Term, five years; rent, £200 per annum. Tenant to pay all taxes and all repairs during the currency of lease, and to lay on gas, and paint or paper the principal rooms at his own expense; the furniture in the front drawing room, dining room, and hall, as specified in the list already furnished, together with the carpets and mirrors in the back drawing-room, and chief bed-rooms to be taken over at a valuation. One valuator appointed by each party, and an umpire, if necessary, by the two so

Tenant not to sublet or alter the plan of the ground without permission in writing from the

trustees.

Tenancy to commence on the 1st March next.

Valuation to be made during last week in January. The cottages can also be taken over at a yearly rent of £25 and taxes.

I have, &c., C. J. MILLS,

James Rattray, Esq.

On behalf of the Trustees and Mr. Biss.

Sub-Enclosure 2 to Enclosure 9 in No. 5. Mr. G. E. BARTON to Mr. C. Y. Biss.

Dunedin, 21st December, 1871. SIR, I am instructed by Mr. Chas. Nichols to communicate with you respecting Fernhill, which, by letter dated 12th December, 1871, you placed under offer to him of lease, which offer he forthwith accepted verbally. It is true that he, at the request of Mr. Mills, your agent, added to a written acceptance dated 13th December, 1871, which he gave that gentleman, the words, "the rent to date from 31st March;" but the understanding with Mr. Mills was, that the addition was only made for the purpose of his seeking to obtain your approval of it, and, if disapproved, the contract was to remain as it stood in your offer without any condition. Mr. Nichols was surprised at receiving from Mr. Mills, after the lapse of seven days, a letter treating this written acceptance as a conditional acceptance, and a departure from the terms of the original offer. Mr. Nichols has heard, but refuses to believe it possible, that during these seven days you were treating with the Provincial Government, and that when that negotiation turned out to your satisfaction, you elect to treat his acceptance of your offer as conditional, when it was in fact absolute. He prefers to believe that a misunderstanding has arisen, which Mr. Mills will be able to clear up—that when you find Mr. Nichols has fairly made a contract with you, you will abide by it. I hope you will view the matter in this light.

I see by a letter from you to Mr. Mills (a copy of which was sent to Mr. Nichols) that you are in the hands of a legal adviser, and perhaps you may have been advised that any verbal acceptance by Mr. Nichols is insufficient to bind the contract. I beg to refer you for information on this subject to the case of Allen v. Bennett, 3 Taunt. 169; Edgerton v. Matthews, 6 East, 307; and Champion v. Plummer, 1 N. R. 252; which will show that a verbal acceptance enables the party so accepting to enforce the contract. As to the statement at foot of the written acceptance, which you treat as a new condition, you will find it clear law that such writing, if not intended to be part of the contract, unless approved by you, will not be treated as such, and for this I refer you to the case of Pym v. Campbell, 6

El. and B. 370.

I write these particulars in the hope that by so doing litigation may be avoided, and that you will be advised so as not to compel a reference to the Court by Mr. Nichols to enforce his rights. I have, &c.,

C. Y. Biss, Esq.

G. ELLIOTT BARTON.

Colonial Architect.

No. 6.

Mr. W. H. CLAYTON to the Hon. W. GISBORNE.

Custom House, Dunedin, 22nd December, 1871. I have the honor to inform you that I last evening received official intimation from the Provincial authorities that the University Building would be placed at the disposal of the General Government in the event of a Session of the Assembly being held here.

It is also very probable that Fernhill will be taken by the Provincial Government as a residence

for His Excellency the Governor.

The Hon. Colonial Secretary.

Major Campbell leaves by the "Wellington" to-day, and takes with him a copy of the Superintendent's letter referring to the University Building.

I hope to complete my measurements, plans, and estimates in a few days; and hope to be in Wellington by the end of this month. I have, &c., W. H. CLAYTON,

No. 7.

ESTIMATE for Altering the University Building, Dunedin, into House of Representatives. PRINTER'S DEPARTMENT.

£ s. d. 232 superficial yards of asphalte at 2s. 6d. per yard 29 0 0 feet ½-inch lining to ceiling, P.W., at 20s. per 100 feet 210 0 3 17 yards distemper walls ... 6 3 0 0 2 ledge doors at 30s. ... 20Laying on gas ... 76 17