

such sums at the rate of £5½ per cent. per annum, and subject to the provision last aforesaid, such excess shall from time to time be divided as follows—viz., one-fourth to the Governor and three-fourths to the Contractors, until the Governor shall by means of such one-fourth have been repaid the whole of the sums paid by him as interest as aforesaid, together with simple interest on such sums at the rate aforesaid, and when from time to time, when all moneys paid by the Governor by way of interest as aforesaid, and interest thereon, shall have been repaid, the whole of such excess shall belong to the Contractors.

39. The Governor may, at any time within twenty years from the time when any railway, or any section thereof, shall have been completed, and after he shall have given twelve calendar months' notice of his intention so to do, purchase the right and interest of the Contractors in such railway or section, and the plant belonging thereto; and the Contractors will, in such case, sell the same to the Governor at a price to be agreed on between him and the Contractors, or, in case they shall not agree, to be determined by arbitration in manner hereinafter mentioned—viz., the price to be so paid being the total cost of such railway section or sections as it shall then appear by the said capital account to be so made up, and when approved as aforesaid, after making a deduction from such total cost of the amount by which such railway section or sections, and the plant belonging thereto, shall have deteriorated in value through wear and tear or want of repair since the same was or were made or supplied respectively.

40. Upon the expiration of the said notice the lease of the said railway, or section or sections, as the case may be, shall cease and determine, and the Contractors will give to the Governor peaceable possession of the said railway, or section or sections, and of the plant belonging thereto, and of all plans, sections, specifications, books, papers, and documents relating to the same, which it shall be necessary or desirable for the Governor to have or possess for use or reference.

41. The Governor will, within twelve calendar months after the making of the agreement or award as to the price to be paid for the right and interest of the Contractors in the said railway, or section or sections, and plant, pay the said price to the Contractors in England, and thereupon the said half-yearly payment of interest shall cease.

42. The Governor may retain or deduct out of any moneys in his hand belonging to the Contractors, or out of any moneys payable by the Governor to the Contractors, all sum and sums of money payable to the Governor by the Contractors under or by virtue of these presents.

43. All payments under these presents shall, except where it is otherwise expressed, be made in New Zealand.

44. Wherever in these presents the Governor, Colonial Treasurer, or Minister, or any other person holding an official situation, is referred to, the Governor, Colonial Treasurer, Minister, or person holding such situation for the time being shall be understood; and whenever by these presents the Governor, Colonial Treasurer, or Minister, is authorized or empowered to exercise any power, or do any act whatsoever, the Governor, Colonial Treasurer, or Minister, as the case may be, may from time to time authorize any other person or persons to exercise such power or do such act; and any power or act exercised or done by such person or persons within the scope of such authority shall have the same effect as if exercised or done by the person by whom they shall have been so authorized; and these presents shall be read as referring to such person or persons.

45. Any notice, request, declaration, or direction, to be given or made by the Governor, Colonial Treasurer, Minister, or any person acting on behalf or by the direction of them, may be given to the reputed agent of the Contractors for the time being in New Zealand, by delivering the same to him or leaving the same at his last known place of residence there, or, if there be no such agent, may be given or made by publishing the same in the *New Zealand Gazette*; and any notice, request, declaration, or direction so given, or made, or published respectively, shall have the same effect to all intents and for all purposes as if it had been given or made to the Contractors personally on the day when the same was so given, or made, or published respectively.

46. In case the Governor or the Minister, as the case may be, and the Contractors shall not agree as to the probable prime cost of making the railways respectively, or as to any schedule of prices, or as to the time or times within which the railways, or any of them, or any part thereof, are to be made, or as to the amount to be added to or deducted from "the agreed cost" in respect of any such deviation, diminution, addition, or substitution hereinbefore mentioned, or as to the price to be paid for the purchase of the right and interest of the Contractors in the said railway respectively, or the plant belonging to the same, or in case any dispute or difference whatsoever shall arise between the Governor, or Minister, or Colonial Treasurer, or the Engineer in England, referred to in clause 16 of these presents, and the Contractors in the carrying out of these presents, and whether it shall or shall not have been expressly hereinafter provided that in case the parties shall not agree, the matter shall be determined by arbitration, every such matter as to which they shall not agree, dispute, or difference, shall be settled by arbitration, to be conducted in New Zealand, except as regards the said clause No. 16, as to which any arbitration shall be conducted in England; and for the purposes of this portion of these presents, any matter of disagreement, dispute, or difference between the Minister or Colonial Treasurer, or the said Engineer in England and the Contractors, shall be deemed a matter of disagreement, dispute, or difference between the Governor and the Contractors; and unless the Governor and the Contractors shall unite in the appointment of a single arbitrator, the Governor and the Contractors shall each appoint an arbitrator; and if either party shall for thirty days after receiving a request from the other party to appoint an arbitrator fail to do so, or to give notice of the appointment to the party from whom he received such request, then the arbitrator appointed by the party who shall have made such request may proceed to hear and determine the matter, dispute, or difference, and in such cases the award or determination of such single arbitrator shall be final. If each party shall appoint an arbitrator, such two arbitrators shall appoint a third arbitrator: but if they shall be unable to agree upon the choice of a third arbitrator, then the third arbitrator shall be appointed by such one of the Governors of any of the colonies of Australia, or of the Colony of Tasmania, as the Governor of New Zealand shall request, to appoint an arbitrator. The award or