



CHAPTER 105

An Act to amend the charter of Crédit Foncier Franco-Canadien

[Assented to 22 June 1979]

Preamble. WHEREAS it is in the interest of Crédit Foncier Franco-Canadien, incorporated by chapter 60 of the statutes of 1880, amended by chapter 84 of the statutes of 1882, chapter 62 of the statutes of 1884, chapter 74 of the statutes of 1900, chapter 99 of the statutes of 1907, chapter 82 of the statutes of 1944, chapter 148 of the statutes of 1953/1954 and by chapter 94 of the statutes of 1962, that its charter be amended;

Therefore, Her Majesty, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1880, c. 60,
preamble
struck out.

1. The Act to incorporate the “*Crédit Foncier Franco-Canadien*” (1880, chapter 60) is amended by striking out the preamble.

Name
changed.

2. The name given to the corporation in section 1 of the said act is changed to “Crédit Foncier”.

1880, c. 60,
s. 2,
replaced.

3. Section 2 of the said act, amended by section 1 of chapter 84 of the statutes of 1884 and replaced by section 1 of chapter 82 of the statutes of 1944, by section 1 of chapter 148 of the statutes of 1953/1954 and by section 1 of chapter 94 of the statutes of 1962, is replaced by the following section:

Objects.

“2. The objects of the corporation shall be:

(a) to loan, upon hypothec, sums of money, repayable either at long date, by annuities, or at short date, with or without a sinking fund;

(b) to loan, upon the security of hypothecary or privileged claims, sums of money, repayable either at long date, by annuities, or at short date, with or without a sinking fund;

(c) to loan, upon hypothec or otherwise, to municipal and school corporations, to *fabriques* and trustees for the construction or repair of churches, such sums of money as they may be authorized to borrow, and repayable either at long date, by annuities, or at short date, with or without a sinking fund;

(d) to acquire, by subrogation, transfer and sale, and to cede and transfer hypothecary or privileged claims;

(e) to perform all operations intended for the development of loans upon immoveables;

(f) to purchase, hold or resell public securities, bonds or debentures issued or guaranteed by the Government of Canada or of any province of Canada, by municipal or school corporations or by parish trustees, by the United States of America or any state of that country or by any country where the corporation carries on its activities, or any province or state of that country;

(g) to purchase, subscribe for, hold or resell

i. bonds or debentures of any association, company or corporation organized under the laws of Canada or of any province of Canada, as well as shares, bonds or debentures of any real estate or mortgage loan association or company constituted under the laws of France or of Canada or of any province of Canada, of any association or company constituted outside Canada carrying on activities similar to those of the corporation and, with the prior approval of the *Ministre des consommateurs, coopératives et institutions financières*, of any association or company incorporated to carry on the business ancillary to the business of the corporation;

ii. shares of any other association, company or corporation organized under the laws of Canada or of any province of Canada, on condition, however, that, at the time of their acquisition, their price, added to the price of acquisition of all other shares contemplated by this subparagraph and then held by the corporation, be not in excess of ten per cent of the total assets of the corporation as entered in the balance sheet of the last financial year certified by the auditor; to exercise all rights pertaining to securities contemplated by this paragraph, to manage and administer, through administrators named by the board of management or board of directors, the business of such associations, companies or corporations, or participate in such management or administration;

(h) to participate, in Canada, in the development of workmen's communities or the improvement of urban districts."

1880, c. 60,
s. 3,
replaced.

4. Section 3 of the said act, replaced by section 2 of chapter 84 of the statutes of 1882, amended by section 1 of chapter 62 of the statutes of 1884 and replaced by section 2 of chapter 148 of the statutes of 1953/1954, is replaced by the following section:

Head office. **“3.** The head office of the corporation shall be in the City of Montreal.”

1880, c. 60, heading replaced. **5.** The heading preceding section 5 of the said act, which reads “Capital Stock. — Shares. — Instalments.”, is replaced by the following heading: “Capital Stock”.

1880, c. 60, s. 5, am. **6.** Section 5 of the said act, replaced by section 4 of chapter 148 of the statutes of 1953/1954 and by section 2 of chapter 94 of the statutes of 1962, is amended by inserting, after the fourth paragraph, the following paragraph:

Increase of the capital stock. “In addition, the directors of the corporation may make a by-law to increase the capital stock of the corporation by creating shares contemplated in section 142 of the Companies Act (Revised Statutes, 1964, chapter 271). Such a by-law is subject to the procedure established in sections 151 to 153 of the said act.”

1880, c. 60, heading replaced. **7.** The heading preceding section 23 of the said act, which reads “Management of the Corporation.—Section 1.—Board of Management.”, is replaced by the following heading: “Board of Directors”.

1880, c. 60, s. 23, replaced. **8.** Section 23 of the said act, amended by section 6 of chapter 62 of the statutes of 1884, is replaced by the following section:

Board of management. **“23.** The corporation shall be managed by a board of management or board of directors composed of eighteen directors.”

1880, c. 60, heading replaced. **9.** The heading preceding section 61 of the said act, which reads “Of Loans and Other Transactions”, is replaced by the following heading: “Loans”.

1880, c. 60, s. 62, replaced. **10.** Section 62 of the said act is replaced by the following section:

Hypothecary loan. **“62.** The amount of any hypothecary loan shall not exceed seventy-five per cent of the value of the real estate securing payment of it, less the other debts secured on the same real estate and ranking equally with or ahead of the corporation’s claim unless the excess value of the real estate securing payment of the loan over seventy-five per cent of such value, less the other debts secured on the same real estate and ranking equally with or ahead of the corporation’s claim, is guaranteed or assured by the Province of Québec, any province of Canada, Canada or a country where the corporation carries on business, the Central Mortgage and Housing Corporation, the Société d’habitation du Québec, or

an hypothecary insurance policy issued by an insurance company holding a licence.

Loans to employees.

However, with respect to loans granted by the corporation to its employees under the Special Corporate Powers Act (Revised Statutes, 1964, chapter 275), the limit shall be fixed by the board of management or board of directors."

1880, c. 60, heading replaced.

11. The heading preceding section 92 of the said act, which reads "Obligations or Bonds. — Section I. — General Provisions.", is replaced by the following heading: "Borrowing".

1880, c. 60, s. 92, replaced.

12. Section 92 of the said act, replaced by section 16 of chapter 62 of the statutes of 1884, is again replaced by the following section:

Powers of the directors.

92. The directors may, whenever they deem it expedient:

(a) borrow money upon the credit of the corporation;

(b) issue debentures or other securities of the corporation, and pledge or sell the same for such sums and at such price as may be deemed expedient;

(c) notwithstanding the Civil Code, hypothecate, mortgage or pledge the moveable or immoveable property, present or future, of the corporation, to secure any such debentures or other securities, or give part only of such guarantee for such purposes; and constitute the hypothec, mortgage or pledge above mentioned, by trust deed, in accordance with sections 23 and 24 of the Special Corporate Powers Act (Revised Statutes, 1964, chapter 275) or in any other manner;

(d) hypothecate or mortgage the immoveable property of the corporation, or pledge or otherwise affect the moveable property of the corporation, or give all such guarantees, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the corporation."

1880, c. 60, s. 111, replaced.

13. Section 111 of the said act, amended by section 29 of chapter 84 of the statutes of 1882 and replaced by section 3 of chapter 74 of the statutes of 1900, by section 2 of chapter 99 of the statutes of 1907 and by section 22 of chapter 82 of the statutes of 1944, is replaced by the following section:

Acquisition of real estate.

111. The corporation may acquire and possess such real estate as may be necessary for the administration of its affairs.

Lease.

It may lease, hypothecate and sell such real estate.

Hypothecated immoveables.

It may also, for the protection of its investments, purchase and retain the immoveables hypothecated in its favour.

Repairs. It may repair, improve, alter, enlarge or reconstruct buildings existing on immoveables so acquired and erect new constructions thereon if they are not built upon.

Lease. It may also, at its option, lease such immoveables, exchange them or realize upon them in its best interests."

1880, c. 60,
s. 105a,
replaced. **14.** Section 105a of the said act, enacted by section 23 of chapter 82 of the statutes of 1944, is replaced by the following section:

Acquisition
of real
estate. **"111a.** The corporation may also acquire any other real estate which it may need to develop the real estate which it has already acquired."

1880, c. 60,
heading
replaced. **15.** The heading preceding section 121 of the said act, which reads "Dissolution and Liquidation of the Corporation.", is replaced by the following heading: "Other Loans and Investments".

1880, c. 60,
s. 121,
replaced. **16.** Section 121 of the said act, amended by section 22 of chapter 62 of the statutes of 1884 and replaced by section 40 of chapter 148 of the statutes of 1953/1954, is again replaced by the following section:

Loans and
invest-
ments. **"121.** The corporation may grant loans and make investments, including investments in real estate, that are not authorized by sections 2, 111 and 111a, provided that the book value of such loans and investments does not exceed seven per cent of the book value of the total assets of the corporation, subject to section 62."

Rights and
obligations
unchanged. **17.** The change of name made by section 2 does not entail any changes to the rights and obligations of the corporation and proceedings to which it is a party may be continued under its new name without procedure by way of continuance of suit.

Term of the
directors. **18.** The term of the directors in office at the time of the coming into force of this act ends at the first annual general meeting of shareholders held after that time.

Sections
repealed. **19.** The following are repealed:

(a) sections 8, 9, 12 to 22, 24 to 32; Section II of Title Fifth, entitled "Paris Committee." and sections 33 and 34 of that Section; Section III of the same title, entitled "The Censors.", including sections 36 to 39; Section IV of the same title, entitled "Management in this Province."; sections 42 to 48; Title Sixth, entitled "General Meetings.", including sections 49 to 60; sections 65, 68,

70 to 73, 76; Title Eighth, entitled "Proceedings upon Applications for Loans"; sections 91, 100; Section II, entitled "Real Estate Obligations." and Section III, entitled "Special Obligations." of Title Ninth; Title Eleventh, entitled "Inventories and Annual Statements of Account."; sections 112 and 113; Title Twelfth, entitled "Division of Profits.—Reserve Fund and Provident Fund."; sections 114 to 117; Title Thirteenth, entitled "Of the Rules or Regulations."; sections 118 and 119; Title Fourteenth, entitled "Dissolution and Liquidation of the Corporation." and sections 123 to 125 of that title; Title Fifteenth, entitled "Organization and Final Constitution of the Corporation." and Title Sixteenth, entitled "Privilege.", including section 127 of chapter 60 of the statutes of 1880;

(b) sections 3 to 8, 11 to 28, 30 and 31 of chapter 84 of the statutes of 1882;

(c) sections 3, 5, 7 to 17, 19 and 20 and Schedule A of chapter 62 of the statutes of 1884;

(d) sections 1 and 2 of chapter 74 of the statutes of 1900;

(e) sections 3 to 21 and 24 to 26 of chapter 82 of the statutes of 1944;

(f) sections 7, 8, 11 to 21, 23, 26 to 38 and 42 of chapter 148 of the statutes of 1953/1954;

(g) sections 3 to 8 of chapter 94 of the statutes of 1962;

(h) sections 62, 68, 71, 73, 92, 93, 103 and 104 of chapter 60 of the statutes of 1880, amended by the resolution annexed thereto, and that resolution.

Coming
into force.

20. Except section 2, which will come into force on 1 July 1980, this act comes into force on the day of its sanction.

SCHEDULE

[Translation]

Extract from the minutes of the general meeting of the shareholders of *Crédit Foncier Franco-Canadien* held in Paris on 24 April 1956

SECOND RESOLUTION

On a motion of the Board of Management, the General Meeting decides that it is expedient:

(1) to amend as follows the provisions contained in sections 62, 68, 71, 73, 92, 93, 103 and 104 of the corporation:

Old Text	New Text
TITLE VII	
Section 62	Section 62
The corporation shall lend to proprietors of immoveables only on first hypothec, constituted seigniorial rents and equivalent ground rents being alone excepted.	no change
Loans, by which debts already registered are to be repaid, shall be considered as made on first hypothec, when, by the fact of such payment or the subrogation made in favor of the corporation, the hypothec so created shall be the first and without concurrence.	no change
In such cases, the corporation shall keep in its possession sufficient funds to meet such payment.	no change
Section 68	Section 68
The annuity, as well of long as of short date loans, stipulated in the contract of loan, shall include:	This provision does not, however affect the validity of hypothecs.
Section 68	Section 68
The annuity, as well of long as of short date loans, stipulated in the contract of loan, shall include:	The annuity stipulated in the contract of loan may include:
Section 68	Section 68
1. Interest;	no change

2. The sinking fund, determined by the rate of interest and the duration of the loan; and may also include:

3. An annual allowance for cost of management, which can not exceed one per cent per annum of the principal loaned.

Section 71

Unless the contrary be stipulated between the parties, debtors shall have the right to discharge their debts before they become due, whether in whole or in part only.

Anticipated payments shall give rise to an indemnity in favor of the corporation, which shall not exceed three months interest on the capital repaid before coming due, at the rate stipulated for the loans.

Section 73

The borrower shall, likewise, inform the corporation, within the delay above mentioned, of any deterioration which the immoveable hypothecated may have suffered.

If the deterioration seriously affect the interests of the corporation, it may exact the repayment of the balance of the loan. In default of such notice, the repayment shall carry with it a right to the indemnity authorized by the last paragraph of section 71; when the borrower shall have given notice of the deterioration, the repayment shall be exacted without indemnity.

2. The sinking fund, determined by the rate of interest and the duration of the loan;

no change

Section 71

no change

Payments made in advance shall give rise to an indemnity in favour of the corporation, which shall be not less than three months' interest on the capital repaid before coming due, at the rate stipulated for the loans.

Section 73

no change

no change

The provisions of this section and of sections 70, 71 and 72 apply only in the absence of contrary provisions stipulated in the contracts of loan.

TITLE IX

Section 92

The corporation may create and issue obligations representing its operations.

Section 93

The obligations created by the corporation shall be subdivided into six categories:

1. Those redeemable at par, with a fixed term for redemption, without prizes;
2. Those redeemable with premiums at a fixed term for redemption, without prizes;
3. Those redeemable at par, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers without prizes;
4. Those redeemable at par, with a right to participate in prizes, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers;
5. Those redeemable with a premium, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers, without prizes;

TITLE IX

Section 92

no change

The terms and conditions of any debentures issued by the corporation shall be determined by the board of management or board of directors, by agreement with the Paris Committee.

Section 93

Without restricting the scope of the preceding, the corporation may, in particular, issue redeemable debentures, to wit:

1. at par, with a fixed term for redemption, without prizes;
2. with premiums, with a fixed term for redemption, without prizes;
3. at par, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers, without prizes;
4. at par, with a right to participate in prizes, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers;
5. with a premium, within a definite delay, without any period being fixed for their redemption before such delay, and by means of a drawing of numbers, without prizes;

6. Those redeemable at par, with a premium and a right to participate in prizes, within a definite delay, without a period being fixed for their redemption before such delay, and by means of a drawing of numbers.

The board of management shall determine the duration of the delay and the date of the drawings.

Section 103

The obligations shall be represented by documents of evidence taken from a register with a counter-foil.

They shall be signed by two directors and shall bear the seal of the corporation.

Section 104

The interest upon obligations, the premiums or prizes, and the sinking fund shall all be set forth upon the document of evidence.

(2) to add the following section 104(1):

Section 104(1)

6. at par, with a premium and a right to participate in prizes, within a definite delay, without a period being fixed for their redemption before such delay, and by means of a drawing of numbers.

no change

Section 103

The debentures shall be represented by documents of evidence which may be taken from a register with a counter-foil, numbered, stamped with the corporation's seal and unless otherwise ordered by the board of management or board of directors, signed by either two directors or by one director and a delegate of the board of management or board of directors; one of the signatures may be affixed by means of a signature stamp or printed at the same time as the document of evidence.

Section 104

The interest upon debentures, the premiums or prizes, and the terms and conditions of the sinking fund shall all be set forth upon the document of evidence.

Sections 94, 95, 96, 97, 98, 99, 101 and 102 are repealed, without prejudice to the acquired rights of the holders of debentures previously issued.

(3) to repeal the following sections respecting the procedure followed in applying for loans: 61, 63, 64, 66, 67, 69, 74, 75, 77 and 78 of Title VII, 79 to 90 inclusive, i.e. all of Title VIII of the statutes of the corporation.