

notices and orders for the company may be given to the company's engineer, or to any person who, from time to time, may appear to be the company's engineer; and if either the company's engineer or any of the workmen employed by the company shall be considered by the Government engineer incompetent, or shall misbehave himself, he shall be discharged, and may be excluded from the railway works.

15. The Government engineer may reject any materials which he considers unfit to be used or of a quality inferior to that mentioned in any specification, and may require any work to be undone and redone which has been done imperfectly.

16. All materials, rolling-stock, plant, machinery, engines, carriages, rails, tools, implements, fittings, fixtures, and all other goods and chattels of the company brought upon the railway works or the works contiguous thereto, and intended for the said railway, shall immediately thereupon become the property of Her Majesty the Queen.

17. The company shall be responsible for and make good all loss, injury, or damage to the land purchased or acquired for the construction of the said railway works, or to the owners or occupiers of any adjoining land or buildings, done by the company, its workmen or contractors, or which they might have prevented, until the completion of the works, and shall deliver up the said works in complete order and condition within the time aforesaid.

18. The Government engineer shall be the sole judge upon all matters relating to the construction, incidence, and consequences of any plans, elevations, sections, and specifications, and his certificates in writing shall, so far as they respectively extend, be binding and conclusive on the parties hereto, but he may from time to time, by any subsequent certificate, modify any preceding certificate.

19. Notwithstanding any such certificate, if any defect shall be afterwards discovered, or if anything afterwards shall be found to have been done not according to the specifications or contract, no further payment (if any shall be due) shall be made to the company until after two calendar months after such defective work shall have been replaced by new work as good as it ought to have been originally, and, if any defect shall be discovered within three months after the completion of the said works, the same shall be made as good as it ought to have been originally either by the company or other persons at the option of Her Majesty the Queen, and the costs thereof shall be paid by and recoverable from the company as liquidated damages.

20. If the company shall go into liquidation, whether voluntary or otherwise, or neglect, or fail, or become unable to proceed with the works as directed by the Government engineer, Her Majesty the Queen may, after a certificate from the Government engineer to that effect, get the works executed by such other persons as Her Majesty the Queen shall think fit, and the company and its assignees shall thereupon forfeit all claim to further payment under this contract, and the company or its assignees shall not be entitled to remove any plant, scaffolding, or tackle from the railway works until the same shall cease to be required by Her Majesty in the construction of the said works.

21. The Government engineer shall not give any certificate in respect of any work not done in all respects to his entire satisfaction, nor while the company fails to comply with any of his directions, or makes any delay in his opinion needless in proceeding with the works.

22. Her Majesty the Queen shall not be bound to make any payment to the company except upon the certificate of the Government engineer that the money is due and payable to the company.

23. Until this contract be performed, the Government engineer shall have the custody of all plans, elevations, sections, specifications, and schedule of prices, and of this present contract, on behalf of all parties concerned, and, when the contract shall have been performed, shall deliver the same to the Minister for Public Works.

24. All costs, damages, and expenses of and incident to the complete fulfilment of this contract on the part of the company shall be paid and borne by Her Majesty the Queen exclusively, it being the intention of the parties hereto that the company shall be reimbursed for all outlay in undertaking and completing the said railway from Putaruru to Rotorua.

25. These presents, or any article, matter, or thing herein contained, shall not be deemed to be binding on Her Majesty the Queen unless and until the same shall have received the sanction of the General Assembly of New Zealand during its next ensuing session.

26. Whenever any power, authority, or privilege is given by this agreement to Her Majesty, the same may be exercised or enforced by the Minister for Public Works for the time being, or by any Minister for the time being, acting for or on behalf of the Minister for Public Works.

27. If, during the continuance of this agreement, or at any time afterwards, any difference shall arise between Her Majesty the Queen and the company, or between Her Majesty the Queen and the assignees of the company, in regard to the construction of any of the articles herein contained, or to any act or thing to be made or done in pursuance hereof, or to any other matter or thing relating to this agreement, such difference shall be forthwith referred to arbitration in manner following, that is to say, each of the parties in difference shall appoint an arbitrator, and the two arbitrators so appointed shall, within fourteen days after the appointment of such one of them as shall be last appointed, appoint an umpire; but, if either of the parties in difference shall refuse or neglect to appoint an arbitrator for the space of fourteen days after being requested to do so by the other party, or shall appoint an arbitrator who shall refuse or neglect to act as such arbitrator, then the arbitrator chosen by the party making such request shall appoint an arbitrator on behalf of the party who is the arbitrator named by whom, shall refuse or neglect as aforesaid; and the award of the said two arbitrators or of their umpire, as the case may be, shall be final and conclusive between the parties, and the submission or reference to such arbitration may, on the application of either of the parties, be made a rule of the Supreme Court.