority to do and perform every act and thing necessary or proper to be done in the execution and prosecution of the aforesaid business, as fully and amply as I might do, were I personally present; with full power of substitution and revocation; hereby ratifying and confirming all that my said attorney, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of these presents.

Witness my hand and seal this _____ day of _____, A. D. 1891.

NO. 71.—POWER OF ATTORNEY TO RECEIVE STOCK CERTIFICATE AND RECEIPT THEREFOR.

KNOW ALL MEN BY THESE PRESENTS:

That I, ———, of the city and county of ———, State of ———, do hereby make, constitute, and appoint ——— my true and sufficient and lawful attorney for me, and in my name to receive from the ——— Company, a corporation, having its principal place of business at ———, certificates Nos. ——— of said corporation, for ——— shares of its capital stock, to be issued in my name, and to receipt therefor on the stock books of said corporation, and to sign the by-laws of said corporation, and to do and perform all necessary acts in the execution and prosecution of said business in as full and ample a manner as I might do were I present in person.

Witness, etc.

NO. 72.—POWER TO RECEIVE DIVIDENDS.

KNOW ALL MEN BY THESE PRESENTS:

That I, ———, do hereby constitute and appoint ——— my true and lawful attorney, in my name, place, and stead, to receive all dividends which are or shall be payable on the ——— shares of the capital stock of the ——— Company, now standing in my name on its books, and to give receipt therefor.

In Witness, etc.

NO. 73.—SUBSTITUTION OF ATTORNEY.

KNOW ALL MEN BY THESE PRESENTS:

That I, *James Jameson*, of *Chico*, State of *California*, under and by virtue of the power of attorney of *John Jones*, bearing date the 10th day of *June*, 1891, am the duly constituted and lawful attorney of said *John Jones*, with full power of substitution and revocation:

Now, therefore, under and by virtue of the power of attorney aforesaid, I, the said *James Jameson*, do hereby constitute and appoint *Elmer Packard* my true and lawful attorney and substitute, to do and perform for me, and also for the said *John Jones*, every act and thing necessary and proper to be done in the execution and prosecution of the business

in said power of attorney set forth, as fully as I might or could do, by and under said power of attorney; hereby ratifying and confirming all that the said attorney and substitute hereby made and appointed shall do in the premises, by virtue hereof, and of the said power of attorney.

Witness my hand and seal this 15th day of *October*, one thousand eight hundred and *eighty-nine*.

James Jameson. [SEAL]

NO. 74.—SUBSTITUTION OF ATTORNEY. (To Be Endorsed on the Original.)

KNOW ALL MEN BY THESE PRESENTS:

That I, _____, by virtue of the authority conferred upon me by the within power of attorney, do hereby constitute and appoint _____ my true and lawful substitute, to do and perform every act and thing requisite and necessary to be done in the execution and prosecution of the business set forth in said power of attorney; hereby ratifying and confirming all that my said substitute shall lawfully do or cause to be done by virtue hereof and of the within power of attorney.

Witness, etc.

NO. 75.—REVOCATION OF POWER OF ATTORNEY.

KNOW ALL MEN BY THESE PRESENTS:

That the power of attorney, executed by me on the _____ day of _____, A. D. 189—, whereby I constituted and appointed _____ my attorney for the purposes in said power set forth, is hereby wholly countermanded, revoked and annulled, as well as all power and authority thereby given to said _____.

In Witness Whereof, etc.

NO. 76.—RELEASE OF PERSONAL INJURIES CLAIM.

DENVER, Colo., September 25, 1899.

Union Pacific Railway Co.

To Geo. W. Sullivan, Dr.

For amount agreed upon in full settlement of claim against Union Pacific Railway Company on account of injuries received August 15, 1899, trains, extra engine 1362, El Moro, Colorado, while employed as brakeman, and in full of all demands and claims of whatsoever character _____
 _____ \$108.

Paid by draft No. 19908.

I hereby certify the above claim to be correct.

G. N. Manchester, Claim Agent.

“Received, September 25, A. D. 1899, of the Union Pacific Railway Company, \$108, in full payment of the above account. In consideration of the payment of said sum of money, I, G. W. Sullivan, of Trinidad, in the County of Las Animas, and State of Colorado, hereby remise, release, and forever discharge the said company, of and from all manner of actions, suits, debts, and sums of money, dues, claims, and demands whatsoever, in law or equity, which I ever had or now have against said company by reason of said matter, cause, or thing whatever, whether the same arose upon contract or upon tort, from the beginning of the world to this day.

“In testimony whereof, I have hereunto set my hand this 25th day of September, 1899. *G. W. Sullivan.*”

“Witness: *G. N. Manchester.*”

NO. 77.—CORPORATE BOND.

STOCKTON AND KERN RAILWAY COMPANY.

STATE OF CALIFORNIA.

First Mortgage Gold Bond.

No. _____.

\$1,000.

For value received, Stockton and Kern Railway Company, a corporation organized and existing under the laws

of the State of California, and authorized to construct and operate a railroad in the State of California, promises to pay to the bearer of this bond on the first day of October, A. D. 1940, the sum of one thousand dollars (\$1,000) in gold coin of the United States, of the present standard of weight and fineness, with interest thereon at the rate of five per cent per annum, payable semiannually, to wit: On the first day of October and on the first day of April of each year, at the office of the Company, in the City and County of San Francisco, State of California, or at the office of the financial agency of the Company in the City of New York. This bond is one of a series, each of the denomination of one thousand dollars (\$1,000), numbered consecutively from one (1) to six thousand (6,000), both inclusive, the payment of the principal and interest of which is secured by deed of trust from this company to the Mercantile Trust Company upon all the property of the company. If default shall be made in the payment of any instalment of interest on this bond when the same shall be payable and payment thereof shall be demanded in writing, and such instalment of interest shall remain unpaid for six (6) months after such demand, the whole amount of the principal of said bonds shall become due and payable in the manner provided in said deed of trust. This bond is subject to redemption before maturity, as provided in the said deed of trust, and is to be valid only when authenticated by a certificate endorsed hereon, signed by the trustee, to the effect that it is one of the bonds mentioned in said deed of trust.

In Witness Whereof, Stockton and Kern Railway Company has caused its corporate name to be hereto signed by its president, and its corporate seal to be hereunto affixed, attested by its secretary, this first day of October, A. D. 1899, and the annexed interest coupon to be executed by the engraved signature of its treasurer.

[SEAL] *Stockton and Kern Railway Company,*
By _____, President.

Attest: _____, Secretary.

Coupon No. _____ of Bond No _____.

The Stockton and Kern Railway Company will pay to the bearer on the _____ day of _____, _____, the sum of twenty-five dollars (\$25.00%) in United States gold coin of the present standard of weight and fineness, at its office in the City and County of San Francisco, or at the office of its financial agency in the City of New York, the same being six (6) months' interest then due on its first mortgage bond, No. _____.

_____, Treasurer.

TRUSTEE'S CERTIFICATE.

This bond is one of the bonds described in the within mentioned deed of trust.

The Mercantile Trust Company, Trustee.

By _____, Vice-President.

NOTICES.

A notice is the express information of a fact.

The requisites of a valid, legal notice are:—

That the notice be given in writing, and be signed by one having authority; that it state the time and place of meeting of a general meeting, and the time, place, and business to be transacted at a special meeting; that it be given to every person having a right to attend the meeting thereby called, and that such notice be given for such length of time prior to the date of meeting as required by statute or by-law.

In reckoning the period of time for which a notice shall be given previous to the date specified in the notice, it is customary to exclude the first day of such period and in-

clude the last one; and, if the notice is published in a daily newspaper, Sundays and holidays are usually excluded.

Whenever an act of a secular nature, other than a work of necessity or mercy, is appointed by law or contract to be performed upon a particular day, which day falls upon a holiday, the rule most generally observed is that such act may be performed upon the next business day with the same effect as if it had been performed upon the day appointed. A provision to this effect, in respect to corporate meetings, should be made in the by-laws.

The secretary should retain a copy of every notice. An impression of a written or typed notice may be made in the letter book, and a printed notice pasted therein, together with a list of the names and addresses of the persons to whom the notice is sent, and indexed accordingly. In case acceptance of service is desired, two copies of the notice should be delivered or mailed, the copy having the acceptance clause thereon to be signed by the acceptor and returned to the secretary.

NO. 78.—DIRECTORS' MEETING. (Regular.)

Office of the *Victor Coal Company,* }
Elsinore, Cal., May 15th, 1888. }

(Salutation.)

A regular meeting of the Board of Directors of the *Victor Coal Company* will be held at the office of the company, at *Elsinore, California*, on *Tuesday*, the *29th* day of *May, 1888*, at *one o'clock P. M.*

Stephen Jones,
 Secretary.

NO. 79.—STOCKHOLDERS' MEETING. (Special, with
 Acceptance of Service.)

Office of the *Victor Coal Company,* }
Elsinore, California, March 30th, 1887. }

DEAR SIR: Please take notice that a special meeting of the stockholders of the *Victor Coal Company* will be held at

the office of the company at *Elsinore*, California, on *Wednesday, April 14th, 1887*, at *one o'clock P. M.*, for the purpose of considering and acting upon the proposition hereby made, whether or not this corporation—

(Here state proposition.)

By order of the Board of Directors.

Stephen Jones,
Secretary *Victor Coal Company.*

I hereby accept due and legal service of copy of the above notice on me, this _____ day of _____ 188-.

The following are for publication and also for service by mail or personally.

NO. 80.—STOCKHOLDERS' MEETING. (Annual.)

Office of the *American Oil Company.*

To the stockholders of the *American Oil Company:*

Please take notice that the annual meeting of the stockholders of the *American Oil Company* will be held at the principal office of the company, in the town of *Hudson, Summit County, Ohio*, on *Thursday, the 6th day of November, 1890*, at *12 o'clock noon*, for the purpose of electing Directors, and for the transaction of such other business as may properly come before the meeting. The stock transfer books of the company will be closed on *Thursday, the 16th day of October, 1890*, at *3 o'clock P. M.*, and will remain closed until *Friday, the 7th day of November, 1890*, at *10 o'clock A. M.*

B order of the Board of Directors.

M. R. French,
Secretary.

Dated, *October 8, 1890.*

NO. 81.—STOCKHOLDERS' MEETING. (Adjourned Annual.)

The annual meeting of the stockholders of the *Consolidated Gold Mining Company*, adjourned pursuant to the call of the president, is hereby called and will be held at the office of the company, at No. 10 Commercial Street, *Nevada City*, California, on Monday, the *4th* day of *May*, 1892, at two o'clock P. M. of said day, for the purpose of electing a Board of Directors to serve for the ensuing year, and for the transaction of such other business as may come before the meeting. Said meeting having been adjourned subject to the call of the president therefor, and the said board having on the *1st* day of *April*, 1892, passed a resolution fixing the time of said meeting, and authorizing and directing the president to call said meeting for *May 4th*, 1892, as aforesaid, and instructing the secretary to give notice thereof.

Dated, *April 2*, 1892.

Robert Bruce,
President.

Attest: *Douglass Downie*, Secretary.

NO. 82.—NOTICE OF SALE OF PLEDGED PROPERTY.
NOTICE OF SALE BY PLEDGEE OF PROPERTY
PLEGGED.

Public notice is hereby given by John Hasler, as pledgee of personal property pledged to him, as follows, to wit:—

Whereas, The Colonial Construction Company, a corporation organized under the laws of the State of California, did on January 26, 1899, at San Francisco, California, make and deliver its certain promissory note to John Hasler, or order, for the sum of fifty thousand dollars, in gold coin of the United States, payable one year after date, or at the option of the maker thereof at any time within said year after six months after date, with interest thereon from January 26,

1899, until paid, at the rate of one per cent per month, payable monthly in advance, said principal and interest to be paid only in gold coin of the United States;

And, Whereas, Said Colonial Construction Company did on said 26th day of January, 1899, deliver to and pledge with said John Hasler, as collateral security for the payment of said promissory note and the interest and expenses which might accrue thereon, the following personal property, that is to say:

One hundred sinking fund first mortgage six per cent gold bonds of the denomination of one thousand dollars each, numbers 1001 to 1100 inclusive, each of said bonds having attached thereto sixty interest coupons for thirty dollars each, payable on the 15th day of May and November in each year from May 15, 1897, until the 13th day of May, 1921, the date of the maturity of said bonds; said one hundred bonds and coupons thereto attached having been issued by the San Francisco and San Mateo Railway Company, a corporation organized and existing under the laws of the State of California, and bearing date the 15th day of May, 1897, and each of said bonds being one of a series of eleven hundred bonds in denominations of one thousand dollars each, amounting in the aggregate to one million one hundred thousand dollars, issued by said San Francisco and San Mateo Railway Company;

And, Whereas, Said Colonial Construction Company did in case of non-payment of said promissory note, or of the interest thereon when due, authorize and empower said John Hasler, or his assigns, to sell or cause to be sold at public auction in San Francisco, California, after at least five days' notice to said Colonial Construction Company, and without other demand or notice, the whole or any part of said security so pledged as aforesaid, and to deliver the same to the purchaser or purchasers thereof, and to apply the proceeds of such sale to the expenses of such sale, including attorneys' fees at the rate of one-half of one per cent

of the amount then due on said promissory note, and to the amount due on said promissory note and the interest due thereon at said time, pursuant to the terms of a certain instrument in writing dated the 26th day of January, 1898, duly executed and delivered by said Colonial Construction Company on said day to said John Hasler, and under the terms and conditions therein contained;

And, Whereas, Said Colonial Construction Company has failed and refused to pay said indebtedness, after demand for the payment thereof, and there now remains due and unpaid thereon from said Colonial Construction Company the sum of \$50,000 principal, in gold coin of the United States, with interest thereon from January 26, 1899, at the rate of 1 per cent per month, with accruing interest;

Now, Therefore, I, the undersigned, John Hasler, as pledgee aforesaid, do hereby give public notice that on *Tuesday*, the *14th* day of *February*, A. D. 1900, at 12 o'clock M. of that day, at 10 Montgomery Street, in the City and County of San Francisco, State of California, by and through Baldwin & Hammond, auctioneers, that being the place designated by them for holding auction sales in said city and county, expose for sale and cause to be sold at public auction to the highest bidder for cash in gold coin of the United States, the whole or so many of said one hundred bonds so issued by said San Francisco and San Mateo Railway Company, as aforesaid, with the interest coupons thereto attached as aforesaid, now in my possession as pledgee, and hereinabove particularly described, as may be necessary to pay the indebtedness of said Colonial Construction Company to me, and interest, attorney's fees and all expenses of sale, and will apply the proceeds of said sale to the payment of said indebtedness and interest, said attorney's fees and all expenses of sale, and the balance, if any there be, will be paid over to said Colonial Construction Company, pursuant to the terms of said written agreement dated January 26, 1899, as aforesaid.

Dated, *San Francisco, Cal., February 6, 1900.*

John Hasler, Pledgee.

NO. 83.—CHANGE OF PRINCIPAL PLACE OF BUSINESS.

VENTURA ELECTRIC LIGHT COMPANY.

NOTICE OF INTENTION TO CHANGE PRINCIPAL PLACE
OF BUSINESS.

Notice is hereby given that in pursuance to the written consent of the holders of more than two-thirds ($\frac{2}{3}$) of the capital stock of the *Ventura Electric Light Company*, a corporation created under the laws of the State of California, which said written consent has been obtained and filed in the office of said corporation, it is the intention of said corporation to remove and change its principal place of business from the City of Ventura, County of Ventura, State of California, to the City and County of San Francisco, State of California, said removal or change to take effect immediately after the expiration of three (3) weeks from the first publication of this notice.

Dated at Ventura, Ventura County, California, the 27th day of April, 1892.

[SEAL]

Ventura Electric Light Company.

By *Cyrus Keene*, Secretary.

NO. 84.—NOTICE OF ASSESSMENT.

NOTICE OF ASSESSMENT.

El Monte Silver Mining Company.—Location of principal place of business, *San Francisco*, California; location of works, *Virginia Mining District*, *Storey County*, *Nevada*.

Notice is hereby given that at a regular meeting of the Board of Directors, held on the 4th day of *May*, A. D. 1891, an assessment of *two* dollars per share, or *two* per cent on each *one* hundred dollars, was levied upon the subscribed capital stock of the corporation, payable immediately in

United States gold coin, to the secretary of said company, at its office, *No. 76 Kearny Street, Room 22*, in the city of *San Francisco, California*.

Any stock upon which this assessment shall remain unpaid on the *10th* day of *June, 1891*, will be delinquent and advertised for sale at public auction, and unless payment is made before, will be sold on *Wednesday, the 6th* day of *July, 1891*, to pay the delinquent assessment, together with cost of advertising and expenses of sale.

By order of the Board of Directors.

Leander Leggett, Secretary.

Office:—*No. 76 Kearny Street, Room 22, San Francisco, California.*

NO. 85.—DELINQUENT SALE (Postponement).

DELINQUENT NOTICE.

El Rio Mining Company.—Location of principal place of business, *Los Angeles, California*; location of works, *Tombstone Mining District, Cochise County, Arizona.*

NOTICE.

There are delinquent upon the following described stock, on account of assessment *No. 5*, levied on the *20th* day of *January, 1891*, the several amounts set opposite the names of the respective shareholders, as follows:—

Names.	No. of Certificate.	No. of Shares.	Amount.
.....

And in accordance with law and an order of the Board of Directors, made on the *20th* day of *January, 1891*, so many shares of each parcel of such stock as may be necessary will be sold at public auction, at the office of the company, *No. 310 Spring Street, Rooms 15 and 17, Los Angeles, California,*

on *Tuesday*, the *24th* day of *March*, *1891*, at the hour of 3 o'clock P. M. of said day, to pay said delinquent assessment thereon, together with cost of advertising and expenses of sale.

J. P. Webb, Secretary.

Office:—*No. 310 Spring Street, Rooms 15 and 17, Los Angeles, California.*

POSTPONEMENT.

Notice is hereby given that the sale of the above delinquent stock has been postponed to *Wednesday, April 8th, 1891*, at the same hour and place.

By order of the Board of Directors.

J. P. Webb, Secretary.

Office:—*No. 310 Spring Street, Rooms 15 and 17, Los Angeles, California.*

NO. 86.—NOTICE WHERE ASSESSMENT HAS BEEN ENJOINED.

ASSESSMENT NOTICE.

OSO LAND AND WATER COMPANY.

Location of principal place of business, City of Los Angeles, County of Los Angeles, State of California.

Notice is hereby given that at a meeting of the Directors, held on the 9th day of December, 1899, an assessment of ten dollars (\$10) per share was levied upon the capital stock of the corporation, payable immediately to Manuel Duran, treasurer of said company, at the Los Angeles National Bank, Los Angeles City, California, on the corner of Spring and First Streets, in said city.

That the day then fixed for the delinquency of said assessment was January 11, 1900, and that the day then fixed for the sale of delinquent stock was January 31, 1900, at 10 o'clock A. M., but that as to twenty-five shares of

said capital stock standing in the name of Jose Dutra, certificate No. 80, total assessment \$250, the sale thereof was, prior to the date advertised for the sale thereof, stayed by a writ of injunction, which, on the 17th day of November, 1899, terminated, and, on the 27th day of November, 1899, by reason of the omission in the course of proceedings for collection because of said injunction, the directors, at a meeting regularly held on said last-named day, by a resolution directed the secretary to cause to be published anew a notice of said assessment of December 9, 1899, appointing Saturday, the 30th day of December, 1899, as the day on which said unpaid assessment of Jose Dutra shall become delinquent, and Wednesday, the 17th day of January, 1900, at 10 o'clock A. M., as the day for the sale of said stock, if the same shall remain delinquent, and that said secretary cause notice of said assessment to be published in like manner as upon the former publication thereof; now, notice is hereby given that said assessment is payable immediately to Manuel Duran, treasurer of said company, at the Los Angeles National Bank, Los Angeles City, California, on the corner of Spring and First Streets, of said city, and that said stock upon which this assessment shall remain unpaid on Saturday, the 30th day of December, 1899, will be delinquent and advertised for sale at public auction, and unless payment is made before, will be sold on *Wednesday*, the *17th* day of *January*, *1900*, at 10 o'clock A. M., to pay the delinquent assessment, together with costs of advertising and expenses of sale.

Douglass Dunn,

Secretary of the Oso Land and Water Company.

Office:—*No. 1563 Broadway, City of Los Angeles, County of Los Angeles, State of California.*

NO. 87.—DIVIDEND NOTICE.

Elsinore Savings Bank.—For the half year ending *June 30th, 1890*, a dividend (*No. 3*) has been declared by the

Board of Directors of the *Elsinore Savings Bank*, at the rate of 5 per cent per annum on term deposits and 3 per cent per annum on ordinary deposits, free of taxes. Payable on and after *July 10th, 1890*.

Paul Pry,
Secretary and Cashier of *Elsinore Savings Bank*.

PART FOURTH.

DISSOLUTION.

The dissolution of a corporation may be voluntary or involuntary, and in either case the franchise reverts to the sovereign power from which it was derived.

Involuntary dissolution by forfeiture can only be effected by judicial proceedings against the corporation, but a corporation will not be considered as actually dissolved because its condition would warrant steps for its dissolution.

A corporation may become extinct by the expiration of the term of existence, as limited by its charter, or by the death of all its members.

A corporation of California may be voluntarily dissolved by written application to the Superior Court of the county in which the principal place of business of the corporation is located. Such application must be signed by a majority of the directors or trustees, be verified as required by law, and set forth that the dissolution of the corporation has been resolved upon by a two-thirds vote of the stockholders or members had at a meeting called for that purpose, and that all claims

and demands against the corporation have been fully discharged.

If the court is satisfied that the application is in conformity with law, the judge must order the application to be filed and direct the clerk to give not less than thirty nor more than fifty days' notice of the application by publication. Any person may file objections to the application at any time before the time of publication expires. When the decree of dissolution is rendered, the directors or managers, unless other persons are appointed by the Court, are trustees for the creditors and stockholders, and have full power to wind up the affairs of the corporation. The application, notices, proof of publication, objections, if any, and declaration of dissolution, constitute the judgment roll, from which an appeal may be taken as in the case of other judgments of the Superior Court.

NO. 88.—RESOLUTION OF DIRECTORS, CALLING MEETING OF STOCKHOLDERS TO CONSIDER DISSOLUTION.

Whereas, This corporation, Oso Land Company, is not actively engaged in the prosecution of the business for which it was chiefly organized, and it appears in the judgment of the Board of Directors that it will be for the best interests of the corporation and of its stockholders that the corporation should be dissolved, its business wound up, and its assets disposed of according to law;

Now, Therefore, Be it Resolved, That a meeting of the stockholders of this corporation, Oso Land Company, be

and the same is hereby called and ordered to be held at the office of said corporation, at Room No. 10 of the Oso Land Company's building, at the corner of Tenth and Main Streets, in the town of Oso, San Diego County, California, on Tuesday, the fifth day of April, A. D., 1899, at the hour of 1 P. M., for the purpose of considering and acting on the proposition to dissolve the said corporation, wind up its affairs, and dispose of its assets according to law. And the secretary of this corporation is hereby ordered and directed to give notice of the said meeting by publishing notice thereof in the *Oso Oracle*, a weekly newspaper published at said town of Oso, once a week for at least two weeks prior to the date of said meeting, and by mailing a copy of said notice to each of the stockholders whose names appear on the company's books, sufficiently addressed, directed to his last-known place of residence, if known, and if not known, then at Oso, San Diego County, California, the principal place of business of the corporation.

NO. 89.—NOTICE OF MEETING.

NOTICE OF SPECIAL MEETING OF THE STOCK- HOLDERS OF THE OSO LAND COMPANY.

Office of OSO LAND COMPANY, }
Oso, Cal., March 15, 1898. }

In pursuance of a resolution duly passed and adopted by the Board of Directors of the Oso Land Company at a meeting of said board duly held on the 15th day of March, 1899, and duly entered in the minute book of said corporation,

Notice is hereby given that a meeting of the stockholders of said corporation is hereby called, and will be held at the office of said corporation, at room No. 10 of the Oso Land Company's building, at the corner of Tenth and Main Streets, in the town of Oso, San Diego County, California, on Tuesday, the 5th day of April, 1899, at the hour of 1 P. M.

of said day, for the purpose of considering and acting upon the proposition to dissolve the said corporation, wind up its affairs, and dispose of its assets according to law, and to authorize, empower and direct its Board of Directors to take the necessary steps therein.

Frank Flaco,
Secretary Oso Land Company.

NO. 90.—RESOLUTION OF DIRECTORS DIRECTING DISSOLUTION.

Resolved, That in pursuance of the instructions received from the stockholders of this corporation, as expressed by resolution passed by them at their special meeting aforesaid, held on the 5th day of April, 1899, immediate steps be taken for the payment of the debts of this corporation, the distribution of its assets and its dissolution, by due process of law; that the president and secretary are hereby instructed forthwith to pay all of the debts of this corporation, and immediately thereafter to cause to be prepared by the attorneys of this corporation, and duly executed by the members of the Board of Directors, a proper petition to the Superior Court of this County of San Diego, praying for the dissolution of this corporation, and to prosecute said proceedings with all convenient speed.

Resolved, That the said distribution be made as soon as practicable after the filing of the said petition in court; and the president and secretary are hereby authorized and directed to conduct said distribution, and that in making such distribution the president and secretary shall require from the stockholders proper receipts and acquittances, in full, for their respective distributive shares of the assets of this corporation, and the surrender of their certificates of shares in the stock of this corporation, properly endorsed, to be held by the president and secretary for cancellation or destruction, upon the entry of the decree of final dissolution.

NO. 91.—PETITION FOR VOLUNTARY DISSOLUTION OF
A CORPORATION.

In the Superior Court of the County of ———, State of California.

In the matter of the voluntary dissolution of the ———, a corporation.

To the Honorable, the Superior Court of the County of ———, State of California,

Now comes the ———, a corporation, by ———, its Board of Directors, heretofore duly elected, qualified, and now acting as such board, and shows to your Honorable Court:

That said ——— is a corporation, heretofore duly organized, and now existing under the laws of the State of California, and having its principal place of business at ———, in the County of ———, State of California;

That a meeting of the stockholders of said corporation was duly called by resolution of its Board of Directors, for the purpose of considering and acting upon the question of winding up the affairs of the corporation, paying its debts, distributing its assets and effecting its dissolution, to be held on the ——— day of ———, at — o'clock —. M., at the office of said corporation, at said town of ———; that due notice of the holding of said meeting was given in accordance with the law, by personal service thereof upon each of its stockholders, and by publication thereof for three successive weeks prior to said date of meeting, in the ———, a newspaper of general circulation, printed and published in said County of ———;

That the total number of shares of the capital stock of said corporation is ———, all of which were issued and outstanding; that on the said ——— day of ———, at — o'clock —. M., and at the place named in said notice, a meeting of the stockholders of said corporation was held, whereat were present stockholders holding collectively

— shares of the said stock; that at said meeting there were duly and unanimously passed and adopted by the affirmative vote of stockholders holding — shares, resolutions directing the dissolution of the corporation, the winding up of its affairs, and the distribution of its assets;

That all debts, claims, and demands against said corporation have been fully satisfied and discharged; and that the sole assets of said corporation, subject to distribution among its stockholders, consists of —;

That the number of the Board of Directors of this corporation is five and their names are as follows:—

Wherefore, Your petitioners pray that this Honorable Court will order this petition to be filed with the clerk thereof, and that the clerk give not less than thirty nor more than fifty days' notice of this application by publication thereof in the —, a newspaper printed and published in the said County of —; that after the time of publication has expired, this Honorable Court may, upon five days' notice to any persons who have filed objections within the time prescribed by section 1231, C. C. P., or without notice, if no objections have been filed, proceed to hear and determine this application; and after such hearing, adjudge and declare this corporation dissolved in accordance with the law in such cases made and provided.

And your petitioners will ever pray.

(Directors' names.)

} Directors of the
} Company.

(Verification.)

STATE OF CALIFORNIA, }
COUNTY OF — } ss.

—, being duly sworn, deposes and says that he is one of the directors of the —, the corporation named in the foregoing petition, and as such has been and now is the

president of said corporation; that ——— are the remaining directors of said corporation, and now acting as such directors with affiant, and that said directors constitute the full Board of Directors of said corporation. That affiant has heard read the foregoing petition of said corporation for the dissolution thereof, and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are within stated on information and belief, and as to those matters he believes it to be true.

Subscribed and sworn, etc.

No. 92.—ORDER OF COURT IN DISSOLUTION.

In the Superior Court of the County of *San Diego*, State of California.

In the matter of the application of the Oso Land Company for a declaration of dissolution.

The application of the Oso Land Company, a corporation, for a decree of this Court declaring said corporation dissolved, signed and verified by a majority of its Board of Directors, having been presented to this Court, and the Court being satisfied that said application is in conformity with the provisions of Title VI, Part 3 of the Code of Civil Procedure of the State of California,

It is hereby ordered that said application be filed with the clerk of this Court, and that the said clerk give thirty-five days' notice of the application, by publication in the *Oso Oracle*, a newspaper published in the said County of San Diego.

Done this 29th day of June, A. D. 1899.

Hosea Upright,
Judge of the Superior Court.

NO. 93.—NOTICE OF APPLICATION FOR DISSOLUTION.

NOTICE OF APPLICATION FOR DISSOLUTION.

In the Superior Court of the County of San Diego, State of California.

In the matter of the application for the dissolution of the corporation named Oso Land Company, Dept. No. 2, No. 753.

Notice is hereby given that said corporation, Oso Land Company, on October 17, 1899, made a voluntary application for dissolution, in writing, to said Court;

That said Court thereupon on said 17th day of October, 1899, made an order directing that said application be filed with the clerk of said Court, and that said clerk give thirty-five (35) days' notice of the application by publication in the newspaper named *Oso Oracle*, the same being a newspaper published in said county, and that this notice is now given, and will be published according to said order in said newspaper, *Oso Oracle*, during the period of thirty-five (35) days from and after the 20th day of October, 1899, the first publication being made on Saturday, October 21, 1899.

Given under my hand and the seal of the Superior Court of the County of San Diego, State of California, this 17th day of October, 1899.

W. A. Deane,
County Clerk.

By *E. M. Thompson,*
Deputy Clerk.

[SEAL]

NO. 94.—RECEIPT AND RATIFICATION BY STOCKHOLDERS IN DISSOLUTION.

KNOW ALL MEN BY THESE PRESENTS:

That, Whereas, By certain resolutions passed and adopted by the stockholders of the Oso Land Company, especially by resolutions adopted respectively on the 15th day of June and the 23d day of August, 1899, the directors of said corporation were directed to make sale and disposition of the corporate property, and distribute the corporate capital and assets among the stockholders, with a view to the voluntary dissolution of the corporation, and said Board of Directors have fully performed their duties in the premises, in substantial accordance with the plans and methods agreed upon and established by the stockholders in said resolutions, and do now, as well for their own protection as for the better assurance of title to the real property sold and disposed of by them, request from the stockholders of said corporation a formal acquittance from all liability, and ratification of and assent to all of the actions done and proceedings had by them in the premises;

Now, Therefore, We, the undersigned, being all of the stockholders of the said Oso Land Company, and being fully advised in the premises, do hereby respectively declare, acknowledge and agree that we have each received from —, constituting the Board of Directors of said corporation, our full proportionate respective shares of all corporate property constituting its capital and assets in dissolution; that the distribution of said assets has been fairly and equitably made, and we do, and each of us does, hereby assent to, ratify and confirm each and all of the sales, transfers, conveyances, contracts, agreements, proceedings and actions, made, executed, entered into, had or done, by the said Board of Directors, or their predecessors in office, or by any of the officers of said corporation, from the

organization of the corporation to the present time, and especially since the first proceedings had with view to dissolution. And in consideration of the receipt by each one of us of our several respective shares of the proceeds of the sales and transfers hereinafter described, and all other benefits accruing to us by reason of said sales and transfers, and without intending thereby to exclude from our approval and ratification any other acts done by said directors or officers, we do, and each of us does, hereby particularly assent to, ratify and confirm the sales, transfers and conveyances following; that is to say:—

(1) Sale made to —— of a tract of land —— as per map of ——, said tract containing —— acres, conveyed by deed dated —— and recorded in the office of the County Recorder of —— County in Book —— of Deeds, at page ——.

Etc.

And we do, and each of us does, hereby release, acquit and forever discharge the above-named directors and officers of said ——, their heirs, executors, and assigns, of and from all claims and demands whatsoever which we now have, or could hereafter have, against them, or any of them, by reason of their acts or omissions as such directors or officers, and especially in the matter of the winding up of the affairs of the company and distribution of its assets.

And we do request the said directors to proceed forthwith to take the final steps for the dissolution of said corporation.

Dated at ——, this —— day of ——, 189—.

(Signatures.)

NO. 95.—SHAREHOLDER'S RECEIPT IN DISSOLUTION.

We, the undersigned, comprising all of the stockholders of the Oso Land Company, a corporation, now in process of dissolution, do hereby acknowledge and declare that we

have each of us received from _____, Secretary of the Oso Land Company, our proper respective distributive shares of the property and assets of said corporation, consisting of _____, that is to say:—

I, _____, holding _____ shares of the capital stock of said Oso Land Company, represented by certificate No. _____, have received _____.

(Signatures.)

(Acknowledgments.)

NO. 96.—POWER OF ATTORNEY IN DISSOLUTION.

POWER OF ATTORNEY.

Whereas, I, _____, of _____, State of _____, the undersigned, am the owner and holder of Certificate No. _____, representing _____ shares of the capital stock of the Oso Land Company, a corporation organized and existing under the laws of the State of California, and having its principal place of business at San Diego, in said State; and the stockholders of said corporation have agreed that said corporation should be dissolved, and its assets, consisting of _____, should be distributed among its shareholders;

Now, Therefore, I hereby assent to said dissolution and distribution, and agree to receive for my said holding in the Oso Land Company _____. And I do hereby appoint _____, of _____, California, my true and lawful attorney, for me, and in my name, place, and stead, to act for me in all matters pertaining to the said dissolution of said Oso Land Company and the distribution of its assets; to receive for me _____ and all such further sums of money which may be coming to me upon such distribution, and for them, and each of

them, to sign and deliver good and sufficient receipts, releases, and acquittances; to surrender to said Oso Land Company the certificate or certificates of stock in said company which I now own or which I may acquire before said dissolution, upon receipt of my proper distributive share in said dissolution, and in my name to make all proper endorsements, and sign all papers, receipts, or memoranda which may properly be required of me in the premises;

Giving and granting unto my said attorney full power and authority to do and perform every act and thing whatsoever necessary or proper to be done in the execution and prosecution of the aforesaid business, as fully and amply as I might do were I personally present; with full power of substitution and revocation; hereby ratifying and confirming all that my said attorney, or his substitute or substitutes, shall lawfully do, or cause to be done, by virtue of these presents.

In Witness Whereof, I have hereunto set my hand and seal, this _____ day of _____, A. D. 1899.

[SEAL] _____.

NO. 97.—FINAL ORDER OF COURT IN DISSOLUTION.

In the Superior Court of the County of San Diego, State of California.

In the matter of the application of the Oso Land Company, a corporation, for decree of dissolution.

The application of the Oso Land Company, a corporation, duly signed and verified by more than a majority of the members of the directors thereof, and filed herein on the 10th day of June, 1899, for a decree of this Court declaring the corporation dissolved, coming on regularly to be heard this day in open Court, and it appearing to the Court upon proof introduced that due and legal notice of said application has been given by publication for not less than thirty nor more than fifty days, to wit, for thirty-five days, in the *Oso Oracle*, a newspaper of general circulation, published

in said County of San Diego, State of California, in accordance with the law and the previous order of this Court; and Duncan & Steele appearing for said corporation on behalf of said application, and no one appearing in opposition thereto, either in person or by attorney, and no objections to the said application having been filed, and the said corporation having produced documentary and oral evidence, the Court finds the following facts as established and proved to its satisfaction:—

First. That said corporation, the said Oso Land Company, is a corporation, duly incorporated and existing under the laws of this state, and at all of the times hereinafter mentioned had, and now has, its principal place of business at the town of Oso, in said County of San Diego.

Second. That at a meeting of the stockholders of said corporation, duly called and held, pursuant to resolution of its Board of Directors for the purpose of considering and acting on the question of winding up the affairs of said corporation and effecting its dissolution on the 3d day of June, A. D. 1899, at the office of said corporation at its principal place of business at said town of Oso, which meeting was held in pursuance to due notice given in accordance with law, by personal service thereof, on each one of the stockholders, and by publication thereof, at which meeting there were present stockholders thereof holding collectively more than two-thirds of the capital stock thereof, there were duly and unanimously passed and adopted by the affirmative vote of all of said stockholders present at said meeting and representing as aforesaid more than two-thirds of the capital stock, resolutions directing the dissolution of said corporation, the winding up of its affairs and the distribution of its assets.

Third. That all debts, claims and demands whatsoever against said corporation have been fully satisfied and discharged, save and except certain small incidental expenses

yet to accrue, connected with the dissolution of said corporation.

Fourth. That all of the assets of said corporation, to wit: _____ have been distributed among the stockholders of this corporation, in due and proper proportion, each to each, as appears by the receipts signed by all of said stockholders, acknowledging that they have respectively received the pro rata shares coming to each one of them, which receipt it is ordered shall be filed herein with the papers in this proceeding.

Fifth. That all of the stockholders of this corporation have surrendered their certificates of stock, and that the same have been presented to this Court, duly canceled.

Sixth. That the treasurer of this corporation holds in his hands the sum of twenty and fifty one-hundredths dollars (\$20.50), estimated to meet the aforesaid incidental expenses yet to accrue.

Seventh. That all of the facts set forth, and all of the statements made, in said application are true, and that said corporation is entitled to have the prayer of said application granted and a decree of dissolution entered herein;

Now, Therefore, It is hereby ordered, adjudged, decreed, and declared that the said corporation, Oso Land Company, be and the same is hereby dissolved.

Done in open Court this 31st day of October, 1899.

Hosea Upright,
Judge of the Superior Court.

APPENDIX.

INCORPORATING IN ARIZONA.

Any number of persons, not less than two, may form a corporation under the laws of Arizona for the transaction of any lawful business. The incorporators need not be residents of Arizona; no part of subscribed stock is required to be paid in at time of incorporation; a stockholder is not required to own any particular number of shares to qualify him as a director; meetings of both stockholders and directors may be held, and corporate books may be kept, outside of Arizona; and offices may be located, and business may be conducted, anywhere; but the corporation must maintain an office in Arizona, and appoint a resident of Arizona as agent, to accept service of legal process. See Forms Nos. 98 and 99. The form of Articles of Incorporation given may be changed to meet the wishes of incorporators. A considerable number of mining corporations are created under Arizona laws and the purposes for such a company are shown in Form No. 100.

The capital stock may be issued in any amount, and may be issued as fully paid and non-assessable in exchange for cash, services or property. Preferred stock may be issued when provided for in the articles, and bonds may be issued.

The articles should be prepared in triplicate, and be signed and acknowledged by the incorporators, and recorded in the office of the County Recorder of the county where the principal place of business is to be, and a certified copy filed with the Secretary of the Territory, and the articles must be published for at least six times in a newspaper published in the county where the principal place of business is located, and upon the expiration of such publication (and within three months from filing with the County Recorder) an affidavit, stating that such publication has been made according to law, must be filed in the office of the Secretary of the Territory.

The fees for incorporating are moderate; there is no annual tax on corporations, nor on the capital stock, and no annual statements are required to be filed.

FORM No. 98.—ARTICLES OF INCORPORATION.
(ARIZONA.)

ARTICLES OF INCORPORATION
OF THE

..... COMPANY.

KNOW ALL MEN BY THESE PRESENTS :

That we, whose hands are hereunto affixed, do hereby associate ourselves together for the purpose of forming a corporation under the laws of the Territory of Arizona, and to that end make the following statement :

First. The names of the incorporators are.....and the name of the corporation shall be.....Company. The principal place within the Territory of Arizona in which the business of said corporation is to be transacted is Phoenix, Maricopa County, Arizona, and the corporation may establish branch offices either within or without the Territory of Arizona where meetings of the Board of Directors may be held.

Second. The general nature of the business proposed to be transacted by this corporation is as follows, to wit:

“To make contracts; to purchase, lease, bond, locate or otherwise acquire, own, exchange, sell or otherwise dispose of, pledge, mortgage, hypothecate and deal in real estate and any and all kinds of personal property, mines, mining claims, oil lands, coal lands, mineral lands, oil, gas, coal, shale, asphaltum, petroleum, asbestos, salt, water and water rights and machinery, and to work, mine, explore, operate and develop the same; and in general to do all things necessary to the proper conduct of the business of this corporation in the territory and elsewhere, not inconsistent with the laws of the United States and the Territory of Arizona.”

Third. The authorized amount of capital stock of this corporation shall be.....Dollars (\$.....) divided intoshares of the par value of.....Dollars (\$.....) each. At such times as the Board of Directors may by resolution direct, said capital stock shall be paid into this corporation either in cash or by the sale and transfer to it of real or personal property for the uses and purposes of said corporation, in payment for which shares of capital stock of said corporation may be issued, and the capital stock so issued shall thereupon and thereby become and be fully paid up and non-assessable, and in the absence of actual fraud in the transaction, the judgment of the Directors as to the value of the property purchased shall be conclusive.

Fourth. The time of the commencement of this corporation shall be the date of the filing of a certified copy of these Articles of Incorporation according to law, and the termination thereof shall be twenty-five years thereafter, with privilege of renewal as provided by law.

Fifth. The affairs of this corporation shall be conducted by a Board of.....Directors and the following named shall constitute the Board of Directors until their successors are elected:.....Thereafter the Board of Directors shall be elected from among the stockholders on the.....inof each year. The officers of said corporation until their successors are elected shall be:.....President;.....Vice-President;.....Secretary;.....Treasurer.

Sixth. The highest amount of indebtedness or liability, direct or contingent, to which this corporation is at any time subject shall be.....Dollars (\$.....), which amount does not exceed two-thirds the amount of capital stock.

Seventh. The private property of the stockholders of this corporation shall be exempt from corporate debts of any kind whatsoever.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this.....day of.....190.....

.....[SEAL][SEAL]
.....[SEAL][SEAL]
.....[SEAL][SEAL]
.....[SEAL][SEAL]

State of..... }
County of..... } ss.

On this.....day of....., in the year.....before me,a Notary Public in and for the State and County aforesaid, residing therein, duly commissioned and sworn, personally appeared.....known to me to be the persons described in, whose names are subscribed to, and who

executed the annexed instrument, and they acknowledged to me that they executed the same for the purposes and considerations therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, at my office, in the said State and County, the day and year last above written.

.....
Notary Public.

My commission expires.....190.....

FORM No. 99.—APPOINTMENT OF RESIDENT AGENT (ARIZONA).

APPOINTMENT OF AGENT.

KNOW ALL MEN BY THESE PRESENTS :

That the.....Company, a corporation organized under the laws of Arizona, does hereby appoint....., a citizen of Phoenix, Arizona, for more than three years last past, its agent for Arizona; and by virtue of such appointment, does authorize and empower said agent, for and in behalf of said company, to accept and acknowledge service of, or upon whom may be served all necessary process or processes in any action, suit or proceeding that may be had or brought against the said company in any of the courts of said Territory of Arizona, such process or notice, or the acceptance thereof by said agent endorsed thereon, to have the same force and effect as if served upon the President or Secretary of said company.

This appointment is not intended to give said agent any authority to do any business whatever for said company, and any prior appointment of such resident agent is hereby revoked.

IN WITNESS WHEREOF, the said company has caused these presents to be executed in its name by its President and Secretary, this.....day of.....190.....

.....
President.

.....
Secretary.

FORM No. 100.—PURPOSES OF MINING CORPORATION.

Second. The general nature of the business proposed to be transacted by this corporation is as follows:

(a) To purchase, lease, bond, locate and condemn, otherwise acquire, own, hold, exchange, sell, lease or otherwise dispose of, pledge, encumber by mortgage, or by deed of trust to secure bonded indebtedness, hypothecate and deal in or with real and personal property of every kind or nature, including mines, mining claims, smelters, stamp mills, sluicing mills, smelting works, cyanide plants, chlorination plants, concentrating plants, assaying plants and saw mills;

(b) To work, mine, explore, operate and develop mines and any of said works or plants, and to erect, operate and maintain gas works, electric lighting plants, power plants and water power; to construct, operate and maintain canals, ditches, flumes, pipe lines, reservoirs and water tanks;

(c) To construct, operate and maintain wagon roads and stage lines, and to conduct hotels, restaurants, stores and other buildings, and to do a general merchandising, manufacturing and mining business;

(d) To apply for, obtain, register, purchase, lease or otherwise acquire, and to hold, own, use, operate, sell, assign or otherwise dispose of trademarks, inventions, processes and letters patent of the United States or elsewhere.

(e) To hold, purchase or otherwise acquire, to sell, assign, transfer, mortgage, pledge or otherwise dispose of shares of the capital stock, bonds or other evidences of indebtedness of any other corporation, and to exercise all rights and privileges of ownership thereof, including the right to vote thereon.

(f) To do a general mining, brokerage, real estate and commission business.

(g) To do any and all things necessary, suitable or proper for the accomplishment of any of the foregoing purposes or which the Board of Directors may deem to be advisable and for the best interests of the corporation.

INCORPORATING UNDER THE LAWS OF NEVADA.

Any number of persons, not less than three, may associate to establish a corporation for the transaction of any lawful business.

The incorporators must make, sign and acknowledge articles of incorporation before some person competent to take acknowledgments to deeds. The articles must be filed and recorded in the office of the County Clerk of the county in which the principal place of business of the company is intended to be located, and a copy thereof, certified by the hand of the Clerk and the seal of said county, must be filed in the office of the Secretary of State of the State of Nevada.

The corporation must end with the name "incorporated," or any of the following: "Association, company, corporation, club, society or syndicate," and must contain substantially all of the particulars enumerated in Form No. 101; and such articles may also contain any other provisions which the incorporators may wish to insert for the regulation of the business or conduct of the affairs of the corporation, and any provision creating, defining, limiting or regulating the powers of the corporation, and the rights, powers or duties of the directors, or of the stockholders, or of any classes of stockholders, or of holders of bonds or other obligations of the Company, etc., not contrary to the laws of Nevada.

The fees for filing and recording the articles are about Sixteen Dollars, and the fees of resident agent, when the capital stock is less than \$500,000, is \$25 per annum.

Every corporation must maintain a principal office or place of business in Nevada, and an agent (a resident of Nevada) in charge thereof, and such agent must, at all times, have the original or duplicate stock ledger, and a copy of the articles of incorporation and of all amendments thereof, and a copy of all by-laws in force, in his office, for the use of parties interested in, or entitled to examine, same.

The Secretary of State, after the articles have been filed and recorded, and the fees therefor have been paid, issues a certificate of incorporation, and the persons so associating, their successors and assigns, constitute a body corporate from the date of such certificate.

The first meeting of incorporators must be called by a notice, signed by the incorporators named in the articles, designating the time, place and purposes of the meeting. Such meeting may be held within or without the State of Nevada. If given by publication, the notice must be published for two weeks in some newspaper at the principal place of business of the corporation; or such meeting may be called without publication, if two days' notice be served on all parties; or all of the incorporators and all persons who have become subscribers or stock-

holders since the date of the filing of the articles, may waive in writing service of notice, and fix a time and place for the meeting; and such written waiver may be inserted in the articles by the incorporators. At the first meeting, Directors or trustees must be elected and any other business, specified in the notice or waiver of notice, may be transacted. Before entering upon the discharge of their duties, the Directors must take and subscribe an oath, as prescribed by the laws of Nevada, to perform their duties faithfully.

By-laws should be adopted by the incorporators at the first meeting, and must be copied in a legible hand in a book called book of by-laws and do not take effect until so copied.

Every corporation must have a President, Secretary and Treasurer, to be chosen either by the stockholders or Directors. The President must be chosen from the Directors. The Secretary must be sworn to the faithful discharge of his duties. The corporation may have such other officers as the by-laws prescribe.

Note that in Section VIII of the Articles (Form No. 101) a blank space is left in which to insert whether or not the stock shall be subject to assessment. Unless provision is made in the original articles for assessment upon paid-up stock, no paid-up stock, and no stock issued as fully paid up, shall

ever be assessable or assessed, and the articles cannot be amended in this particular.

Nevada corporations can sue in, or remove causes to, the Federal Courts where the proper jurisdictional facts exist.

There is no annual tax on franchise or capitalization, and no stockholders' liability on paid-up stock.

FORM No. 101.—ARTICLES OF INCORPORATION — (NEVADA).

ARTICLES OF INCORPORATION

OF THE

..... MINING COMPANY.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the State of Nevada, and we hereby certify:

I.

The name of said corporation shall be the.....
Mining Company.

II.

That the purposes for which it is formed are:

1. To own, lease, buy, sell, locate, acquire, prospect, develop and operate mines and mining claims.
2. To own, construct, erect, purchase, lease, operate and maintain all and every sort of device, machinery, stamp mills, smelting, reduction and metallurgical works for

treating ores, bullion, mattes and the products of metallurgical operations.

3. To buy, sell, lease and otherwise acquire all needed or proper means of transportation for transporting ores, bullion, mattes and the products of metallurgical operations.

4. To buy, sell and deal in the shares, interests, stocks and securities of other corporations, and to do a general merchandise business, so far as the same may be of advantage or germane to the general business and objects of our said corporation.

5. To acquire titles to and purchase, sell, lease and otherwise secure, obtain, hold and control lands and buildings, and any and every sort, kind and description of real and personal property, water and water rights, useful or advantageous to the business and objects of our said corporation.

6. To create and transmit power, and to buy, sell, lease or otherwise dispose of the same.

All in the State of Nevada, or elsewhere.

III.

That the place where the principal business of said corporation is to be transacted is at No. 202 Virginia street, in the City of Reno, County of Washoe, State of Nevada; and that the agent of said corporation, resident in the State of Nevada, is the "Nevada Agency and Trust Company," located at said address.

IV.

That no period is limited for the duration of the existence of said corporation, but that the same shall exist perpetually.

V.

That the amount of the capital stock of said corporation is.....dollars, and the number of shares into which it shall be divided is.....of the par value of.....each.

VI.

That the amount of said capital stock which has been actually subscribed is.....dollars.

VII.

That the names and postoffice addresses and residences of each of the original subscribers to the capital stock of said corporation, and the amount subscribed by each, are as follows, to wit:

SUBSCRIBERS	RESIDENCES AND POSTOFFICE ADDRESSES	AMOUNT SUBSCRIBED
-------------	--	----------------------

VIII.

That the capital stock, after the amount of the subscription price or par value has been paid in, shall.....be subject to assessment.

IX.

That the members of the governing board of said corporation shall be styled directors, and the number of said directors shall be.....

IN WITNESS WHEREOF, we have hereunto set our hands and seals this.....day of....., A. D. 19.....

.....[SEAL]

State of..... } *ss.*
County of..... }

On this.....day of....., A. D. 19....., before me,, a Notary Public in and for said County of....., personally appeared.....known to me to be the persons whose names are subscribed to and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

.....,
Notary Public in and for the County of....., State of

State of Nevada, } *ss.*
County of Washoe. }

I,....., County Clerk in and for Washoe County, State of Nevada, do hereby certify that the foregoing is a full and correct copy of the original Articles of Incorporation of the.....which now remains on file and recorded in my office in Reno in said county.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Reno, this.....day of....., A. D. 19.....

....., Clerk.
By Deputy.

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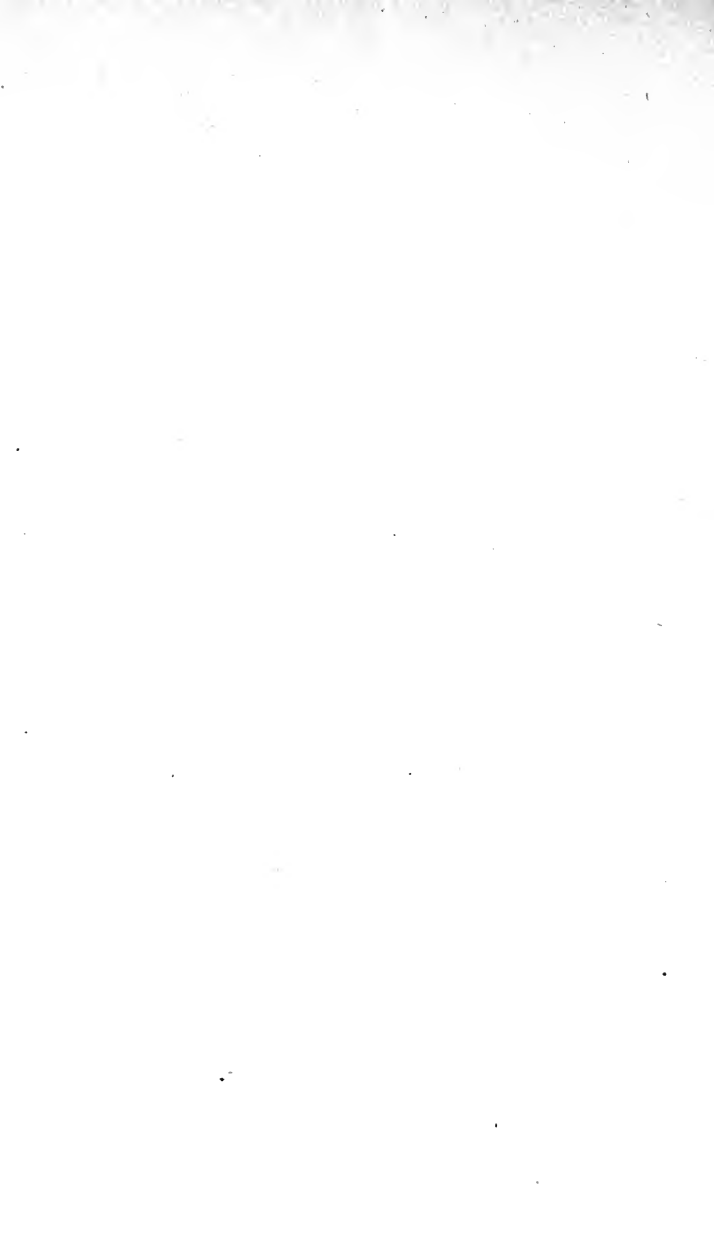
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