

When any such sale has been made, all the rights, powers, authorities, and obligations of the company in respect of the undertaking sold shall be transferred to and vested in and may be exercised by and shall attach to the person or persons, corporation or company, to whom the same has been sold, in the same manner and to the same extent as such rights, powers, authorities, and obligations were previously vested in, exercisable by, and attached to the company.

10. The discontinuance in the working of an existing tramway for the space of three calendar months in pursuance of the powers conferred by the fifth section of this Act, or a resolution passed or order made for winding up a company for the purpose of effecting or facilitating such sale as is by the last preceding section authorised, shall not empower the council to remove or take possession of a tramway of the company under the provisions of the fifty-sixth section of the Principal Act. Powers of the council under section 65 of the Principal Act limited.

11. A company may at any time, with the consent of the Governor in Council and in manner prescribed by its memorandum and articles of association, purchase the undertaking of another company in relation to a tramway or any portion of such undertaking, from the company, mortgagee, or other person in lawful possession of the same, at such price and upon such terms and conditions as may be mutually agreed upon. Company empowered to purchase undertaking.

And when such purchase has been effected, all the rights, powers, authorities, and obligations of the last-mentioned company, mortgagee, or other person in respect of the undertaking purchased, shall be transferred to and vested in, and may be exercised by, and shall attach to the company which has purchased the same in the same manner and to the same extent as such rights, powers, authorities, and obligations were previously vested in, exercisable by, and attached to the company, mortgagee, or other person as aforesaid.

12. Where a company desires to work its tramway by means of motive power other than horses in the first instance, or to substitute other motive power in the place of horses in the working thereof, and has obtained the concurrence of the council in that behalf, the Governor in Council may by Order in Council, upon the petition of the company under its corporate seal, postpone the time limited by the eighty-fourth section of the Principal Act for the compulsory purchase of the tramway to any time not exceeding a period of twenty-five years from the date of the concurrence of the council in the working of such tramway by means of motive power other than horses: Power to postpone time for compulsory purchase.

Provided that the Governor in Council may, by the Order in Council, direct that such postponement shall not take place unless the company, within a period not exceeding three years from the date of the Order in Council, does all things necessary for working the tramway by the motive power, other than horses, for which the concurrence of the council has been obtained.

13. In the event of any such compulsory purchase as in the last preceding section mentioned being made subject to any existing mortgage the following consequences shall ensue, that is to say:— Effect of compulsory purchase on mortgage.

Thereupon—

- (1) The principal moneys and interest secured by any such mortgage shall cease to be a charge upon any of the property of the company, including its uncalled capital, other than that purchased by the council;
- (2) The company shall be absolutely discharged from all liability in respect of the principal moneys and interest secured by any such mortgage, and from all actions, suits, accounts, claims, and demands for or in respect of the same, or for or in respect of any such mortgage or anything relating thereto, anything in the twenty-fifth section of the Principal Act to the contrary notwithstanding;
- (3) The principal moneys and interest respectively secured by every such mortgage shall be a charge upon the property and revenues of the council so purchasing as aforesaid; and
- (4) Such council shall be liable for the principal moneys and interest secured by every such mortgage in the same manner as if an express covenant in that behalf had been inserted in every such mortgage on the part of and under the common seal of such council, and as if every such mortgage had been made or granted by such council instead of by the company.

14. No such compulsory purchase as in the last preceding section mentioned shall be deemed to constitute a breach of any covenant implied under the provisions of the fifteenth section of the Principal Act. Compulsory purchase not deemed breach of covenant implied in section 15 of Principal Act.

15. Every mortgage debenture issued or given by a company shall be in the form or to the effect of the Schedule to this Act, instead of in the form or to the effect prescribed by the Principal Act. Form of mortgage debenture.

And the First Schedule to the Principal Act is hereby repealed.

16. The